

Swedish-Polish Cooperation in the Field of Pension Reforms 1996–2002

Nils Öström

**Department for Central and
Eastern Europe**

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Sida Evaluation 03/20

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Eastern Europe**

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Executive Summary

The cooperation between Swedish National Social Insurance Board (RFV) and Polish Government regarding the pension reform in Poland have been supported by Sida from 1996 to 2002 with an amount of SEK 1,4 million. In April–June 2003 an evaluation of the cooperation was performed by Nils Öström from the Stockholm Group for Development Studies AB. The conclusions of the evaluation are the following.

The Swedish support has been relevant both in relation to the need of reforming the pension system in Poland similar to the reform of the Swedish pensions system, and in relation to the overall objective of the Swedish cooperation with Poland of promoting a socially and economically sustainable development.

The main objectives of support – to provide advice for the design, promote an informed public discussion and to develop a technical calculation model – were all interlinked and well achieved; and the support has clearly contributed to the overall objective of creating an economically reliable pension system.

The sustainability of the new system is affected by different factors in the economic and demographic developments of the country. The calculation model created during the cooperation could serve as a tool of regularly checking the consequences of changes in these factors. The sustainability of the calculation model itself is dependent on if it is regularly used and updated and if new staff is continuously trained to use it.

The Swedish support seems to have been efficiently performed. Inefficiencies in the design and implementation of the new system in Poland are due to internal political and other reasons. An example of this is the present differences in pension age between men and women.

The costs for the Swedish support seem to be well justified and reasonable in relation to results achieved and their importance for the preparation and promotion of the pension reform in Poland.

The main lessons learned from this project confirm the importance of a clear vision on the side of the cooperating country, as well as of competence, relevant experiences and an understanding of the conditions in the cooperating country for the results of the cooperation.

A lesson learned from the problems in implementing the reform could be to further promote the involvement of the implementing body already in the preparation or at least the final design of the reform.

1 Introduction

The cooperation between the Swedish National Social Insurance Board (RFV) and the Polish Office of the Government Plenipotentiary for Social Security Reform (OGPSSR) started in 1996. The cooperation followed from contacts in relation to a similar project between Sweden and Latvia. Sweden had at the time recently made reforms similar to those necessary in Latvia and Poland. Sida decided to support a first phase of the cooperation with Poland in October 1996. This was followed by new allocation for a second phase in June 1997, and later a final allocation for a third phase in June 1998. The activities initially planned to finish in 1999 were prolonged until 2002. The total allocation from Sida for the three phases was SEK 1,9 million and the amount utilised SEK 1,4 million.

In April 2003 Sida contracted Nils Öström, Stockholm Group for Development Studies AB, to perform an evaluation of the cooperation in accordance with the Terms of Reference dated 2003-03-07 (see Annex 1). The purpose of the evaluation is to assess the relevance, effects, impact and sustainability of the cooperation in the field of pension reform between Sweden and Poland 1996–2002.

2 Methodology

In accordance with the Terms of Reference the consultant has reviewed relevant documentation and interviewed the main Swedish actors and counterparts in Poland that were involved in the project. A List of Documents reviewed is attached in Annex 2 and a List of Persons Met in Annex 3.

3 The Context of the Project

3.1 General Background

In 1996 the Polish government was preparing to reform its social security system with support from the World Bank. The reform included pension, health care and unemployment insurance.

A Government Plenipotentiary (government responsible) for Social Security Reform was appointed in June 1996, which was the Minister of Labour and Social Policy. The Plenipotentiary chaired a council of representatives from relevant ministries and agencies.

A special Office of the Government Plenipotentiary for Social Security Reform (OGPPSR, in the text below referred to as the Office of the Plenipotentiary) was established (1996–1999). The main task of the Office of the Plenipotentiary was to prepare the proposals for reform and present new legislation for its implementation in cooperation with all government agencies involved. After 1999 the work performed by the Office was continued by the Ministry of Economy, Labour and Social Policy with regard to policy issue, and by the Social Insurance Institute with regard to the practical implementation of the reform.

The pension reform was planned along similar lines as the pension reform in Sweden (from 1994) and an ongoing reform of the pension system in Latvia. The Latvian reform was receiving technical assistance from Sweden through the National Board of Social Insurance (RFV). The Office of the Plenipotentiary in Poland had identified a need for technical assistance support to be able to analyse and discuss different alternative for the detailed design and implementation of the pension reform.

