



**EU PROGRAMME FOR EMPLOYMENT AND SOCIAL SOLIDARITY - PROGRESS (2007-2013)
GRANTS AWARDED AS A RESULT OF THE CALL FOR PROPOSALS VP/2012/010**

Call for proposals for actions related to the development of pension modelling and for support for mutual learning in national pension reform processes

Budget heading : 04.04 01 02

Beneficiary Organisation	Address	Country	Project Title	Granted amount (€)	Co-financing rate(%)
Ministry of Labour and Social Affairs of the Czech Republic	Na Poricnim pravu 1 - 128 01 Prague 2	CZ - Czech Republic	Improvement of a pension microsimulation model and datasets	288 131.87	80
Project summary					

The main results of the project are:

- Partial analysis of the data sources: Identification of data sources, the structure of data records, forms and updating methods.
- Preparation the database which contains information about insurers and pensioners for needs of dynamic microsimulation model, i.e. automation of modelpoints preparation: Analysis of capabilities to actualize and automate actualizations of datasets, proposal for implementation, implementation.
- Implementation of decision-making processes into dynamic microsimulation model: Identify appropriate parts of the model, where is possible to implement decision-making processes, research of appropriate literature, international experiences, research of domestic data sources, proposal for implementation, implementation.
- Two study trip to France and Sweden (country which are using the microsimulation pension model with dynamic ageing).
- One workshop, 3 steering committee meetings and final international conference focused to results of this project.

Partner Organisation	Country
ERUDICIO	CZ - Czech Republic

Beneficiary Organisation	Address	Country	Project Title	Granted amount (€)	Co-financing rate(%)
Ministry of Labour, Employment and Social Policy	Nemanjina 22-26 - 11000 Belgrade	RS - Serbia	Reaching Adequate, Safe and Sustainable Pensions in Serbia through Mutual Learning	233 894.61	79.65
Project summary					

Beneficiary Organisation	Address	Country	Project Title	Granted amount (€)	Co-financing rate(%)
--------------------------	---------	---------	---------------	--------------------	----------------------

This is the first project in Serbia in the framework of PROGRESS programme that deals with the pension reform. It is in line with the White Paper and EU social policy objectives; its results will be relevant for further debates, not only in Serbia and Western Balkans, but also on the EU level, in the context of PROGRESS program priorities.

With this action we want to set up the basis for the design of the strategic development direction and future pension system structure in Serbia, to define sustainable and adequate method to secure income for elderly population. It will be done through exchange of the knowledge and experiences with other European countries and countries from the region.

A comprehensive study will evaluate the level of successfulness of the current method of providing security for the elderly in Serbia, and will also present possible options for the reform of the system; Study tours to Germany, Poland and Netherlands will examine particular aspects of their pension systems: increasing effective retirement age in conformity with the progress in the population life expectancy; exploring possibilities to reduce gap in the retirement age between men and women; learning from experiences of others regarding supplementary pension schemes. This will be combined with the analysis of the position of specific groups of pensioners in Serbia, which significantly shape the overall pension system (farmers, working under difficult circumstances – people with accelerated pension plan, specific groups of pensioners – army, police and similar). Action will be transparent and participatory, including variety of stakeholders participating in debate (including workshops and final conference, with participation of international and regional experts) interested in the future of the pension system (trade unions, employers, pensioners, Government, civil society partners addressing social policy); Strong promotional component will allow us to reach wider audience.

Partner Organisation	Country
----------------------	---------

Beneficiary Organisation	Address	Country	Project Title	Granted amount (€)	Co-financing rate(%)
Ministry of Social Security and Labour	A.Vivulskio 11 - LT 03610 Vilnius	LT - Lithuania	Modification of existing social security simulation model LSIM for decision making process in pension policy making	209 459.55	80
Project summary					

The objective of the project is a further development and improvement of the cohort model LSIM, which will be used for national projections of long-term financial sustainability and adequacy of benefits. In addition to the improvement of the existing model, an agent-based model would be developed. The agent based model would allow calculating the contributions and pension benefits of the specific individuals (specified by the sex, wage, career history etc.). This tool would enable to assess the effect of the proposed pension reforms on the different types of the persons.

Also, the model will be modified and the new functionalities added in order to meet the new requirements of European Commission's Economic Policy Committee's Aging Working Group for 2015 projection round and planned changes in legislation of Lithuanian pension system (Both public and private pensions). The modified model would also empower the Lithuanian ministry of Social Security and labour to effectively evaluate the impact of pension reform.

To make proper input data for both modified cohort model and agent based model the extensive analysis of data will be needed. This would require the development of the new administrative datasets that would connect the existing databases of social security contributors and benefits.

After the modification of the model the workshops will be organised for peer-reviewing the model, training and mutual learning of MSSL specialists.

