



Contracting Authority: EUROPEAN UNION

EU-CHINA SOCIAL PROTECTION REFORM PROJECT

**Guidelines
for the Call for Expression of Interest**

Budget line 19.100101

Deadline for submission of Note of Expression of Interest:

30.09.2013

IMPORTANT NOTE

PLEASE NOTE THAT THE AWARDING OF THE CONTRACT IS SUBJECT TO THE CONDITION OF THE ADOPTION OF THE FINANCING DECISION AND THE SIGNATURE OF THE FINANCING AGREEMENT

1. EU-CHINA SOCIAL PROTECTION REFORM PROJECT

1.1. BACKGROUND

Social protection reform in China was initiated in 1984 and has made encouraging progress since. The first national audit report on social security system posted by the National Audit Office in August 2012 stated that China has "basically" established a social security network on the foundation of 1) social insurance, 2) social assistance and 3) social welfare. By the end of 2011, notably (1) more than 1.3 billion people were covered by the social insurance schemes; (2) a full coverage of subsistence allowances existed for urban and rural people living in poverty and (3) 2.38 million elderly, disabled people and children were accepted by social welfare institutions.¹ China's new Social Insurance Law promulgated in 2010 made the Government responsible for basic social protection throughout the country².

The status quo of the social protection system in China, however, is marred by discrepancies. A major challenge will be the provision of an equitable social protection system to the rapidly growing number of new urban residents and ageing population. The excluded groups are and will continue to be a major policy concerns for maintaining social stability and for promoting social justice throughout the country.

Aiming at continuing the building and further development of an "inclusive" prosperous society in China, the Central government announced late 2012 to "make efforts" to phase a system for ensuring social equity that will feature "equal rights, equal opportunities and equal rules. Its 12th Five Year Economic and Development Plan (FYEDP) (2011-2015) prioritises the better livelihood and social benefits for the Chinese people and roll-out the social protection system to the whole population through a) expanding the rural pension scheme to 100% of the counties; b) increasing the coverage of pension schemes for urban residents by an additional 100 million participants to a total of 357 million participants; c) pooling the basic pension fund at national level; d) reforming the pension schemes for employees of public institutions and civil servants; e) pushing forward actively and steadily the investment and management of social security funds; f) improving the urban and rural minimum living social assistance system; g) expanding the coverage of health insurance from currently 94 to 97% of the total population; and h) actively and steadily pushing forward the urbanisation process from a current urbanisation rate of 47.5 to 51.5% by 2015³.

1.2. OBJECTIVES OF THE PROGRAMME AND PRIORITY ISSUES

The **global objective** of the project is to support China in further developing social equity throughout its society.

The **specific objective** of the grant is to bring the expertise from the EU MS Specialized Bodies who have the administrative power and technical expertise in the area of social protection to contribute to the improvement and inclusiveness of China's social protection system through strengthening the institutional capability for the following areas:

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

¹ http://news.xinhuanet.com/english/china/2012-08/02/c_131756413.htm

² <http://www.lawinfolchina.com/NetLaw/display.aspx?db=law&sen=rLdDdW4drhdDdWEDrdd5dWndr>

³ <http://wenku.baidu.com/view/b3e61d13a2161479171128dc.html>

The project's purpose will be pursued through the three fields of intervention (components):

Component 1: To support National Development and Reform Commission (NDRC) in **strengthening institutional capacity for social protection policy development and reforms.**

Component 2: To support Ministry of Finance (MoF) in **enhancing institutional capacity for financial management and supervision concerning social security funds.**

Component 3: To assist Ministry of Civil Affairs (MoCA) in **improvement of legal framework and policy enforcement for social assistance.**

Furthermore, through implementing interventions of the three components, it is expected to establish a mechanism of **EU-China high level policy dialogue on social protection reform** and to develop the **partnerships** between Specialized Bodies of the EU Member States (MS) and Government of China in social protection.

The comprehensive description of the project and its thematic priorities is provided in Annex A to this Guideline.

The project is regulated under the Development and Cooperation Instrument (DCI regulation No: 1905/2006) and the overarching objective of which is "promoting social cohesion as a priority policy of the relations between the Community and partner countries".

The project will be implemented through "direct centralised management" by the European Commission, through its Delegation to China, following the signature of a Financing Agreement with the Government of the People's Republic of China (GoC), through the Ministry of Commerce (MoFCOM).

The EU, in agreement with the GoC, has decided to implement the project through its Delegation to China and Mongolia on the basis of a single grant contract, which will be concluded between the EU and a consortium of public authorities and mandated bodies specialized in social protection as delivered in the EU Member States, following a direct award justified on the basis of Article 190 1. F of the RAP: "*For actions with specific characteristics that require a particular type of body on account of its technical competence, its high degree of specialisation or its administrative power, on condition that the actions concerned do not fall within the scope of a call for proposal*"

1.3. FINANCIAL ALLOCATION PROVIDED BY THE CONTRACTING AUTHORITY

The Delegation to China will launch a Call for expression of interest open to all 28 EU MS with a suspension clause before the adoption of the Commission decision. The EU Delegation to China will award a single grant contract to a consortium of public authorities and mandated bodies, specialized in social protection as delivered in the EU Member States.