3.2 Objectives of Support

Although the objectives and expected results of the support were described slightly different for the different phases, they could be summarised for the whole period as follows.

Development objective

Contribute to an economically reliable pension system that would not threaten the state budget.

Project objective

- Provide advice for the design of the reform.
- Promote an informed public discussion of the reform.
- Develop a technical calculation model for analysing long term outcomes and effects of the reform.

3.3 Main Activities of the Support

First phase (October 1996 – February 1997)

In September 1996, the Office of the Plenipotentiary requested support from Sida for a first phase of technical assistance from RFV.

The first phase included a workshop in Stockholm, partly in coordination with a seminar regarding the Latvian pension reform, where three persons from the Office of the Plenipotentiary took part. The aim of the workshop was to be an introduction to the pension systems in Sweden and Latvia, as well as to methods and programs for analysis of individual effects and costs for the pension system.

The first phase also included initial technical assistance to the development and use of a technical model for evaluation of different applications of the reform with regard to effects and costs. This first phase was identified as initial by Sida, as well as in the request from the the Office of the Plenipotentiary. A more detailed presentation of the support was to be given in relation to decision on phase II.

Second phase (April 1997 – December 1997)

A request for support to phase II was presented in April 1997 for the period April–September 1997. Sida's decision was taken in June 1997, but the activities were ongoing (financed by the balance of funds from phase I). The implementation of the activities in this phase continued during all of 1997 and actually also early 1998.

The support during this period included the production of technical calculations for the reform of the pension system using the technical model that was initially developed during phase I. Modifications of the model were made in accordance with how the proposal for the new system was being developed. There were also assistance given in communicating the principles of the reform to parliamentarians, the Social Insurance Administration and the public in order raise awareness. Some support was also given for the construction of a model for calculating disability benefits and costs.

Third phase (Jan 1998 – Mar 2002)

The formal request for support to phase III was presented in May 1998, although there had been preliminary requests at the end of 1997. The decision by Sida was taken in June 1998. Also in this case activities were ongoing during the spring of 1998.

This phase included support for the further development of the technical model. In 1998 calculations were performed in relation to the final preparations of the proposal to Parliament regarding long term financial implications of various transition strategies. During 1998 support for raising the awareness and explaining the reform to politicians and the public was also continued. As from 1999 the work was concentrated on updating and refining the model for permanent future use, including training of staff in the use of the model.

During the third phase the aim was also to support the modelling of disability benefits and to give assistance to the development of necessary computerised systems for implementation of system of reform in the Social Insurance Institute. For internal and political reasons commented on under 4.4 below these activities were only partly performed.

3.4 Organisation and Implementation of Activities

The support was implemented in the form of workshops and expert visits in Sweden and in Poland. From the Swedish side (RFV) the main actors were, Edward Palmer (Professor and Head of Research and Evaluation Unit at RFV), Gunnar Tidner (Actuary and technical expert at RFV) and Bo Könberg (Member of Parliament). Könberg was mainly involved in contacts and seminars with parliamentarians and media in Poland and took part in workshops organised in Sweden. Tidner was mainly involved in the development of the calculation model together with staff of the Office of the Plenipotentiary, but also in contacts with staff from the Social Insurance Institution, other professionals and academics. Palmer was involved in all types of activities and the main responsible for the support on behalf of RFV.

The main counterparts on the Polish side was staff of the Office of the Plenipotentiary and after 1999, staff of the Ministry of Economy, Labour and Social Policy. Staff from the Social Insurance Institution, parliamentarians, other professionals and media took part in meetings and seminars with the Swedish

experts visiting Poland. Staff from the Office of the Plenipotentiary, the Ministry, the Social Insurance Institution and parliamentarians also visited Sweden for workshops with Swedish professionals and parliamentarians.

3.5 Summary of the New Polish Pension System

In 1996 when the Office of the Plenipotentiary was established and support from Sweden was requested, there was a general consensus in Poland on the principal aspects of the reform including three parts. These parts were similar to the Swedish reform from 1994. The new system was approved by the Parliament in 1998, and started to be implemented as from January 1999. The new system does not cover pensions to farmers, nor disability or survivors pension. In total about 10 million persons are covered by the new system.

