



CORPORATE STRATEGIC PLAN 2023 - 2027





OUR VISION

To be the Trusted Social Security Provider delivering exceptional value to our members



OUR MISSION

To empower our members to achieve financial security through prudent investments and value adding solutions



OUR VALUES

- a) Member-Centric
- b) Integrity
- c) Innovation
- d) Collaboration



Mr. David Kariuki Njeru
Chairman, Board of Trustees

Dear Stakeholders,

I am proud to present this strategic plan which reflects our commitment to transform NSSF Kenya into a high-performing, member-centric and data-driven organization.

Our vision is "To be the Trusted Social Security Provider delivering exceptional value to our members". We have set ambitious goals and objectives to ensure that we remain a reliable partner for our members and stakeholders.

FORWARD

The success of our strategic plan relies on a comprehensive approach that emphasizes operational efficiency, financial sustainability, and customer service. Our focus is on leveraging technology and data analytics to enhance our service delivery, expand our product offerings, and increase our value proposition for our members. We are also committed to ensuring that our governance structures are robust and transparent, and that we adhere to the highest ethical standards.

"Our focus is on leveraging technology and data analytics to enhance our service delivery, expand our product offerings, and increase our value proposition for our members."

As we embark on this journey, we recognize that our success will depend on the dedication and commitment of our staff, the support of our stakeholders, and the trust of our members. We are confident that our strategic plan will guide us towards achieving our objectives. The Fund is committed to working tirelessly towards fulfilling its purpose, mission and vision. We are excited about the opportunities that lie ahead, and are certain that we will continue to be a leading force in the pension industry in Africa.

Thank you.

Mr. David Kariuki Njeru
Chairman, Board of Trustees



Mr. David Korross
Managing Trustee/CEO

Dear Stakeholders,

I am honored to present our strategic plan that sets forth our roadmap for the next five years. As a leading organization in our industry, we recognize the need to continually evolve and improve our operations to ensure we are meeting the evolving needs of our members. We are excited to embrace the challenges and opportunities that lie ahead, and are committed to achieving our mission “To empower workers to achieve financial security through prudent investments and value adding solutions”

FORWARD

The Strategic Plan details strategies and activities that will enable the Fund to achieve its goals as identified through participation of all stakeholders in a process that included a review of the 2019 - 2022 Strategic Plan and several national and international performance and Policy instruments among them the Vision 2030 and the transformative government development aspirations as prescribed in the Bottom-up Economic Transformation Agenda (BETA).

We have also assessed the external landscape, including economic, political, and technological factors. Our analysis has enabled us to identify critical strategic tactics that will allow us to achieve our goals and drive sustainable growth. By focusing on innovation, collaboration, and continuous improvement, we aim to build a culture of excellence that will enable us serve our members better.

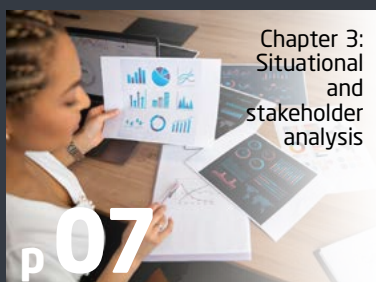
Our strategic plan is a living guide that will inform our decisions and actions in the coming years. We have set ambitious targets, and we are committed to achieving them through a collaborative effort. We understand that success requires the commitment and dedication of every member of our team, and we are committed to providing the resources and support needed to drive positive outcomes. With the support of our stakeholders, we are confident that we can achieve our goals and create a brighter future for our organization and the sectors we serve.

Thank you for your continued support.

Mr. David Korross
Managing Trustee/CEO

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ACRONYMS AND ABBREVIATIONS

ADR	Alternative Dispute Resolutions
AGM	Annual General Meeting
AU	African Union
AWPs	Annual Work Plans
BC	Business Continuity
BETA	Bottom-Up Economic Transformation Agenda
BSC	Balanced Scorecard
COTU	Central Organization of Trade Unions
CCTV	Closed Circuit Television
CRM	Customer Relationship Management
CSP	Corporate Strategic Plan
EAC	East African Community
ERP	Enterprise Resource Planning
ESG	Environmental, Social and Governance
FKE	Federation of Kenyan Employers
GoK	Government of Kenya
HQ	Head Quarters
ILO	International Labor Organization
ICT	Information and Communication Technology
IMS	Integrated Management System
IPPD	integrated Personnel Payroll Database
ISMS	Information Security Management System
KES	Kenya Shilling
KM	Knowledge Management
KPIs	Key Performance Indicators
LAN/WAN	Local Area Network/Wide Area Network
MSMEs	Micro, Small and Medium Enterprises
M&E	Monitoring and Evaluation
MTP	Medium Term Plan

ACRONYMS AND ABBREVIATIONS

NSSF	National Social Security Fund
PESTELE	Political, Economic, Social, Technological, Environmental, Legal, Ethics
QMS	Quality Management Systems
RBA	Retirement Benefits Authority
SAP	System Application and Products
SSPAS	Social Security Pension Administration System
SCAC	State Corporations Advisory Committee
SLAs	Service Level Agreements
SLOC	Strengths, Limitations, Opportunities and Challenges
SWOT	Strengths, Weaknesses, Opportunities and Threats
SDGs	Sustainable Development Goals
UN	United Nations
MT	Managing Trustee
GM SS	General Manager, Social Security
GM SRR	General Manager, Strategy, Research & Risk
GM HR&A	General Manager, Human Resource & Administration
GM CS&LS	General Manager, Corporation Secretary & Legal Services
GM IA	General Manager, Internal Audit
M, ICT	Manager, Information & Communication Technology
M, CC	Manager, Corporate Communication
M, R&C	Manager, Registration & Compliance
MB	Manager, Benefits
MF	Manager, Finance
M, M&CE	Manager, Marketing and Customer Experience
M, HR	Manager, Human Resource
M, S&C	Manager, Strategy & Change

EXECUTIVE SUMMARY

This 4th Corporate Strategic Plan (CSP) gives an organizational background of the National Social Security Fund (NSSF) in terms of the mandate and function. The CSP highlights the development challenges in Kenya and evaluates the performance in the outgoing 2019-2022 CSP, including the lessons learnt.