Size of grants

The grant contract amount will be maximum **EUR 6.7 million.**

The Grant will be **100% financed by the EU.**

The operational duration of the Grant contract will be **48 months.**

The Government of China will provide an in-kind contribution (outside the EU grant) with a counter value estimated at EUR 1 million. The description of the Chinese in-kind contribution is provided under Section 2.1.6.

RULES FOR THIS DIRECT AWARD GRANT CONTRACT

These guidelines set out the procedure for the selection and the implementation of the actions financed under this Call for Expression of Interest.

The Commission is launching a call for Expression of Interest which is the **first stage** of the direct award procedure and with the aim of concluding a single grant contract with a consortium of the said EU Member States' specialised authorities and mandate bodies during the 1st quarter of 2014.

The EU Member States' national authorities will be required to submit individually their Note of Expression of Interest that indicate the interest of the EU MS specialized public authority and mandated body to participant in the implementation of the project, as a leader or just as a member of the consortium and the reason why by using the template for Expression of Interest provided in Annex B (max. 30 days as of the date of the information meeting).

If deemed appropriate, the Commission may call a meeting, for clarification purposes, with only the EU MS' organisations that have expressed their interests.

Second Stage: Further to receiving the Expression of Interest and verification of the Eligibility, a new deadline will be set by the EU Delegation for the submission of a single proposal **by the leader of the agreed consortium** that will subsequently emerge.

Eligible Applicants should decide internally among them in order to decide who would be the leader of the Consortium. The EU Delegation in Beijing will not interfere in the decision of the EU MS specialized bodies

The consortium should be representative of the EU and EU Member States' best practices in social protection (at policy and operational level) and be able to manage activities corresponding in scale and complexity with those for which the grant is made available.

Please note that the awarding of the contract is subject to the condition of the adoption of the Financing Decision and the signature of the Financing Agreement.

A single grant contract will be signed with the leader of the consortium (covering the cost of both the applicant leader and the co-applicant's eligible under the procedure described above).

The fulfilment of following criteria will be assessed by the Contracting Authority

1.4. ELIGIBILITY CRITERIA

There are three sets of eligibility criteria, relating to:

(1) the actors:

- The **applicant**, i.e. the entity submitting the application form (2.1.1),
- if any, its **co-applicant(s)** (where it is not specified otherwise the applicant and its co-applicant(s) are hereinafter jointly referred as the "applicants") (2.1.1),

(2) the actions:

Actions for which a grant may be awarded (2.1.4);

(3) the costs:

- types of cost that may be taken into account in setting the amount of the grant (2.1.5).

A single Grant contract will be awarded to a Consortium of Specialised Bodies in the area of social protection.

A significant number of public authorities or mandated bodies of the EU Member States should be part of the consortium.

Three organisations from different EU MS will be the minimum requirement to form a successful consortium in the area of social protection. Between them they must represent EU and EU MS policies and operational practices relevant to the "social protection".

1.4.1. Eligibility criteria for the Applicants: the leader of the consortium and its members-

In order to be eligible for a grant, the lead applicant of the consortium must:

- Be national of a Member State of the EU;
- Be public authorities⁴ or mandated bodies⁵, specialised in social protection as delivered in the EU Member States with exclusive technical competence, high degree of specialisation or administrative power to build a long-term cooperation with the GoC in the proposed area of cooperation;
- Be able to demonstrate its active involvement in the design and/or implementation of the EU and national policies and/or operations related to social protection within the European Union and at the international level;
- Be able to demonstrate experience and capacity (including to deploy the necessary human resources in Europe and in China) to manage activities corresponding in scale and complexity with those for which the Grant is made available;
- Have the characteristics required for the successful implementation of the project;
- Be able to act with and coordinate among partners (members of consortium);
- Be directly responsible for the preparation and management of the project with other members of the consortium, not acting as an intermediary.

The lead applicant of the consortium represents and acts on behalf of other members of the consortium and coordinates the design and implementation of the project. In order to be eligible, each member of the consortium must meet all criteria in Section 2.1.1.

The potential applicant may not participate in calls for proposals or be awarded grants if it is in any of the situations listed in Section 2.3.3 of the Practical Guide to contract procedures for EU external actions (available from the following Internet address:

http://ec.europa.eu/europeaid/work/procedures/implementation/index_en.htm);

In the grant application form, each member of the consortium will be required to declare that they do not fall into any of these situations.

1.4.2. Eligibility criteria for co-applicant(s)

⁴ Ministries and agencies in charge of social affairs

⁵ A mandated body is defined as a public or semi public body with responsibilities in the field of social protection, to which the Member States mandate to implement the action under the same conditions as they were part of the administration.