Partner Organisation	Country
----------------------	---------

Beneficiary Organisation	Address	Country	Project Title	Granted amount (€)	Co-financing rate(%)
Centre d'Etudes de Populations, de Pauvreté et de Politiques socio- économiques	3 avenue de la fonte - 4364 Esch-sur-Alzette	LU - Luxembourg	Towards a dynamic Microsimulation model, administrative Data for microsimulation in LU, the comparative Analysis of tools pertaining to the economics of ageing and a better understanding of Stakeholders' perception (hereafter the "MiDLAS Project")	218 413.55	66.51
Project summary					

Beneficiary Organisation	Address	Country	Project Title	Granted amount (€)	Co-financing rate(%)
--------------------------	---------	---------	---------------	--------------------	----------------------

The present PROGRESS Project (hereafter “MiDLAS Project” or “Project”) aims at joining forces in order to develop an advanced analysis platform that allows Luxembourg to answer policy-related questions about the “adequacy” and the “sustainability” of pensions and social transfers in the longer term through the integration of separate administrative datasets, a further development of models and a first attempt to compare and integrate models that work on different levels of aggregation. A second objective of this project is to identify obstacles to a reception of modelling approaches by stakeholders and stakeholders’ expectations regarding expertise.

The MiDLAS Project will pursue the building of a dynamic microsimulation model with population ageing for Luxembourg, an exercise undertaken through previous projects.

At the methodological level, the model building will pay special attention to the question of immigration and cross-border workers. This is particularly important in Luxembourg in the assessment of the sustainability of the pension system. The present proposal also implies a proper preparation of data from administrative sources in the area of pensions partially available in the Data-Warehouse of the General Inspectorate for Social Security (“IGSS”) in Luxembourg

Comparative analysis of outcomes resulting from several modelling tools (micro and macro) available in Luxembourg today will be performed. This analysis will pay a special attention to the implication of the AWG-projections and assumptions on the adequacy and sustainability of pensions in Luxembourg, but might also consider alternative assumptions when relevant.

Finally, considering that stakeholders have an important role in the chain between the analytical step and the implementation of new policies, this project will assess attitudes of stakeholders towards “expertise” in general and “modelling exercises” in particular.

Partner Organisation	Country
Federal Planning Bureau	BE - Belgium
Inspection Générale de la Sécurité Sociale (is mandating the CEPS/ INSTEAD for this project)	LU - Luxembourg

Beneficiary Organisation	Address	Country	Project Title	Granted amount (€)	Co-financing rate(%)
Istituto Nazionale Previdenza Sociale	Via Ciro il Grande, 21 - 00144 Roma	IT - Italy	Wealth at Retirement and Savings Adequacy	281 110.92	79.88
Project summary					

The project will cover three lines of research.

The first line aims at evaluating the adequacy of the retirement savings of Italian households. In Italy saving for retirement is largely accomplished through the mandatory participation to the pension system. Since the '90s, the Italian pension system has adopted a multi-pillar structure: the first pillar is PAYGO, mandatory and in transition from a defined benefit (DB) to a notional defined contribution formula (NDC); the second and third pillars are funded and adhesion is voluntary. The reforms initiated in the '90s recovered long-term financial sustainability, but at the cost of a significant translation of the adequacy risk onto individuals. Under a NDC system, pension will depend on the contributions paid and on the retirement age. Despite the conclusions that can be reached about pension system adequacy, Italians are big savers and their accumulated private wealth can be also used to smooth consumption over the life cycle.

A second line, is centred on measuring the welfare and vulnerability of households given their total wealth, which includes all forms of wealth: not only pension wealth but also all assets are going to determine the potential welfare of a household. To this purpose, we convert a percentage of total wealth, including housing wealth, into annuities and we evaluate how this can help the elderly to prevent poverty. We will also evaluate the effectiveness of three hypothetical strategies aimed to guaranteeing the adequacy of pensions: gradual retirement, targeted financial literacy programs and pension counselling services.

In the third line, in order to enhance the role of funded pension schemes, different policies will be assessed, including mechanisms that may allow and encourage the partial opting-out from the PAYGO pillar in favour of the funded pillars. We believe that the focus of the project is fully consistent with the priorities put forward by the EU in the pension field.

Partner Organisation	Country
Alma Mater Studiorum - Università di Bologna	IT - Italy
Collegio Carlo Alberto – Centro di ricerca e alta formazione	IT - Italy
Commissione di Vigilanza sui Fondi Pensione	IT - Italy
National Institute of Economic and Social Research	UK - United Kingdom

Beneficiary Organisation	Address	Country	Project Title	Granted amount (€)	Co-financing rate(%)
--------------------------	---------	---------	---------------	--------------------	----------------------

Beneficiary Organisation	Address	Country	Project Title	Granted amount (€)	Co-financing rate(%)
Secretaría de Estado de la Seguridad Social. Ministerio de Empleo y Seguridad Social. Gobierno de España	Agustín de Bethencourt, 4 - 28071 Madrid	ES - Spain	Study about international pension reforms with special focus on the age of retirement. Potential lessons for the Spanish Social Security system	140 000.00	80
Project summary					

Mutual learning in national pension reform processes mainly about effective retirement age.

Compilation and selection of reforms.
 Detailed studies about selected reforms
 Potential scenarios and action lines for Spain.