This CSP aspires to move NSSF from the traditional approach of offering social security to a more modern approach in line with ILO Convention 102.

The Fund takes cognizance of the transformative government development aspirations as prescribed in the Bottom-Up Economic Transformation Agenda (BETA) and the Kenya Vision 2030 Fourth Medium Term Plan (MTP IV). The transformative agenda, which is envisaged in the BETA encompasses five core pillars of Agriculture; Micro, Small and Medium Enterprises (MSMEs); Universal Health Care; Affordable Housing and Settlement; Digital Superhighway and Creative Economy.

As part of its core mandate, the Fund is also committed to ensuring achievement of Sustainable Development Goals (SDGs) through provision of financial security in old age.

This Strategic Plan builds on the achievements made under the previous plan period of 2019-2022, and is a combination of interwoven strategies, that the Fund is optimistic will address the anticipated challenges and exploit opportunities.

This Strategic Plan will focus on the growing number of youth. Based on latest UN estimates, the country's youth population is made up of over 9.5 million people. This translates to more than 20% of all

Kenyans, hence the need for the Fund to focus on this segment and other significant social & economic shifts that are affecting the pension industry worldwide, such as technological advances and investment trends, among others. This plan has also taken cognizance of the pensions and social security reforms in Kenya, some of which will enable us to expand our pension coverage.

An evaluation of the 2019-2022 Corporate Strategic Plan was carried out with some of the notable achievements including the following: growth of Fund Value by 23% over the three-year period, an average monthly collection of Kes 1.2 billion, launch of an informal sector product "Haba Haba", attainment of certification to ISO 22301:2019 - Business Continuity Management System, organizational endorsements, implementation of Electronic Document Management Records System and recognition awards from CIO, SAP & Huawei.

The document describes the outcome of the SLOC, PESTEL and stakeholder analysis. The CSP then proposes a customer centric model to be implemented through four strategic themes below:

- a) Customer Experience
- b) Financial Sustainability and Growth
- c) Operational Excellence
- d) Organizational Resilience

The implementation of the CSP will be monitored using the Balanced Scorecard tool over the five-year period with quarterly reviews to identify gaps in implementation and come up with mitigating measures.

CHAPTER 1: INTRODUCTION

1.1 Brief history

The National Social Security Fund (NSSF) was established in 1965 by an Act of Parliament CAP 258 Laws of Kenya in order to administer a provident fund scheme for all workers in Kenya. Initially, the Fund operated as a government department under the Ministry of Labour but as its membership grew and its operations became complex, the NSSF Act was amended in 1987 to transform it into an autonomous State Corporation. Therefore, since 1988, the Fund has been operating under a Board of Trustees, which is constituted by representatives of three key stakeholders: the government, workers and employers.

1.2 External context

The strategic plan is aligned to the external environment. This includes the Kenya Vision 2030, the Fourth Medium Term Plan (2023-2027), the Bottom-up Economic Transformation Agenda (BETA), the UN agenda 2030 on Sustainable Development Goals (SDGs), AU Agenda 2063, and EAC vision 2050.

For the national development agenda more specifically, the strategic plan is aligned to the Kenya Vision 2030, the fourth Medium Term Plan (MTP), and the Bottom-up Economic Transformation Agenda (BETA). In BETA, the Government's priorities were chosen based on the impact of six objectives namely; bringing down the cost of living, eradicating hunger, creating jobs, expanding the tax base, improving our foreign exchange balance and inclusive growth. These criteria led to six sectors that form the core pillars of the Bottom-Up Economic Transformation Agenda which include:

- a Agriculture;
- b Micro, Small and Medium Enterprise (MSME) economy;
- c Housing and settlement;
- d Healthcare;
- e Digital superhighway and creative economy; and
- f Environment and climate change.

The bottom-up economic transformation model is premised on Pension Funds doing the heavy lifting on the Affordable Housing Programme (AHP). This presents opportunities and challenges in equal measure. The opportunity to invest in affordable housing and impact lives profitably but also disrupting the existing market. The main challenge is that the key drivers of cost of housing have not been addressed. These include:

1. Cost of land;
2. Lack of suitable, serviced land in the right locations with good title at the right cost;
3. Archaic building codes;
4. Bureaucratic approval process with different government entities working at cross-purposes e.g. reintroduction of NEMA and NCA fees, laborious and opaque approval processes by county governments;
5. Escalating cost of building materials; and
6. High financing costs for both developers and purchasers.

The Fund being the largest pension fund in the country and being the national scheme is expected to take up a large part of the financing burden. Therefore, the Fund being the first port of call is in a unique position to take advantage of emerging opportunities while at the same time being at the risk of churning many, expensive and unproductive feasibility studies. This also introduces the risk of the Fund being derailed from its priority projects.

The Fund's strengths include large balance sheet, current headroom as the property class is underweight and good corporate brand in the property space. The weakness is the long history of poorly executed projects. To address this weakness, the Fund needs to adopt the Fund Management approach to planning and execution of property investments.