The consortium may act individually or with co-applicant(s) as specified hereafter:

Other public or semi-public bodies (identified by Member States administration) can be considered as co-applicants provided that they fulfil the following 5 criteria:

- Having proven competence in the project's relevant field of administrative co-operation;
- Being a non-profit structure, having non-commercial business purpose;
- Public ownership;
- Being under the permanent and structural supervision of a government authority;
- Having a sufficient and proportional level of permanent staff, commensurate with the requirements of the project so as to avoid the need to subcontract or temporarily hire experts for carrying out assignments related to the project.

Semi-public co-applicants should not be used as umbrella organisations to include the participation of private sector experts (or experts of NGOs) into the implementation of the project through limited contractual assignments.

Co-applicant(s) participate in designing and implementing the project, and the costs they incur are eligible in the same way as those incurred by the applicant.

Co-applicant(s) must satisfy the eligibility criteria as applicable to the applicant himself.

Co-applicant(s) may not participate in calls for proposals if it is in any of the situations listed in Section 2.3.3 of the Practical Guide to contract procedures for EU external actions (available from the following Internet address:

http://ec.europa.eu/europeaid/work/procedures/implementation/index_en.htm);

1.4.3. The characters and roles of consortium

According to the Practical Guide to Contract procedures for EU external actions⁶ a "**consortium**" is defined as a grouping of eligible natural and legal persons or public entities which submits a tender or an application, under a tender procedure or in response to a Call for Proposals. It may be a permanent, legally-established grouping or a grouping which has been constituted informally for a specific tender procedure or Call for Proposals. All members of a consortium (i.e., the leader and all other partners) are jointly and severally liable to the Contracting Authority.

In order to maximise the European expertise in social protection with different models from the Member States and to coincide with the social political conditions of China, a significant number of public authorities or mandated bodies of the EU Member States should be part of the consortium.

Three organisations from different EU MS will be the minimum requirement to form a successful consortium in the area of social protection. Between them they must represent EU and EU MS policies and operational

⁶ http://ec.europa.eu/europeaid/work/procedures/implementation/practical_guide/documents/2010_prag_en.pdf

practices relevant to the "social protection" (social security/insurance, social assistance and social security funds management)

The consortium should be composed in such a way as to allow for the achievement of the project's objectives and expected results in the most efficient manner.

Each member of the consortium will have a precise and clearly identified role.

Under the leadership of the leader of the consortium, the consortium members will be responsible for the design and implementation of the grant and the costs they incur will be equally eligible.

The European Union will conclude a contract with the leader of the consortium only.

This is of no prejudice to the obligation of all members to actively contribute to the implementation of the grant contract.

The leader and all the other members of the consortium will be required to draw up a written agreement defining the technical responsibilities and the financial rights and obligations of each consortium member.

At the stage of the submission of the Grant Application Form, each member will be required to sign and date an individual "application form" and "Mandate for Co-Applicants".

The Consortium Leader will, when writing the proposal in close consultation with Specialized Bodies from EU Member States as well as with NDRC, MoF and MoCA in China, prioritize, narrow down and clearly specify the results and activities in the proposal, in accordance with the overall objective and the purpose of the project. It is strongly recommended that the representatives of consortium shall visit the key counterparts in China during preparation of the proposal.

After the signature of the grant contract, the consortium shall be referred to as Grant Beneficiary or Grantee.

The consortium will ensure that the project should be mainly carried out through the experts of Member States Specialised Bodies and minimise sub-contracting.

The consortium will be fully responsible for the implementation of the project and will set up a project implementation team in Beijing, China.

The consortium will implement the project in close cooperation and consultation with the project counterparts (NDRC, MoF and MoCA) and the relevant stakeholders, and be in consultation with the relevant services of the Commission, EU Member States as well as international and domestic agencies responsible for social affairs.

The three project components, focusing on different strategic areas, request the participation of different Ministries of China (NRDC, MoF, and MoCA, etc.). Given the rapid social and economic development in China, the consortium shall review and modify, if necessary, the action plan annually in close consultation with those Chinese counterparts. The progress reports prepared by the consortium should also be reviewed and commended by the counterparts.

In order to achieve the overall project objectives and to facilitate the coordination of the different components of the project, a functioning inter-component consultation mechanism will be put in place. Accordingly, a **Project Advisory Committee (PAC)** will be set up to supervise and support the implementation of the project, in accordance with the implementation modalities of a grant contract and to ensure effective coordination among the key Chinese stakeholders of the three project components.

A representative of MoFCOM and of the EU Delegation will chair the PAC. Membership will include at least one representative of each Chinese partner institution, namely of NDRC, MoF and MoCA, other relevant Chinese Government agencies and at least two representatives of EU institutions and/or EU Member States. Other stakeholders, including the representative of Grantee, will be invited to participate. The PAC will meet at least once a year. Other formal or informal gatherings of the PAC will be organized as needed by consent among co-chairs.

The responsibilities of the PAC will be to:

- provide policy guidance;
- provide counsel on project work;
- assist in facilitating overall project implementation;
- provide counsel on annual progress report and recommend on review of annual action plan;
- recommend new directions where appropriate;
- assist in coordination among three components;
- identify and suggest to the project management board potential synergies between its mission and other relevant initiatives.