The first part of the pension system is the so called “pay-as-you-go” contributions paid by the employer to the public pension fund. Each person gets an individual account where the contributions are recorded and benefits calculated in accordance with the number of years worked and the size of contributions (the so called “notional defined contribution”). The contributions to this first part of the system represents about 12 % in relation to the salary payment.

The second part is a funded scheme where part of the contribution from the employer is invested in private pension funds selected by the individual (similar to the Swedish PPM). The contributions to this second part represents about 7 % in relation to the salary payment. In the following table a comparison of these percentages in the Polish and the Swedish systems are made.

Pension contribution as percentage of salary	<i>Poland</i>	<i>Sweden</i>
Contribution to public fund (pay-as-you-go)	12,2 %	16 %
Contribution to funded scheme (private funds chosen individually)	7,3 %	2,5 %
Total	19,5 %	18,5 %

The contributions to the first and second parts are made before tax and income tax will be paid on the benefits received. The first and second parts are mandatory, but there is also a third voluntary part, where each individual can make contributions to private pension funds. Such contributions are made individually after tax, and the benefits from such investments are exempt from income tax.

The new system is obligatory for persons younger than 30 year of age when the system started in January 1999. Persons between 30 and 50 years at the same date, would obligatory participate in the first part of the new system and could chose if they want to participate in the second part or not. Persons over 50 years of age in January 1999 would stay with old system of defined benefits in relation to years worked.

4 Findings

4.1 Relevance

Already in the beginning of the 1990-ties there was a growing awareness in Poland of the fact the old pension system with generously defined benefits without direct relation to the salaries would not be sustainable with demographic changes expected in the future. In 1996 when the Office of the Plenipotentiary was established and support from Sweden was requested, there was a general consensus on the principal aspects of the reform needed, including the three parts of the reform described under 3.5 above. These parts were similar to the Swedish reform from 1994. There was also a strong interest among the decision makers in the Office of the Plenipotentiary for the Swedish model and experience because of the generally good connotations that Sweden has in Poland when it comes to welfare systems.

Therefore, the Swedish support was most relevant in relation to the reform envisaged in Poland. Sweden had relevant experiences of recently reforming its own pension system in order to make it financially reliable and flexible for the individual. Sweden also had experience of supporting other country, such as Latvia, in their pension reform. The approach selected of giving advice on the design of the system, promoting an informed discussion and supporting capacity building and implementation of a calculation model was requested by the Polish authorities. The performance of the services in the form of workshops and seminars either in Sweden and Poland with both professionals and politicians seems to have been relevant. It could be noted, however, that the support would possibly have been even more relevant if it could have been extended to include technical assistance to the implementing agency, the Social Insurance Institution, as the case in Latvia. As noted below, this was for internal political reasons in Poland not possible.

The support was also most relevant in relation to the overall objective of Swedish cooperation with Poland and other countries in Eastern Europe, which is to promote a socially and economically sustainable development in these countries.

4.2 Achievement of Objectives

The interviews with the main counterparts in Poland confirm that the three main objectives of support – to provide advice for the design, promote an informed public discussion and to develop a technical calculation model – were interlinked in the way that advice given for the design of the system was based on both the recent experiences of reforming the pension system in Sweden and also on calculations of effects and costs for different alternatives in the design.

In the same way, the informed public discussions was promoted by referring to Swedish experiences and by showing the effects of variations in the detailed design. Sweden was among the first countries to introduce the concept of individual accounts for life time income and pension contributions in relation to the income (“notional defined contribution”). The forecast calculations necessary for the design of this system would not have been possible without the model created.

According to the counterparts interviewed, the Swedish support therefore was extremely useful both from a technical and political point of view. It allowed the Office of the Plenipotentiary to show the effects of different scenarios during the discussions and presentations of the design of the new reform. It also made it possible to clearly answer questions from members of Parliament and others on the

functioning of the system. The calculation model was seen as a neutral tool that helped to explain how to design of a financially viable system.

One of the things shown with the model was the effects of the balance between the two main parts of the system, especially the risks of not having enough funds for the payment of current pensions from the public pension fund (pay as you go) if the percentage of the funded part was too high. Because of this risk, the Swedish experts argued for a lower percentage of the second part of the system (see further under 4.3 below).