1.3. Internal Context

The Fund is committed to achieving its mandate of registering members, collecting contributions, investing members' funds and ultimately paying out competitive benefits.

CHAPTER 1: INTRODUCTION

Achievement of corporate objectives has been guided by cycles of Corporate Strategic Plans, which provide focus and direction in all its operations.

In order to effectively undertake its functions, the Fund has established core departments of Registration & Compliance, Investments and Benefits Payment, and other support departments with distinct functions that cut across and support the achievements of the Key Result Areas. The plan addresses the challenges identified during the mid-term review of the Strategic Plan 2019-2022 and incorporates the lessons learnt to inform the planning phase of 2023-2027 Plan as well as the feedback received from various departments and other relevant stakeholders.

The Fund has undergone various regulatory reforms to-date, as summarized below:

Table 1.1: Regulatory Framework and Key Events

Period	Description
1965	Establishment of the Fund by an Act of Parliament CAP 258 laws of Kenya as a Government Department.
1987	Transformed to State Corporation and handover of the Fund Management to Board of Trustees.
1997	Enactment of the Retirement Benefits Act and the setting up of the Retirements Benefits Authority (RBA).
2000	Formulation of a comprehensive framework of subsidiary regulations detailing the roles of the Trustees, Fund Managers, Administrators and Custodians. This includes the Investment Guidelines for Pension Schemes.
2011	NSSF outsources fund management to external fund managers in compliance with RBA Act.
2014	NSSF Act, 2013 with new contributory structure set to commence but remains suspended following court ruling.
2015 - 2016	Schemes can invest up to 10% of their portfolio in Private Equity or Venture Capital that are licensed by the CMA.
2016 - 2017	Inclusion of Real Estate Investments Trusts (REITs) as an investable asset class as long as it is a REIT incorporated in Kenya and registered with the CMA.
2023	Unlocking of the NSSF Act, 2013 making Pension Plans Mandatory for the formally employed

CHAPTER 1: INTRODUCTION

1.3.1

Methodology of Developing the Strategic Plan

NSSF adopted a robust and participatory methodology in development of the 2023-2027 Corporate Strategic Plan.

This methodology is summarized below:

a) Data gathering from staff

Strategic consultations were carried out through workshops around the key strategic planning inputs and outputs, including the organization's mission, vision, values, and environmental analysis, among other areas.

b) Planning team

Creation of a guiding coalition from relevant stakeholders which included Ministry of Labor and Social Protection, Board of Trustees, Senior Managers and Representatives from different departments. This coalition served as the core planning team who were responsible for overseeing the strategic planning process.

c) Development of the strategic plan outputs

The process entailed identification of analysis of both the internal and external environments, development of goals and objectives, formulation of implementation plans, allocation of responsibilities and resources, and establishment of performance measures and monitoring mechanisms.

d) Presentations for input

The draft ideas were presented to the Management and the Board through various workshops. This enabled these stakeholders to provide their input.

e) External review

The CSP was externally reviewed by World Bank with a view to incorporating international Social Security best practices. The draft strategic plan was also reviewed by the University of Nairobi Enterprises Services Ltd with a view to ensure that the Fund's strategic plan is competitive, dynamic and robust.

f) Presentations for approval

The draft strategic plan was presented to management, the relevant Board committee, and the full Board for discussion and approval. In implementing this plan, NSSF will:

- I. Communicate the purpose and benefit to all employees and stakeholders and emphasize the importance of their involvement in shaping the organization's future direction.
- II. Communicate and cascade the plan through a communication plan to share the strategic plan with all employees and stakeholders and provide regular updates on progress and achievements to maintain transparency and engagement.
- III. Foster a culture of participation and learning through creating platforms for employees to share ideas, provide feedback, and contribute to the plan's execution.

CHAPTER 2: STRATEGIC DIRECTION

The Fund's purpose/mission, its long-term vision, and its core values serve as the foundation and the strategy that will lead to its success. These three constituent elements are at the heart of an organization and should remain constant and solid, like the foundation of a building. **The strategic foundations are outlined below:**

2.1. Mandate

The NSSF Act, 2013 which came into force on 23rd February 2023 gives the Fund its mandate. The Act establishes a new Pension Fund and a Provident Fund and provides for the ring-fencing of the assets and liabilities of the Old Provident Fund. Section 4 of the Act provides for the Objects of the Fund as to:

- a. Provide basic social security for its members and their dependants for various contingencies as provided under the Act;
- b. Increase membership coverage of the social security scheme;
- c. Improve adequacy of benefits paid out of the scheme by the Fund;
- d. Provide a full opt out at Tier II level of contributions for employers who have or are contributing to pension schemes approved and registered by the Authority;
- e. Bring within the ambit of this Act, self-employed persons to access social security for themselves and their dependants;
- f. Operate and manage a scheme that is value-adding to its members by, inter-alia:
 - I Ensuring that the Fund and its social security systems are sustainable and affordable; and
 - II Retaining the Old Provident Fund for purposes of dealing separately

with liabilities, obligations, assets and any matters connected

- III therewith, to avoid transferring the same to the Fund established under this Act.
- g. Ensuring that the liabilities of the Old Provident Fund are settled within five years from the commencement of the new Provident Fund and the close of the Old Provident Fund; and
- h. Do any other thing or take any measure permitted by the Act for purposes of attaining any or all these objects and for purposes of effective enforcement and application of the Act. NSSF must now compete with similar organizations in order to retain its customer base.