The management structure foresees that there will be full-time Managers for the implementation of each of the three project components, who will assist NDRC, MoF and MoCA also in the horizontal coordination between those components.

NDRC, MoF and MoCA will each nominate a Coordinator or Liaison Officer, who will be the regular contact point for the project and in charge of coordinating intra-agency management and implementation for each of the three project components. NDRC will play the role of coordination between three components/ministries and nominate a full time overall Coordinator, who could be one of the above.

The EU Delegation and MoFCOM will supervise the interconnections and overall direction of the three components.

1.4.4. Involvement of organisations outside the consortium

The following can be involved in the implementation of the project outside the consortium. They do not have to sign the “Partnership Statement” and are not required to comply with the eligibility criteria set out for the leader and the members. Nevertheless, they will operate under terms of references agreed with the consortium.

- Associates

Other organisations may be involved in the action. Such associates play a real role in the action but may not receive funding from the grant with the exception of per diem or travel costs. Associates do not have to meet the eligibility criteria referred to in section 2.1.1 and 2.1.2 (above). The associates have to be mentioned in the Grant Application Form and they must sign "association declarations".

- Contractors

The grant beneficiary (consortium) has the possibility to award contracts. Contractors are neither members nor associates, and are subject to the procurement rules set out in Annex IV to the standard grant contract.

1.4.5. Eligible actions: actions to be included in the proposal

Definition:

An action is composed of a set of activities.

Duration

The initial planned duration of an action is **48 months**.

Sectors or themes

Social Protection focusing on social protection policy development, social security funds management and social assistance legal framework development.

Location

Actions must take place in China. A limited number of activities can take place in Europe.

Types of activity

Types of activity which may be financed under this call. The following is a non exhaustive list of activities to be covered by the action.

1. Exchange of best practices and experience in the social protection field of the EU MS.
2. Base-line study/situation analysis of existing progress, practices, status quo of the corresponding aspects to identify the issues to be addressed by the project and to set up targets as well as the monitoring and evaluation indicators.
3. Technical studies and researches, conducted by the EU and Chinese experts on introducing relevant EU experience/best practices, analyzing key challenges of the social protection reform in China and assessing the on-going pilot reforms related to the project, aiming at providing proposals/solutions for improving Chinese policies accordingly.
4. Limited number of intensely prepared and subsequently followed-up study assignments to Europe for high level policy makers at both central and provincial levels to exchange and discuss with European policy makers on topics and themes related to the scope of the project.
5. A small but relevant number of tailored specialized trainings in Europe for government officials, who are responsible for initiating policy design, including work with European institutions and the possibility to engage in person with European counterparts.
6. Seminars, workshops and conferences to present the outputs/suggestions of studies/researches and to discuss how this can be reflected in policy-making. To follow-up on those discussions.
7. Annual high level EU-China Round Tables on social protection, jointly held by the EU and NDRC, MoF or MoCA in China and selected EU Member States.
8. Piloting of project activities related to policy/strategy development at provincial level. Monitoring and stimulate replication of such pilots.
9. Policy trainings on relevant subjects in China to enhance the capacity building of policy makers both at central and local levels.

Visibility

Applicants must comply with the objectives and priorities and guarantee the visibility of the EU financing (see the Communication and Visibility Manual for EU external actions specified and published by the European Commission at http://ec.europa.eu/europeaid/work/visibility/index_en.htm)

1.4.6. Eligibility of cost that can be covered by the EU grant

Only 'eligible costs' can be covered by a grant. The categories of costs that are eligible and non-eligible are indicated below. The budget is both a cost estimate and a ceiling for 'eligible costs'.

The reimbursement of eligible costs may be based on any or a combination of the following forms:

- actual costs incurred by the Beneficiary(ies)
- one or more simplified cost options.

Simplified cost options may take the form of:

- **unit costs:** covering all or certain specific categories of eligible costs which are clearly identified in advance by reference to an amount per unit.
- **lump sums:** covering in global terms all or certain specific categories of eligible costs which are clearly identified in advance.
- **flat-rate financing:** covering specific categories of eligible costs which are clearly identified in advance by applying a percentage fixed ex ante.

The amounts or rates have to be based on estimates using objective data such as statistical data or any other objective means or with reference to certified or auditable historical data of the applicants. The methods used to determine the amounts or rates of unit costs, lump sums or flat-rates must comply with the criteria established in Annex K, and especially ensure that the costs correspond fairly to the actual costs incurred by the Grant Beneficiary (ies), are in line with their accounting practices, no profit is made and the costs are not already covered by other sources of funding (no double funding). Refer to Annex K for directions and a checklist of controls to assess the minimum necessary conditions that provide reasonable assurance for the acceptance of the proposed amounts.