Another result achieved in connection with calculation model is that it has also been an important contribution to present and future training of students in demographic statistical forecasting.

There were financially more important contributions from other donors such as the World Bank (financing the operation of the Plenipotentiary), USAID (advice on the funded part and public information) and UK (voluntary contributions). However, Sweden had the direct experience of a reform similar to what was the vision of the Polish authorities and provided support for the necessary calculations in relation to the design of the system. After the reform in Poland, Polish experts have been used by the World Bank in similar reform processes in other countries (Kroatia, Moldova, Georgia, etc).

In this connection, it is important to note that all actors interviewed stressed the fact that decisions on the design of the system were purely Polish political decision. In some areas advice from the Swedish experts was not followed in the final design and preparation of the system. Examples of this are the introduction of equal pension age for men and women, and the active participation of the implementing body (see under 4.4 and 4.6 below), which for various political reasons did not come through.

Other issues where the advice from Sweden was sought were the issue of disability pensions pension age for miners and other groups with specially hard working conditions. In these cases the differences with the situation in Sweden were greater. These issues have still not been solved and disability pensions are not integrated in the new system. One reason is that those with disability pensions would get less after pension age if they were integrated in the new system.

From the above it could be concluded that the three immediate objectives of the Swedish support have been well achieved, and also that the support has contributed to overall objective of creating an economically more reliable pension system.

4.3 Sustainability

A practical issue of sustainability directly related to the Swedish support is the sustainability in the use and updating of the calculation model. If a model of this complexity is not regularly used by staff trained on the model, it will quickly become obsolete. During the cooperation a group of graduate students in economy working with the Office of the Plenipotentiary were trained in using the model. These persons are presently not involved in regular calculation work for the authorities, although they are using their knowledge in teaching of statistical forecasting at the university.

However, the person most involved in developing and using the model on the Polish side is at present regularly using the model in her function as Director for Economic Analysis and Forecasting at the Ministry of Labour and Social Policy and. However, it is doubtful if the main actor in the implementation of the model, the Social Insurance Institution, is actively using the model, as staff in that Institution has not been sufficiently trained on its use (see under 4.4 below).

The main objective of the reform, and an issue for the sustainability of the pension system, is its effects on government spending. Initially this effect seems to have been negative. The reason is that more people than expected (between 30 and 50 years old) have chosen to participate in the funded part. This has created a situation where there is not enough funds contributed to the public fund (pay-as-you-go) for payments of current pensions, which has made it necessary for the government to borrow funds to fill this deficit.

Some of the interviewed said, that for this reason there is a risk that the Parliament would want to reduce, or temporarily close, the funded part of the system. Other actors held the opinion that this was just a short term problem, that would disappear when the system had been implemented for a longer period. Whatever the actual effects of the new system in the future, the government budget would have been much more effected if the old the system would have been continued. In this connection, one of the persons interviewed noted that both Sweden and Poland after their reforms now are in a much better situation than for instance France, that has not yet been able to reform the pension system.

It could be noted that Sweden had relatively large reserves in the pension funds (ATP) when starting the reform in 1994, which was not the case in Poland. However, reserve funds for future demographic changes have recently started to be created also in Poland (1 percentage point of the contribution to the first part of system).

According to the President of the Chamber of Pension Fund Societies, the assets in the funded part of the system are since 1999 giving a good return (7 % annually after deduction of inflation and administrative fees). Most of the assets are placed in bonds, as the stock market is not yet well functioning. Only 5 % could at present be invested outside Poland, but there are proposals to increase this percentage, because the lack of investment opportunities in Poland for the immediate future. The pension reform is not yet seen to have had any effects on the development of the capital market in general. The issue of main importance for that process is deemed to be the privatisation process, which is presently slow.

It could be concluded that the long term sustainability of the pension system is affected by many different factors in the economic and demographic development of the country. However, the calculation model could serve as a tool of regularly checking the consequences of changes in these factors. The sustainability of the calculation model in itself is dependent on if it is regularly used and updated and if new staff is continuously trained to use it.

4.4 Efficiency

In the following, the efficiency of both the Swedish support and Polish implementation of the reform are commented upon.