2.2. Vision Statement

To be the Trusted Social Security Provider delivering exceptional value to our members

2.3. Mission Statement

To empower our members to achieve financial security through prudent investments and value adding solutions

2.4. Strategic Goals

- I. Increase customer experience from 81% to 95%
- II. Grow Fund value from 312B to 1Tn
- III. Reduce administrative costs from 2.1% to 1.5% of Fund value
- IV. Strengthen organizational resilience to 95%

CHAPTER 2: STRATEGIC DIRECTION

2.5. Core Values | Our core values are (MI2C):

Member-Centric



The “member-centric” core value is about putting members at the center of everything we do. It involves all people who have direct contact with members, as well as those whose actions directly or indirectly affect member rights, member perceptions, and the sense of community. To be member-centric, NSSF Kenya must know what members really want, talk to them more, and listen to them more. We must challenge ourselves on behalf of members, be proactive in finding the best solutions, packages, and arrangements for members, and not accept too readily that the status quo is the best place to be. This means that the Fund is committed to putting members first in everything they do, recognizing that members are the reason for its existence.

The core value of member-centric is intended to influence all of NSSF Kenya’s thinking and actions, whether in call centers, branches or other member-facing roles, back office support, or management. The organization will use its systems to remind everyone that being member-centric is the way they need to be, to make sure they all recognize that they are part of the same community, with no exceptions.

In order to ensure member-centricity, the Fund shall carry out regular member surveys and feedback mechanisms to ensure we are meeting member needs. In addition, NSSF Kenya has launched the “member-centric” initiative, which aims to create a permanent state of mind where all plans, decisions, and actions are taken with the interests of members foremost in their thinking.

Integrity



The integrity core value is about acting with honesty and ethically in all our interactions. It is also about taking responsibility for our actions and decisions or being accountable. In summary, this core value encompasses honesty, transparency, and ethical conduct. Integrity is crucial for building trust and credibility with members. As a trusted social security provider, maintaining the highest standards of integrity is essential. The Fund shall achieve integrity by acting in the best interest of members, handling their personal information with confidentiality and security, and ensuring fair and equitable treatment for all. Upholding integrity will build confidence among members and reinforce the organization’s commitment to ethical practices.

Innovation



Innovation involves embracing new ideas, technologies, and approaches to drive continuous improvement and stay ahead in a rapidly changing landscape. The Fund will adapt to emerging needs, leverage technological advancements, and enhance the quality and accessibility of services. By fostering a culture of innovation, the Fund shall explore and embrace creative solutions, develop user-friendly platforms, and introduce novel programs/projects that address the evolving social security challenges faced by its members.

Collaboration



Collaboration emphasizes the importance of working together and fostering a cooperative environment. It will involve promoting teamwork among members of staff, departments, and external stakeholders. The Fund shall encourage regular cross-functional collaboration to identify and implement solutions to complex problems. By encouraging collaboration, the Fund will enhance communication, share knowledge, and pool resources to provide better services to its members. Collaborative efforts will in the long-term lead to improved efficiency, streamlined processes, and innovative solutions to meet the evolving needs of our members.

CHAPTER 2: STRATEGIC DIRECTION









2.6. Integrated Policy Statement

The National Social Security Fund is committed to protect workers against contingent risks throughout their lives and help them achieve financial security through prudent investments and value adding solutions. To ensure this is achieved, the Fund is keen to having committed staff performing their roles and responsibilities with integrity and accountability, embracing best practice, innovation and appropriate technology in all operations.

2.7. Value Proposition

Table 2.1 shows our value propositions to our various stakeholders.

Table 2.1: Value propositions

Stakeholders	Value Propositions	
 Member	A competitive return, security of savings and timely benefits payment in time of need	
 Employer	Cost-effective scheme for managing staff pension needs with effective administration	
 Staff	A fulfilling work environment that ensures fair compensation and personal growth	
 Government and Social Partners	Mobilization of domestic savings to support long term economic development within best practice governance	

CHAPTER 3: SITUATIONAL & STAKEHOLDER ANALYSIS

This chapter gives a review of the previous Strategic Plan (2019-2022). It outlines the key achievements, challenges, emerging issues and the lessons learnt during the implementation of the plan. It analyses the environmental scan using the SLOC and PESTEL analytical tools. The chapter further identifies stakeholders, their roles and responsibilities and highlights lessons learnt for the purpose of improving future performance.





- 3.1 Situational Analysis
- 3.1.1 External Environment Analysis
- 3.1.1.1 UN 2030 Agenda on Sustainable Development

The SDGs are the United Nations' 17 Sustainable Development Goals adopted in 2015. It is the Agenda for Sustainable Development, "an urgent call for action by all countries, developing and developed, in a global partnership." This call for action being peace and prosperity for all people and the planet from the present to the future. The goal's focus on improving inequality regarding health, education, and the economy, with a large focus on helping to tackle climate change and preserve the oceans.

While most of the 17 goals would have some impact on the environment the Fund operates in, we have identified a number that will have the most significant impact on our operations (see table 3.1).

"This call for action being peace and prosperity for all people and the planet from the present to the future."

Tables 3.1: Relevant SDGs

SDG	Details	
 No Poverty	With a projected global poverty rate of 7% in 2030, the equivalent of 598,394,116 people, this UN goal aims to end poverty of all kinds.	
 Affordable and Clean Energy	Almost 800 million people lack access to electricity and 1/3 of the population uses dangerous cooking systems. This puts into perspective why this goal aims to ensure affordable, reliable, sustainable, and modern energy.	