The applicant proposing this form of reimbursement, must clearly indicate in worksheet no.1 of Annex B, each heading/item of eligible costs concerned by this type of financing, i.e. add the reference in capital letters to "UNIT RATE" (per month/flight etc), "LUMPSUM" or "FLAT RATE" in the Unit column. (see example in Annex K)

Additionally in Annex B, in the second column of worksheet no.2, "Justification of the estimated costs" per each of the corresponding budget item or heading the applicant must:

- describe the information and methods used to establish the amounts of unit costs, lump sums and/or flat-rates, to which costs they refer, etc.
- clearly explain the formulas for calculation of the final eligible amount⁷

identify the beneficiary who will use the simplified cost option, in order to verify the maximum amount per each beneficiary .

At contracting phase, the Contracting Authority decides whether to accept the proposed amounts or rates on the basis of the provisional budget submitted by the applicant, by analysing factual data of grants carried out by the applicant or of similar actions and by performing checks established by Annex K.

A maximum of 1 Million Euro will be financed using Simplified Cost Options (unit costs, lump sums or flat rates).

The mission costs related to the participation of **EU public sector staff** for the relevant project activities (meetings, seminars, workshops, missions) in Europe and China. In line with the provisions of Art 124 of the Financial Regulation, the mission expenses for the EU short term experts from the EU MS will be paid on the basis of Unit Costs.

The Unit Costs allocated to each staff will cover: a fix rate of 250 Euros (as defined in the Twinning Manual in force, available at the following link http://ec.europa.eu/enlargement/tenders/twinning/index_en.htm) as

⁷ Examples:- for staff costs: number of hours or days of work * hourly or daily rate pre-set according to the category of personnel concerned;- for travel expenses: distance in km * pre-set cost of transport per km; number of days * daily allowance pre-set according to the country;- for specific costs arising from the organization of an event: number of participants at the event * pre-set total cost per participant etc.

reimbursement rate per day worked and the per diem⁸ (maximum per diem in force at the time of signature of the contract).

Travel costs of **EU public sector staff** will be considered reimbursable costs estimated in the budget and invoiced at the actual incurred rate.

All costs related to salaries, travel and per diem for **international and Chinese experts and supporting staff recruited by the Consortium** for the project activities in Europe and China. Those costs must not exceed those normally born by the grant beneficiary or its partners, as the case may be.

Recommendations to award a grant are always subject to the condition that the checks preceding the signing of the contract do not reveal problems requiring changes to the budget (such as arithmetical errors, inaccuracies, unrealistic costs and ineligible costs). The checks may give rise to requests for clarification and may lead the Contracting Authority to impose modifications or reductions to address such mistakes or inaccuracies. It is not possible to increase the grant or the percentage of EU co-financing as a result of these corrections.

It is therefore in the applicant's interest to provide a **realistic and cost-effective budget**.

Eligible direct costs

To be eligible under the Call for Proposals, costs must comply with the provisions of Article 14 of the General Conditions to the Standard Grant Contract (see Annex G of the Guidelines).

Only 'eligible costs' can be covered by the EU grant. The categories of costs that are eligible and non-eligible are indicated below

.Eligible direct costs

- The mission costs related to the participation of **EU public sector staff** for the relevant project activities (meetings, seminars, workshops, missions) in Europe and China. In line with the provisions of Art 124 of the Financial Regulation, the mission expenses for the EU short term experts from the EU MS will be paid on the basis of Unit Cost. A maximum of 1 Million Euro will be financed using Unit Cost.
- The Unit Cost allocated to each staff will cover: a fix rate of 250 Euros (as defined in the Twinning Manual in force, available at the following link <http://ec.europa.eu/enlargement/tenders/twinning/index.en.htm>) as reimbursement rate per day worked and the per diem (maximum per diem in force at the time of signature of the contract).
- **A maximum of 1 million EUR will be covered by Simplified Cost Options (unit costs, lump sums or flat rates).**
- Travel costs of **EU public sector staff** will be considered reimbursable costs estimated in the budget and invoiced at the actual incurred rate.
- All costs related to salaries, travel and per diem for **international and Chinese experts and supporting staff recruited by the Consortium** for the project activities in Europe and China. Those costs must not exceed those normally born by the grant beneficiary or its partners, as the case may be.

⁸ Per Diem: The per diem is a flat-rate sum to cover daily subsistence costs. These include accommodation, meals, tips and local travel, including travel to and from the airport. Taxi fares are therefore covered by the per diem. When lunch or dinner is provided the provision for flat-rate of the per diem shall be decreased. Per Diem may be reimbursed for missions entailing overnight stays outside the normal place of posting