Partner Organisation	Country

Beneficiary Organisation	Address	Country	Project Title	Granted amount (€)	Co-financing rate(%)
Ministry of Labour, Social Affairs and Family of the Slovak Republic	Spitalska 4, 6, 8 - 81643 Bratislava	SK - Slovakia	Microsimulation model of the Slovak pension system	388 202.40	80
Project summary					

The expected outcomes are the following:

- Analysis of experience from other EU countries with micro-simulation modelling, sharing of knowledge preparation of tender objectives and selection of model vendor. Hereby, an additional comments and notes are expected from the independent expert team.
- Analysis of data available for modelling, summary on the available data and methodology of their actualisation and collection, analysis of possible extension of data in the future according to the expected development in public data sources.
- Modelling approach selection; based on the available data and required results a modelling approach will be selected. The reasonability of the modelling approach with respect to available data and required model outputs needed to understand the key drivers of the system and support the public and expert discussion will be taken into account as one of the most important criteria for the model selection.
- Data processing, deriving of inputs of the model (modelpoints) and other assumptions (e.g. transition tables) with respect to the selected modelling approach.
- Implementation of the model. Preparation of reporting tools. Creation and running of set of tests (back-test, analysis of change and sensitivities) in order to test the results and their quality.
- One workshop, 4 steering committee meetings conference focused on presentation of results of the project.
- Two study trips to Sweden (one of the countries with most developed microsimulation models) and Czech Republic (having microsimulation model, lot of similarities according to shared history).

Partner Organisation	Country

Beneficiary Organisation	Address	Country	Project Title	Granted amount (€)	Co-financing rate(%)
Fjarmálaeftirlitid (Financial Supervisory Authority)	Hofdatorg 2 - 105 Reykjavik	IS - Iceland	Retirement Savings Adequacy: Saving for retirement and the role of private pensions in retirement readiness in Iceland.	109 280.00	80
Project summary					

This project aims at determining whether Icelandic people are saving adequately for retirement and examining the role that private pensions play and could play in the retirement readiness of the Icelandic working age population. That is, it examines how much individuals have to finance retirement by combining the main possible sources of retirement income and savings (i.e. public pensions, occupation, private pensions and other savings such as private savings and housing). This project follows a similar structure as the OECD Retirement Savings Adequacy project which covers France, Ireland, the Netherlands and the United Kingdom.

Partner Organisation	Country

Landssamtök lífeyrissjoda (The Icelandic Pension Funds Association) IS - Iceland

Beneficiary Organisation	Address	Country	Project Title	Granted amount (€)	Co-financing rate(%)
Central Administration of National Pension Insurance Hungary	Visegrádi utca 49. - 1132 Budapest	HU - Hungary	Acceleration of the development of the Hungarian pension microsimulation model based on administrative data	239 360.00	80
Project summary					

We plan to accelerate an ongoing development in the following areas:

- Preparing the administrative database for analysis and modelling. This includes
 - preparation of the dataset for queries of analytical-statistical purposes (e.g. cross-sectional queries; queries on grouped data, such as employee groups by different career patterns), and
 - the development of model-points based on long-period retrospective data.
- Addition of further dynamic components to the model, such as simulation of household formation and a dynamic labour market; development of analytical tools to improve the efficiency of microsimulation.

As a result of this action the following will be achieved:

- development of a detailed analytical database, which allows the international comparability of various careers and which explores the social variances of these careers.
- acceleration of the development of the model built upon simple measures. This analytical pension model will
 - o adopt an advanced analytical toolbar
 - o give reliable results on sustainability as well as adequacy of future pensions
- o demonstrate the impacts of social differences and various careers.

This administrative dataset and dynamic microsimulation device can serve evidence-based pension planning and policy making.

Partner Organisation	Country
----------------------	---------

Beneficiary Organisation	Address	Country	Project Title	Granted amount (€)	Co-financing rate(%)
NATIONAL HOUSE OF PUBLIC PENSIONS	Str. Latina nr. 8 - 020793 Bucharest	RO - Romania	Development of a national pension model for policy-making purposes	315 091.36	80
Project summary					

The main purpose of the action is to obtain a robust tool for modelling the Romanian pension system.

The action aims to development of a model for long-term projections of public pension expenditures (old age, early and partial early retirement, disability and survivors) and expenditures for social insurance benefits (sickness, maternity, unemployment etc.). Such model would significantly increase our capacity for monitoring trends in our pension system and provide a solid basis for our evidence-based decisions and analysis in the pension area.

We feel a need for a detailed model of our pension system, which could be used for the purpose of designing and modelling the impact of reform proposals and periodical monitoring of system development. Therefore, we are looking for a suitable modelling solution, which could be easily implemented, effectively gaining from the experience across EU. Based on the preliminary information we see an opportunity to learn from the modelling practise in the Czech Republic, where a model with micro-simulation features was implemented.

An integral part of the work will be a detailed analysis of available data sources. Missing and incomplete data would be identified and a strategy to circumvent potential data problems would be defined

Partner Organisation	Country
----------------------	---------