CHAPTER 3: SITUATIONAL & STAKEHOLDER ANALYSIS

Decent Work and Economic Growth

Especially after the global pandemic, joblessness and unemployment is extremely prevalent, making this goal of promoting inclusive, sustainable economic growth, productive employment and decent work ever more important. SDG Goal 8 objectives include but are not limited to: sustain economic growth, increase economic productivity, improve resource efficiency, achieve full and productive employment, increase working youth population, end forced labor, protect labor rights, promote tourism, and grant access to financial institutions for all.



Industry, Innovation and Infrastructure

Resilient infrastructure, inclusive and sustainable industrialization, and innovation is the objective of this sustainable development goal. Enhancing rural road connectivity, increasing research and development investment, and manufacturing high tech products helps stabilize infrastructure. SDG Goal 9 objectives include but are not limited to: reliable infrastructure for all, sustainable industrialization, increased access of small-scale industries and enterprises in developing countries, rendering industries sustainable, and improving technology in all industries.



Sustainable Cities and Communities

This goal promotes making cities and human settlements safer, resilient, and sustainable through use of national urban policies, more access to public spaces, convenient public transportation, and the reduction of slums.



CHAPTER 3: SITUATIONAL & STAKEHOLDER ANALYSIS

The following are key SDG goal opportunities for NSSF

Goal No. 1: No Poverty

This is the reason for existence of the National Social Security Fund. It was created specifically to address the issue of Old Age Poverty. To meet this objective, the Fund shall have to create products that address poverty during the entire life-cycle of our members, from cradle to grave, not just in old age, e.g. Haba Haba and proposed unemployment benefits.



Goal No. 7: Affordable and Clean Energy

With the push for cleaner energy, the Fund shall have to proactively scout for investments opportunities in Clean Energy.

Goal No. 11: Sustainable Cities & Communities (Affordable Housing)

The opportunity to invest in affordable housing and impact lives profitably in the proposed Mavoko, Machakos and Kisumu housing projects.

3.1.1.2 African Union Agenda 2063

The Fund's 2023-2027 Strategic Plan is in harmony with the African Union Agenda 2063, which serves as the guiding framework to shape Africa's transformation into a prominent global force by 2063. The Fund is dedicated to realizing the African Union Agenda, by

striving for a prosperous Africa through inclusive economic expansion and lasting progress. It also recognizes the need for strong partnerships with the International Community, African Diaspora and various Diaspora to support the continent's development efforts. The Fund aligns itself with the following African Union Agenda 2063 aspirations:

Aspiration 1: "A prosperous Africa based on inclusive growth and sustainable development."

This aspiration aims for a prosperous Africa grounded in comprehensive growth and enduring development. A continent where poverty is eradicated in one generation and shared prosperity is built through social and economic transformation of the continent through provision of sustainable and competitive social security benefits to our members.

Aspiration 6: "An Africa, whose development is people-driven, relying on the potential of African people, especially its women and youth, and caring for children."

The Fund is committed to working with women and Youth through its partnership projects and affirmative action.

3.1.1.3 East Africa Community Vision 2050

The Vision 2050 outlines a broad perspective for East Africa, focusing on optimizing the region's resources to reduce disparities in social well-being and productivity. The EAC Vision 2050 highlights the need to enhance the value of Social Security and transform the economy of the EAC region.

The Vision also underscores the importance of strengthening the institutional framework for sustainable development, effectively addressing current and future social security

CHAPTER 3: SITUATIONAL & STAKEHOLDER ANALYSIS

gaps in implementing the sustainable development agenda.

The Fund shall endeavor to align its operations and processes with the East Africa Vision 2050.

3.1.1.4 National Sector Policies and Laws

The strategic plan is aligned to Pensions Act, Retirement Benefits Act, NSSF Act and Regulations, Tax and Labor Laws.



“The Fund is committed to working with women and Youth through its partnership projects and affirmative action.”

CHAPTER 3: SITUATIONAL & STAKEHOLDER ANALYSIS

Table 3.2 shows the sector policies and laws.

Sector Policies and Laws	How they integrate to Fund Strategy
NSSF Act 2013	<ul style="list-style-type: none"> • Provides for the Pension Fund and Provident Fund. • Provides for the benefits to be paid out to the members under the Pension Fund and Provident Fund. • Provides for the qualifications required under each benefit type.
RBA Act	<ul style="list-style-type: none"> • Regulates the Fund's Pension and Provident Fund and how the benefits are paid out whilst safeguarding the members' interests.
Constitution of Kenya, 2010	<ul style="list-style-type: none"> • Provides for national values and principles of governance binding the Fund. • Provides for state officers to be guided by principles of Leadership and Integrity. • Fund's Values. • The Kenyan Constitution of 2010, Section 43 (1) (e), stipulates that all individuals are entitled to social security. • The Fund's Corporate Strategic Plan 2023-2027, in accordance with the constitution, will ensure the delivery of Social Security Benefits to its members as outlined in the NSSF Act, 2013.
Finance Act	<ul style="list-style-type: none"> • Ensures Fund's financial practices are aligned accordingly to the various financial laws under the act.
Employment Act	<ul style="list-style-type: none"> • Ensures the Fund and staff members are fully aware of all fundamental rights of employees. • Also ensures the Fund provides the basic conditions of employment of its employees.
Mwongozo Framework, All relevant laws, statues and regulatory requirements to the Fund	<ul style="list-style-type: none"> • Ensures the Board of Trustees incorporates the principles of Corporate Governance in the management and Governance of the Fund.

CHAPTER 3: SITUATIONAL & STAKEHOLDER ANALYSIS

3.1.1.5 Customer Analysis

An analysis of how products and services offered by NSSF meet or surpass customer expectations is important. This is defined by their experience in service delivery reported through feedback forms and survey research carried out by the Fund on its Products and services with a focus on exceeding their satisfaction levels.