- In addition to the above, the following will be covered:
 - (a) All costs related to the project office and facilities in China for the purpose of the project: office rent, including furniture, equipment, utilities, daily operation costs, office and equipment maintenance
 - (b) Project activities in China (meetings, seminars, workshops, research trainings and other events): the cost for the production of materials (preparation, printing). The costs for catering in commercial hotels and EU visibility items
 - (c) Project Advisory Committee meetings in China: the cost for interpretation for international speakers.
 - (d) High Level round tables in China: the cost of the venue, equipment renting and catering for the event. The cost for translation and interpretation. The costs for production of materials and EU visibility items.
 - (e) High level round tables in Europe: the cost of the venue, equipment renting and catering for the event. The per diem for participants. The cost for transportation within the EU for all participants. The cost for translation and interpretation. The cost of production of the materials and EU visibility items.
 - (f) Project activities in Europe: the cost of the venue, equipment renting and catering. The cost of per diem for participants. The cost of transportation within the EU for all participants. The cost of interpretation for EU languages other than English and the cost of production of materials and EU visibility items.
 - (g) Documents translation: the cost of EU languages – Chinese and vice versa translation of regulations, legislations and highly specialized documents related to the project framework and option papers as well as study reports produced by the project experts.
 - (h) Costs arising directly from the requirements of the contract (dissemination of information, evaluation specific to the action, audit, translation, printing, insurance, etc.) including financial service costs (in particular the cost of transfers and financial guarantees).

The consortium shall take the measures to avoid double payment of public sector staff assigned to the action.

Contingency reserve

The budget may include a contingency reserve not exceeding 5% of the estimated direct eligible costs. It can only be used with the **prior written authorisation** of the Contracting Authority.

Indirect costs

No indirect costs will be eligible for financing under the grant contract as the action is foreseen to be fully financed by the contract.

Ineligible costs

The following costs are not eligible:

- The cost of the **public sector staff** based in Europe;
- debts and debt service charges;
- provisions for losses or potential future liabilities;
- costs declared by the grant beneficiary and covered by another action or work programme;

- purchases of land or buildings, except where necessary for the direct implementation of the action, in which case ownership must be transferred to the final beneficiaries of the action and/or local partners, at the latest at the end of the action;
- currency exchange losses;
- credit to third parties;

Contributions in kind

Contributions in kind mean the provision of goods or services to a Beneficiary(ies) free of charge by a third party. As contributions in kind do not involve any expenditure for a Beneficiary(ies), they are not eligible costs.

Contributions in kind may not be treated as co-financing. However, if the description of the action as proposed includes contributions in kind, the contributions have to be made

1.4.7. Costs which may not be covered by the EU grant as they are covered by the GoC as in-kind contribution (outside the grant)

The Chinese Government will provide an in-kind contribution, with a counter value estimated at EUR 1 million to cover the costs of participation of their officials and staff in the different project activities and normal operation cost in China. The contribution will cover:

- (a) All costs related to the participation of Chinese government officials, civil servants and staff employed in government administrations and national agencies assigned to tasks relevant to the scope of this project from Beijing and Chinese provinces (all administrative levels as relevant) in meetings, seminars, workshops, trainings and other project events in China;
- (b) All costs of office rent, including furniture, equipment, utilities, daily operation cost, office and equipment maintenance costs for Chinese nationals participating in the project.
- (c) All salaries related to the participation of Chinese nationals in the project;
- (d) All costs related to the participation of Chinese nationals in PAC meetings;
- (e) All costs of venues (including necessary equipment, interpretation, transportation, accommodation and catering costs) inside Chinese government offices, as well as inside of hotels and training centres run by the beneficiary agencies, for workshops, meetings, seminars, training sessions and other project events (except the annual high level round tables) in China;
- (f) The costs of English – Chinese (and vice versa) translation (except the regulations, legislations and highly specialized documents in related to the project framework, option papers and study reports produced by international experts);
- (g) For activities in the EU: expenses of all Chinese participants before arriving in Europe, national/international air tickets for China-EU round trip, cost of visa and insurance abroad and costs of English interpretation in Europe.

NDRC, MoF and MoCA will be responsible for facilitating constructive and effective co-operation of the concerned and other public authorities, as well as for ensuring the availability on the Chinese side the budget associated with this project.

1.5. HOW TO APPLY TO THE CALL FOR EXPRESSION OF INTEREST AND THE PROCEDURES TO FOLLOW

The registration in Potential Applicant Data On-line Registration (PADOR) is obligatory for this call for expression of Interest. Applicants and partners (except the ministries). Associates do not need to register in PADOR.

PADOR is an on-line database in which entities register themselves, obtain an identification number (EuropeAid ID) and regularly update their data. The detailed provisions for the use of PADOR can be consulted on: http://ec.europa.eu/europeaid/work/onlineservices/pador/index_en.htm

All the required and optional information to be filled in PADOR screen by screen for public bodies is attached in Annex B. For the entities that are already registered in PADOR, please ensure that the information uploaded in PADOR is up-to date.

Ministries do not need to register in PADOR and should use the EuropeAid ID and the Legal Entity File (LEF) of the State. If the EuropeAid ID and the LEF of the State is not known, a request to the PADOR Helpdesk (europaid-pador@ec.europa.eu) should be sent.

The EuropeAid ID needs to be provided together with the Expression of Interest.

1.5.1. Call for Expression of Interest

The first stage of the direct award procedure is to launch a call for Expression of Interest by the Commission with the aim of concluding the grant contract with a consortium of the said EU Member States' specialised authorities and mandate bodies during the 1st quarter of 2014.