With regard to the efficiency of the Swedish support, all persons interviewed note that the cooperation functioned very well. Reason given for the good cooperation were that both Swedes and Poles thought in similar ways and did easily relate to each other. Both were open, eager and active. The Swedish ideas were pragmatic and not too technical or too ideological. They were also good in explaining their own experiences and active in giving suggestions, and at the same time understanding the specific conditions and situation in Poland.

The work of the Office of the Plenipotentiary seems to have been reasonably efficient in utilizing the Swedish support and in the design and preparation of the new system up to its approval in Parliament and start in 1999. However, there have been major problems in the implementation of the system. This is the responsibility of the Social Insurance Institution (ZUS). ZUS was not actively involved in the

preparations of the new system. The reasons for this seem to have been a strong traditional independence of ZUS, based on the old insurance systems established during the socialist period, and a lack of trust between ZUS and the Office of the Plenipotentiary.

The Swedish experts offered to assist ZUS in preparing for the implementation of the new system (intended part of phase III of the support). This suggestion was rejected by the decision makers in ZUS at the time (1998). For this reason ZUS has had problems in handling the new system. They did not have an information system for registration of the individual accounts needed for the new system. Just recently (2003) such a system had finally been fully introduced and at present the contributions are properly transferred and registered. However, there is a backlog of contributions during 1999–2001, which are still not properly recorded. Almost half of the participants in the new system can not get information on their contributions and future pension benefits. By a decision in Parliament, ZUS has got time until 2006 to settle this problem. The low efficiency of ZUS in managing the new system has negatively influenced the public opinion of the system.

The actors interviewed (including the representative of the Ministry of Economy, Labour and Social Security) all note that it was a mistake to start implementation of the new system without a functioning information system in ZUS.

From the above it could be concluded that the Swedish support seems to have been efficiently performed and that inefficiencies in the design and implementation of the new system in Poland are due to internal political and other reasons.

4.5 Effect of the New System on Men and Women

One of the major issues where the advice of the Swedish experts was not finally followed was the introduction of equal pension age for men and women. The initial proposal from the Office of the Plenipotentiary was to have equal minimum pension age at 62. However, there were protests to this proposal from both trade unions and from the catholic political parties, which made it necessary to keep different pension age in the final legislation approved by Parliament (65 for men and 60 for women).

This means that women get less pension in the new system because of the lower minimum pension age and longer life expectancy. However, according to opinion polls many older women still want to retire early. Some of the persons interviewed were of the opinion that the EU membership will increase the pressure to have equal pension age, and that this fact will facilitate a for the government to argue for an introduction of equal pension age.

Some of the interviewed women also noted that gender awareness is a transition process that needs time. There is also a dilemma in the labour market between high unemployment among young people (40 %) and the wish to have women work longer before pension age.

4.6 Cost-effectiveness

The total costs of the Swedish support from October 1996 to November 2002 are SEK 1,4 million. Of these costs about 75 % are fees, which means that 37 man-weeks of work was performed by the Swedish experts. The main part of the other 25 % of reimbursable costs is also directly related to the number of man-weeks. Most of the work was performed 1997–2000. About 70 % of the man-weeks are estimated to be related to work with the preparation, training and operation of the calculation model, whereas the other 30 % are related to general advice and support the informed public discussion.

In view of the fact that the Polish representatives found the Swedish support, and especially the calculation model, to have been essential for the design and promotion of the reform, the costs of the support, that is the time indicated above as spent by the Swedish experts over a five year period, seems to be well justified and reasonable.

5 Summary of Conclusions

This section is summarising the conclusions from section 4 above.

- The Swedish support has been relevant in relation to the need of reforming the pension system in Poland. Sweden had relevant experiences of recently reforming its own pension system. Sweden also had experience of supporting other countries in their pension reform. The support was also most relevant in relation to the overall objective of Swedish cooperation with Poland and other countries in Eastern Europe, which is to promote a socially and economically sustainable development in these countries.
- The three main objectives of support – to provide advice for the design, promote an informed public discussion and to develop a technical calculation model – were all interlinked and well achieved. The support has also clearly contributed to the overall objective of creating an economically more reliable pension system.
- The sustainability of the new system is affected by different factors in the economic and demographic developments of the country. However, the calculation model could serve as a tool of regularly checking the consequences of changes in these factors. The sustainability of the calculation model in itself is dependent on if it is regularly used and updated and if new staff is continuously trained to use it.
- The Swedish support seems to have been efficiently performed. Inefficiencies in the design and implementation of the new system in Poland are due to internal political and other reasons.
- The present differences in pension age between men and women will mean less pension for women if they chose to retire at the minimum pension age. However, the gradual changes in popular attitudes towards equal economic opportunities for men and women and also the membership of EU will promote an equalisation of pension ages in the future.
- The costs for the Swedish support seem to be well justified and reasonable in relation to results achieved and their importance for the preparation and promotion of the pension reform in Poland.