The overall customer satisfaction index is at 81.44% as of 31st December 2022 compared to the previous year's index which was 79.48%. There was an increase of the index by 1.96% which is a great improvement by the Fund.

The findings indicated that 82% of the customers were satisfied with how NSSF implemented its mission statement across the various segments. On the extent of satisfaction with how NSSF staff implemented the NSSF core values; the findings indicated that 82% are satisfied across the various segments. On the extent to which customers were satisfied with "NSSF having a good corporate image among her stakeholders", 83% were satisfied, 18.3% were neutral while 0.36% were dissatisfied.

3.1.1.6 Industry Environment

Table 3.3 demonstrates industry performance against inflation over a 10-year period. It shows that over a 3-year period, pension outperformed inflation by about 3%.



CHAPTER 3: SITUATIONAL & STAKEHOLDER ANALYSIS

Table 3.3 demonstrates industry performance against inflation over a 10-year period. It shows that over a 3-year period, pension outperformed inflation by about 3%.

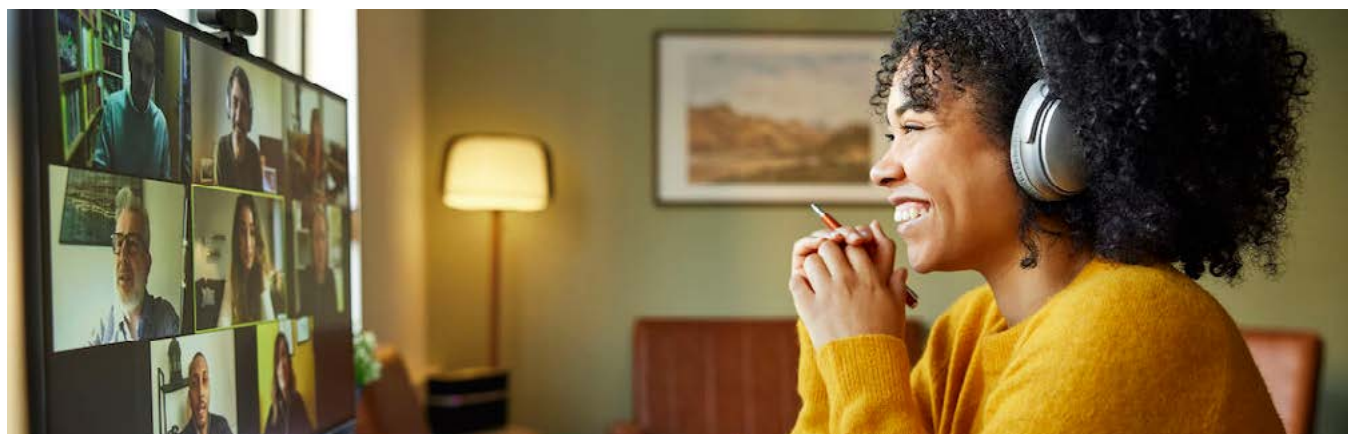
Table 3.3: Pension Schemes Performance over 10-year Period

PERIOD ENDING 31 st DECEMBER	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Number of Schemes Participating	127	314	378	384	374	415	419	421	420	423
Total Assets KShs Bn	217.1	479.4	535.8	596.5	677.3	756.9	885.0	951.8	953.1	1,028.9
1Yr Median performance	20.2%	15.3%	1.9%	8.2%	18.1%	5.4%	17.1%	7.3%	12.4%	2.4%
3 Yr Median performance	11.4%	20.8%	11.8%	8.4%	9.3%	10.6%	13.5%	10.0%	12.2%	7.2%
Overall 1 year Inflation¹	7.1%	6.0%	8.0%	6.4%	4.5%	5.7%	5.8%	5.6%	5.7%	9.1%
Overall 1 year Inflation¹	9.6%	5.4%	7.1%	6.8%	6.3%	5.5%	5.3%	5.0%	5.3%	6.0%

Source: Data in respect of commercial Banks and Microfinance Banks from the Bank Supervision Annual Report, 2021. The data for pension and insurance sector obtained from RBA and IRA quarterly reports respectively

Source: Pension Funds returns performance-Zamara Notes:

1. Based on KNBS Statistics 2013-2022 www.knbs.or.ke/
2. Calculated geometric average over 3 years



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Table 3.4 shows industry size by asset base held by key industry players. This shows that the Pension industry is the second largest player after banks.

Table 3.4: Financial Sector Assets and Share of GDP

TABLE 3.4: SHARE OF FINANCIAL SECTOR TOTAL ASSETS TO NATIONAL GDP								
YEAR	2018		2019		2020		2021	
Nominal GDPT (Thousands)	8,904,984		9,740,400		10,716,034		12,098,200	
Industry/ Indicator	Total Assets (Kshs.B)	Share of GDP(%)	Total Assets (Kshs.B)	Share of GDP(%)	Total Assets (Kshs.B)	Share of GDP(%)	Total Assets (Kshs.B)	Share of GDP(%)
Banks (excluding MFBs)	4,408.59	49.51%	4,832.30	49.61%	5,420.10	50.58%	6,022.15	49.78%
Microfinance Banks	70.75	0.79%	76.35	0.78%	74.88	0.70%	73.96	0.61%
Insurance	637.41	7.16%	705.84	7.25%	761.34	7.10%	845.83	6.99%
Pensions	1,166.34	13.10%	1,298.19	13.33%	1,398.95	13.05%	1,547.43	12.79%
DT-SACCOs	493.82	5.55%	556.71	5.72%	627.68	5.86%	691.09	5.71%
NWDT-SACCOs	-	-	-	-	106.54	0.99%	116.02	0.96%
TOTALS	6,776.91		7,469.39		8,389.49		9,296.48	

Source: Data in respect of Commercial Banks and Micro Finance Banks from the Bank Supervision Annual Report, 2021. The data for pensions and insurance sectors obtain from RBA and IRA quarterly report representatively.