The consortium should be representative of the EU and EU Member States' best practices in social protection (at policy and operational level) and be able to manage activities corresponding in scale and complexity with those for which the grant is made available.

1.5.2. Submission of the Notes of Expression of Interest

The EU Member States' national authorities will be required to submit their Note of Expression of Interest that indicate the interest of the EU MS specialized body to participate in the implementation of the project, as a leader or just as a member of the consortium and the reason why by using the template for Expression of Interest provided in Annex B (max. 30 days after the reception of the Guidelines)

Taking into consideration that only one Grant contract will be awarded the Contracting Authority has decided to verify the eligibility of the interested organisations on an early stage of the process. The Notes of Expression of Interest should be therefore accompanied by the supporting documents requested to verify the eligibility listed in section 2.4 and **Annex B**

The eligibility of the leader (applicant) and members (other applicants and co-applicants) of the consortium will be assessed according the criteria set out in this section and will be conducted by the EU Delegation through the PADOR (see section 2.2.).

Full transparency and information will be ensured.

1.5.3. Way forward- Second Stage

Following the Expression of Interest and verification of the Eligibility, A new deadline will be set by the EU for the submission of a single proposal **by the leader of the agreed consortium** that will subsequently emerge (max. 90 days as of the date of invitation).

Eligible Applicants should agree among them in order to decide who would be the leader of the Consortium. The EU Delegation in Beijing will not interfere in the decision of the EU MS specialized bodies

This single proposal should be submitted following the EU templates for Grant Application Form, including Budget, Logical framework, Partnership agreements and Association declarations signed by the members of the consortium (if any). Partnership agreements and Association declarations - duly signed - shall be enclosed.

The proposal will serve as a base for the negotiation of the grant contract. The signature of the contract should then follow the standard procedure for signature of grant contracts.

The awarding of the contract is subject to the condition of the adoption of the Financing Decision and the signature of the Financing Agreement.

1.5.4. Information meeting

After submission of the Notes of Expression of Interest, and if deemed appropriate, the interested EU Member States specialised agencies will be invited for a clarification meeting in Beijing .

During the meeting, the "EU-China Social Protection Reform Project" will be presented. During the same meeting the present Guidelines and other details related to the direct award procedure will be discussed.

To this purpose, interested parties are encouraged to submit their questions in writing to the dedicated functional mailbox Delegation-china-call-tender@eeas.europa.eu by **30th September.2013, 16 pm closure of business hours (Beijing time).**

Relevant questions, and the respective answers, will be collated and shared during the meeting in a presentation as basis for discussion. Any further clarifications provided during the meeting will be recorded in a document (i.e. minutes of meeting). This document is deemed to complement the provisions set out in these Guidelines.

1.5.5. Where and how to send the Note for Expression of Interest and the Proposal

The Notes for expression for interest and Applications must be submitted to the following address:

Delegation of the European Union to China and Mongolia

**Qian Kun Mansion D/4th Floor - No.6,
Sanlitun Xiliujie - 100027 Beijing - China**

by email to: Delegation-china-call-tender@eeas.europa.eu

First Stage: Submission of the Notes for Expression of Interest, Annex B and Supporting documents listed in section 2.4

Second Stage: **The relevant documents will be sent to the Consortium.**

The full application form, budget and logical framework must also be supplied in electronic format (CD-Rom) in a separate and single file (i.e. the full application form must not be split into several different files). The electronic file must contain **exactly the same** application as the paper version.

The Checklist (Section 7 of Part B of the grant application form) and the Declaration by the applicant (Section 8 of Part B of the grant application form) must be attached to the application.

1.5.6. Indicative time table

	DATE	TIME*
Dispatch Guidelines for Call for Expression of Interest	04/05.09.2013	
Deadline for submission of questions to the EU	16.09.2013	16h00 (Beijing Time)
EU Delegation deadline to reply to the questions	23.09.2013	
Deadline for submission of EoI	30.09. 2013	16h00 (Beijing Time)
EU verification of the eligibility	October 2013*	
Eligible Applicants Create Consortium	October 2013*	tbd
Dispatch of Grant Application Form (60 days)	November 2013*	
Deadline for Submission of Grant Application Form	January 2014*	Tbd
Contract Signature	March 2014*	Tbd
Starting date of Implementation	Immediately after the Signature of the Grant Contract (2014)*	Tbd

*Provisional date. All times are in the time zone of the country of the Contracting Authority

In any event, the EU reserves the right to dispatch corrigenda to the present Guidelines should the need arise.

This indicative timetable may be updated by the EU during the procedure as necessary. In such case, the updated timetable shall be notified via email to the concerned Member States.

1.6. ESSENTIAL SELECTION AND AWARD CRITERIA

The quality of the proposal, including the proposed budget and capacity of the applicants and co-applicants, will be evaluated using two types of evaluation criteria: selection and award criteria.

The selection criteria help to evaluate the applicant(s)'s operational capacity to ensure that they have the management capacity, professional competencies and qualifications required to successfully complete the proposed action. This also applies to any the co- applicants.