6 Lessons Learned

The main lessons learned from this project seem to confirm earlier general experiences of what is important for success in the cooperation. One such lesson is that a clear vision of on the side of the cooperating country and counterpart on what its wanted from the Swedish side facilitates good results in the cooperation. On the Swedish side, competence and recent experiences of similar reforms, as well as an active attitude and understanding of the conditions in the cooperating country are also facilitating factors for the results.

The lesson from the problems in implementing the reform could be that the Swedish side should use this experience from Poland to further promote the involvement of the implementing body already in the preparation or at least the final design of similar reforms.

Annex 1

Terms of Reference

2003-03-07

TERMS OF REFERENCE FOR THE EVALUATION OF THE SWEDISH-POLISH COOPERATION IN THE FIELD OF PENSION REFORMS, 1996–2002

Background

The cooperation between the Swedish National Social Insurance Board (Riksförsäkringsverket, RFV) and the Polish Office of the Plenipotentiary for Social Security Reform (OGPSR)/Social Security Administration (ZUS) started in 1996 as a result of the Polish need to reform its pension system. Sweden had at the time made reforms similar to those necessary in Poland and Swedish experts were to contribute with important experiences and knowledge. The cooperation followed from a similar project between Swedish and Latvian authorities on the same issue.

Sida decided to support a first phase of the cooperation in October 1996. This was followed by new allocation for a second phase in June 1997, and later a final allocation for a third phase in June 1998. The activities were planned to finish in 1999 but were actually not concluded until 2002. The cooperation between Sweden and Poland was to contribute to a more economically reliable pension system that would not threaten the state budget. Thereby, the project would also promote an overall sound Polish economy and positive development of the society as a whole.

Initially, in the first phase, RFV provided general expertise and technical assistance in defining the Polish needs and establishing basic technical models for the pension system. This work intensified in phase 2 and 3 as the computer model that was developed during phase 1 was refined. Moreover, some educational modules for employees at OGPSR and ZUS was included. Support to the development of a new legislation was also included in the project as well as some technical assistance regarding disability benefits. A component relating to development of the IT-system at ZUS was abolished during phase 3.

The activities was mainly to be carried out through work-shops and experts visits, both in Poland and in Sweden. The main beneficiaries were different levels of employees within the OGPSR and ZUS. However, the population at large would also benefit from the project as the pension reform would contribute to a sustainable state budget. The total allocation from Sida amounts to approximately 1,9 million SEK.

The Swedish bilateral development assistance to the EU-candidate countries is now, after more than a decade, being phased out. The latest country strategy for Poland remained in force up to December 2001 but after that Sida has only in exceptional cases financed new projects in Poland.

Purpose and Scope of the Evaluation

The purpose of the evaluation is to assess the relevance, effects, impact and sustainability of the Sida financed Swedish-Polish pension reform cooperation between 1996–2002.

Sida is the main beneficiary of the evaluation. However, the recommendations provided by the Consultants will be valuable also for RFV as well as for other Swedish public authorities. The

evaluation will also be useful in terms of giving input to Sida financed cooperation in other countries, especially those in Eastern Europe.

The evaluation shall cover the assignment carried out by RFV described in Sida decisions 260/96, 184/97 and 260/98.

The Assignment (Issues to Be Covered in the Evaluation)

- a) **Relevance:** How did the project approach, goals and services carried out by the Swedish counterpart relate to the needs of the Polish counterpart? How did the project approach, goals and services relate to the objectives defined by Sida and the Swedish Government (country strategies etc)?
- b) **Effectiveness:** To what extent has the project achieved the goals and results as outlined in the contract, Sidas decision and other documentation? What are the reasons for high or low achievement of goals?
- c) **Effects:** Did the project contributed to effects (positive or negative) that initially were not expected? Are the results and effects of the project due to the project as such or have other factors (political, personal etc.) influenced the fulfillment of objectives? Can any particular success-factors be identified? Discuss the consequences of a low or high degree of local ownership and political support. The institutional set-up and a possible need for ulfillmental change should be taken into account.
- d) **Impact and sustainability:** To what extent have the Swedish support contributed to long-term effects and strategic impact in Poland? To what degree have women and men respectively been affected by the project?