Source: Financial Industry Performance Report by SASRA

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3.1.1.7. Market Analysis

Table 3.5 shows a summary of analysis of competition and the markets in which NSSF operates.

Table 3.5: Analysis of Competition and Markets

EXISTING AND NEW PRODUCTS	MARKET	COMPETITION	MARKET SHARE	CHALLENGES	OPPORTUNITIES
Tier 1	All employers	None	100%	Change of legislation	Improve service delivery to offer exceptional service to members
Tier 2	All employers	Occupational and umbrella schemes	100% for now	Some employers will opt out	Mechanism to retain existing employers
Voluntary Contributions	Informal and formal Sector workers	Occupational, Insurance and umbrella, schemes Saccos, banks cooperative societies	Unknown	Fierce competition	Improve service delivery to offer exceptional service to members
Unemployment Benefit	Informal and formal Sector workers	Insurance	New	Inadequate agility	New Product yet to be launched
Maternity Benefit	Informal and formal Sector workers	None	New	Sustainability after withdrawal of funder	New Product yet to be launched



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3.1.1.8 PESTELE Analysis

A review of the external environment in the form of a PESTELE analysis (i.e., Political, Economic, Social, Technological, Environmental, Legal and Ethics), ESG (Environmental, Social and Governance) and Green & Blue economy has provided the Fund with a greater understanding of the broader dynamics as summarized in Table 3.6.

Table 3.6: Summary of the Fund’s PESTELE analysis

FACTORS	EFFECTS	MITIGATION / OPPORTUNITY
Political		
Government agenda	Enhanced social security coverage and adequacy	Use of digital platforms and informal sector product
Political environment	Peace and stability in the business environment	Government intervention
East African Community	Portability of pension funds across EAC	Regional pension growth
Post-election environment	Businesses instability, erosion of investor confidence, business closures and job losses, consequently reducing social protection coverage	Enhance e-service and other online services
Social protection policies	Inadequate coverage in both formal and informal sectors of the economy	Strategic Marketing & Partnerships
Economic		
Russia-Ukraine Conflict	Slowdown in global growth due to High inflation rate, Severe double-digit drop in GDPs and rapid increase in commodity prices.	Use of alternative commodities Digital transformation Diversification of investment portfolio
Kenyan Economic growth	Economic expansion by 7.5 per cent in 2021 compared to a contraction of 0.3 per cent in 2020.	Enhance market intelligence and deploy cost optimization approaches
Inflation	Kenya’s annual inflation rate increased to 7.1% in May 2022, up from 6.5% the month before. Commodity prices continue to increase substantially.	Diversify investment portfolio

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Table 3.6: Summary of the Fund's PESTELE analysis

FACTORS	EFFECTS	MITIGATION / OPPORTUNITY
Foreign Exchange Market	On a YTD basis, the Kenya Shilling has weakened by -3.08% against the dollar.	Diversify investment portfolio
Green and Blue Economies	Creation of employment leading to enhanced membership and collections in Fisheries and aquaculture, Maritime transport and logistics services, Culture and tourism; and Extractives (oil and gas, minerals and energy)	Invest in the alternative asset classes in the emerging industries
Legal, Regulatory Framework and Ethics		
Retirement Benefits Authority (RBA)	Sanction on late submissions of Contributions and late submission of Actuarial Evaluation Report; Pension backed Mortgage; Delayed declaration of interest on members account and benefit process	Compliance to the Legal, Regulatory Requirements Enhance compliance levels in the Fund
Labor Laws 2021	Penalty of 5% for non-compliance enables timely update of member accounts	Member statement accuracy
Hybrid & Virtual Meeting	Public and private companies can hold virtual & hybrid meetings. This has enhanced Business continuity and reduced costs	Increased compliance to regulatory and legal requirements
Tax Laws	<p>Reduced member pension because Provident Fund benefit is also subjected to taxation. Withdrawal of funds by members from registered schemes is subject to tax at pension withholding tax rates.</p> <p>Monthly pension granted to a person who is sixty- five years of age is exempt from monthly taxation but is subject to taxation of lump sum above Kshs. 600,000</p>	Lobby to increase nontaxable pension bracket or reduce pension tax
High Court ruling on Bounced Cheques	Issuance of bounced cheques is considered a misdemeanor and not criminal offence hence increased default rate	Accounts reconciliation

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Table 3.6: Summary of the Fund’s PESTELE analysis

FACTORS	EFFECTS	MITIGATION / OPPORTUNITY
Ethics	Increased loyalty, transparency, collaboration and good governance	Increased compliance to regulatory and legal requirements
Technological Environment		
Digital uptake, Data Analytics and Emerging Technologies	Adoption of modern technologies such as cloud, artificial intelligence, and machine learning to increase efficiency, enhance customer experience and reduced cost	Integrate with other platforms and continually improve technology
Cyber Security	Exposure to cybercrime	Put safeguards and regularly test resilience against cyber-attacks
Environmental, Social and Governance		
Unprecedented environmental changes	Approximately one (1) billion poor people in the world lack essential services, making them especially vulnerable to environmental and socio-economic changes.	Develop and implement Environmental, Social and Corporate Governance (ESG) policy.
Demographics, lifestyle and cultural trends towards saving	Demographic such as age, lifestyle and cultural trends such as attitudes toward working conditions, technology uptake or Consumer beliefs may impede savings.	Shaping the attitude towards saving by including Social Security in the education curriculum



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3.1.2 Summary of Opportunities and Challenges

Table 3.7 shows a summary of the opportunities and challenges from a review of the external environment.