The award criteria help to evaluate the quality of the applications in relation to the objectives and priorities.

They help to ensure that the proposal will comply with the objectives and priorities set by the Contracting Authority in these guidelines. They cover the relevance of the action, its consistency with the objectives of the Call for Proposals, quality, expected impact, sustainability and cost-effectiveness of the action.

The essential selection and award criteria for the award of grants are laid down in the Practical Guide to contract procedures for EC external actions. They are established in accordance with the principles set out in Title VI 'Grants' of the Financial Regulation applicable to the General Budget.

1.7. SUBMISSION OF SUPPORTING DOCUMENTS

The EU Member States' Specialised Bodies that have expressed their interest in participating in the consortium are requested to supply the relevant information (**annex B**) in order to allow the Commission to verify the applicant, (if any) of the co-applicant(s):

It will be requested to supply the following documents through PADOR, see Section 2.2:

The statutes or articles of association of the applicant, (if any) of each co-applicant(s):

Where the applicant and/or a co-applicant(s) is a public body created by a law, a copy of the said law must be provided.

Legal entity sheet (see annex D of these Guidelines) duly completed and signed by each of the applicants (i.e. by the applicant and (if any) by each co-applicant(s)), accompanied by the justifying documents requested there. If the applicants have already signed a contract with the Contracting Authority, instead of the legal entity sheet and supporting documents, the legal entity number may be provided, unless a change in legal status occurred in the meantime

Co-Applicants should also provide

An external audit report produced by an approved auditor, certifying the applicant's accounts for the last financial year available where the total amount of the grant exceeds € 750 000 (€ 100 000 for an operating grant). The external audit report is not required from (if any) the co-applicant(s). **This obligation does not apply to public bodies.**

A copy of the applicant's latest accounts (the profit and loss account and the balance sheet for the last financial year for which the accounts have been closed). A copy of the latest account is not required from (if any) the co-applicant(s).

The Leader of the Consortium should also provide:

A financial identification form of the applicant (not from co-applicant(s)) conforming to the model attached at Annex E of these Guidelines, certified by the bank to which the payments will be made. This bank should be located in the country where the applicant is established. If the applicant has already submitted a financial identification form in the past for a contract where the European Commission was in charge of the payments and intends to use the same bank account, a copy of the previous financial identification form may be provided instead.

Where the requested supporting documents are not uploaded in PADOR they must be supplied in the form of originals, photocopies or scanned versions (i.e. showing legible stamps, signatures and dates) of the said originals. **However, the Legal entity sheet and the financial identification form must always be submitted in original.**

Where these documents are in an official language of the European Union other than English, it is **strongly** recommended, in order to facilitate the evaluation, to provide a translation of the relevant parts of the documents, proving the Specialised Bodies' eligibility, into English.

1.8. NOTIFICATION OF THE CONTRACTING AUTHORITY'S DECISION

1.8.1. Content of the decision

The applicant will be informed in writing of the Contracting Authority's decision concerning their application and, if necessary the reasons for revision.

An applicant believing that it has been harmed by an error or irregularity during the award process may lodge a complaint. See further Section 2.4.15 of the Practical Guide

1.9. CONDITIONS FOR IMPLEMENTATION AFTER THE CONTRACTING AUTHORITY'S DECISION TO AWARD A GRANT

Following the decision to award a grant, the Leader member of the consortium will be offered a contract based on the Commission's standard grant contract (see Annex H of these Guidelines). By signing the application form (Annex C of these Guidelines), the consortium agrees, if awarded a grant, to accept the contractual conditions of the standard grant contract.

Implementation contracts

Where implementation of the project requires the consortium to award procurement contracts, it must award the contract to the tenderer offering the best value for money, that is to say, the best price-quality ratio, in compliance with the principles of transparency and equal treatment for potential contractors, care being taken to avoid any conflict of interests. To this end, the Consortium must follow the procedures set out in Annex IV to the standard grant contract.

1.10. EARLY WARNING SYSTEM AND CENTRAL EXCLUSION DATABASE

The applicants and, if they are legal entities, the persons who have powers of representation, decision-making or control over them, are informed that, should they be in one of the situations mentioned in:

- Commission Decision of 16.12.2008 on the Early Warning System (EWS) for the use of authorising officers of the Commission and the executive agencies (OJ, L 344, 20.12.2008, p.125) or
- Commission Regulation of 17.12.2008 on the Central Exclusion Database (CED) (OJ L344, 20.12.2008, p.12),

their personal details (name, given name (if natural person), address, legal form and name and given name of the persons with powers of representation, decision-making or control (if legal person)) may be registered in the EWS only or both in the EWS and CED, and communicated to the persons and entities listed in the above-mentioned Decision and Regulation, in relation to the award or the execution of a grant agreement or decision.

LIST OF ANNEXES

DOCUMENTS FOR INFORMATION

Annex A: Project Description

DOCUMENTS TO BE COMPLETED

Annex B: Note of Expression of Interest