When making an assessment of the above mentioned issues the Consultant should keep in mind the phasing out of the Swedish development assistance to Poland and the need to make the lessons learned relevant to similar Sida financed projects in other countries.

Methodology, Evaluation Team and Time Schedule

Method of work

The evaluation may consist of the following parts (the Consultant is encouraged to make amendments to the methodology or to propose an alternative approach):

- Documentation Study: Written documentation, including project proposals, reports and strategies, guidelines shall be studied. To collect the required material the Consultant will review relevant documentation at Sida and RFV.
- Interviews with relevant actors, in Sweden as well as with counterparts in Poland.

Evaluation team

The Evaluation Team shall have substantial knowledge and experience in evaluation methodology. Knowledge and experience from public administration, preferably including social security systems, shall moreover be available within the team. In addition, the team shall have documented experience from work in Central- and Eastern Europe.

Time schedule

The time estimated for the ulfillment of the assignment is 4–5 man-weeks.

Undertakings

The Consultant will be responsible for practical arrangements in conjunction with international missions and other visits. Sida will make available or cause to make available all written material (strategies, guidelines, reports, project documents, project completion reports, etc.) deemed to be of

relevance to the evaluation by the Consultants and Sida. Responsible officer at Sida will inform the Swedish counterpart of the forthcoming evaluation.

Reporting

The evaluation report shall be written in English and should not exceed 20 pages, excluding annexes. Format and outline of the report shall follow the guidelines in Sida Evaluation Report – a Standardized Format. The draft report shall be submitted to Sida electronically no later than 19 June 2003. Within 2 weeks after receiving Sida's comments on the draft report, a final version shall be submitted to Sida, again electronically and in 5 hardcopies. The evaluation report must be presented in a way that enables publication without further editing. Subject to decision by Sida, the report will be published in the series Sida Evaluations.

The evaluation assignment includes the completion of Sida Evaluations Data Work Sheet, including an *Evaluation Abstract* (final section, G) as defined and required by DAC. The completed Data Worksheet shall be submitted to Sida along with the final version of the report. Failing a completed Data Worksheet, the report cannot be processed.

Annex 2

List of Documents

- Request for support to phase I. Letter from the Office of the Government Plenipotentiary for Social Security Reform, September 1996
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- Polish Pension Reform: Agenda for continued cooperation between the Office of the Government Plenipotentiary and Riksförsäkringsverket, phase II. Letter from the Office of the Government Plenipotentiary for Social Security Reform, April 1997
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- Social Insurance in Poland: information/facts, Social Insurance Institution (ZUS), 2002

Annex 3

Persons Met

Sweden

Edward Palmer	Professor, Head of Research and Evaluation Unit, National Insurance Board (RFV)
Bo Könberg	Member of Parliament, Former Minister for Social Insurance and Chairman of the Pension Group responsible for formulating the Swedish Pension Reform in 1994
Gunnar Tidner	Actuary and technical expert of National Insurance Board (RFV)
Hans Olsson	Economist, Swedish Association of Local Authorities Former member of Pension Working Group in Sweden

Poland

Agnieszka Chlon	Director, Dept for Economic Analysis and Forecasting, Ministry of Labour and Social Policy Former expert of the Office of the Plenipotentiary
Ewa Lewicka	President, Chamber of Pension Fund Societies Former Vice Director of the Office of the Plenipotentiary
Aleksandra Wiktorow	President, Social Insurance Institution (ZUS) Former expert of the Office of the Plenipotentiary
Irena Kotowska	Professor, Institute of Statistics and Demography, Warsaw School of Economics Former expert of the Office of the Plenipotentiary
Marek Gora	Professor, Warsaw School of Economics Former Director of the Office of the Plenipotentiary
Krzysztof Pater	Undersecretary of State, Ministry of Economy, Labour and Social Policy Former Vice Director of the Office of the Plenipotentiary

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