Table 3.7: Summary of Opportunities and Challenges

FACTORS	EFFECTS	CHALLENGES
Political		
Supportive Government agenda	<ul style="list-style-type: none"> Enhanced social security coverage and adequacy 	Reduced market share due to competition
Peaceful Political environment	<ul style="list-style-type: none"> Peace and stability in the business environment 	
East African Community	<ul style="list-style-type: none"> Portability of pension funds across EAC Regional pension growth 	
Negative Post-election environment	<ul style="list-style-type: none"> Enhance e-service and other online service 	Businesses instability, erosion of investor confidence, business closures and job losses, consequently reducing social protection coverage
Social protection policies	<ul style="list-style-type: none"> Strategic Marketing and Partnerships 	Inadequate coverage in both formal and informal sectors of the economy
Economic		
Russia-Ukraine Conflict	<ul style="list-style-type: none"> Digital transformation Diversification of investment portfolio 	Slowdown in global growth due to High inflation rate, Severe double-digit drop in GDPs and rapid increase in commodity prices.
Inflation	<ul style="list-style-type: none"> Diversify investment portfolio 	
Foreign Exchange Market	<ul style="list-style-type: none"> Diversify investment portfolio 	
Kenyan Economic growth	<ul style="list-style-type: none"> Enhance market intelligence and deploy cost optimization approaches 	
Green and Blue Economies	<ul style="list-style-type: none"> Invest in the alternative asset classes in the emerging industries Employment opportunities 	

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Table 3.7: Summary of Opportunities and Challenges

FACTORS	EFFECTS	CHALLENGES
Legal, Regulatory Framework and Ethics		
Retirement Benefits Authority (RBA)	<ul style="list-style-type: none"> Compliance to the Legal, Regulatory Requirements Enhance compliance levels in the Fund 	Sanction on non-compliance
Labor Laws 2021	<ul style="list-style-type: none"> Enhanced contributions (Penalty of 5% for non-compliance enables timely update of member accounts) 	
Tax Laws	<ul style="list-style-type: none"> Lobby to increase nontaxable pension bracket or reduce pension tax 	Reduced member pension because Provident/Pension Fund benefit is also subjected to taxation.
High Court ruling on Bounced Cheques	<ul style="list-style-type: none"> Auto reconciliation of accounts Enhance e-service and other online service 	Increased default rate (Issuance of bounced cheques is considered a misdemeanor and not criminal offence)
Ethics	<ul style="list-style-type: none"> Enhanced collaboration brought about by good governance, transparency and loyalty Increased compliance to regulatory and legal requirements 	
Technological Environment		
Digital uptake, Data Analytics and Emerging Technologies e.g Hybrid & Virtual Meeting	<ul style="list-style-type: none"> Adoption of modern technologies such as cloud, artificial intelligence, and machine learning to increase efficiency, enhance customer experience and reduced cost Integrate with other platforms and continually improve technology Opportunity to hold virtual & hybrid meetings enhancing Business continuity and Reduction of costs 	Exposure to cybercrime
Cyber Security	<ul style="list-style-type: none"> Put system safeguards and regularly test resilience against cyber-attacks Capacity building 	

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Table 3.7: Summary of Opportunities and Challenges

FACTORS	EFFECTS	CHALLENGES
Technological Environment		
Unprecedented environmental changes	<ul style="list-style-type: none"> Develop and implement Environmental, Social and Corporate Governance (ESG) policy 	Approximately one (1) billion poor people in the world lack essential services, making them especially vulnerable to environmental and socio-economic changes.
Demographics, lifestyle and cultural trends towards saving	<ul style="list-style-type: none"> Shaping the attitude towards saving by including Social Security in the education curriculum 	Demographics of age, lifestyle and cultural trends such as attitudes toward working conditions, technology uptake or Consumer beliefs may impede savings



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3.1.3 Summary of Strengths and Limitations

Summary of emergent strengths and limitations is provided in Table 3.8

Table 3.8: Summary of strengths and limitations

FACTORS	EFFECTS	MITIGATION / OPPORTUNITY
Governance and Administrative Structures		
Leadership & Governance	Competent top leadership	Long decision making cycles
Structure	Fit for purpose structure	Structure yet to be fully implemented
Strategy	Achieved 70% of the planned activities /targets	Inadequate monitoring and evaluation tools
Execution	Peace and stability in the business environment	Government intervention
Internal Business Processes		
Policies	Policies that cover most areas of business	<ul style="list-style-type: none"> • Work implementation of policy • Policies not agile to allow exploitation of emerging opportunities
Processes and Work Instructions	Well documented Processes and Work Instructions	Ineffective implementation of Processes and Work Instructions
Resources and capabilities		
People	Highly skilled and competent staff	<ul style="list-style-type: none"> • Ineffective succession planning and management • Inappropriate placement of skills • Ineffective management of human resources of emerging opportunities

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Table 3.8: Summary of strengths and limitations

FACTORS	EFFECTS	MITIGATION / OPPORTUNITY
ICT Systems	High level of digitization of business processes /targets	Inadequate monitoring and evaluation tools
Culture	Peace and stability in the business environment	Government intervention
Financial Resources	Adequate budgetary allocation	Government intervention

3.1.4 Analysis of 2019-2022 Performance

During the period under review, the operating environment was interrupted by the Covid-19 pandemic, Ukraine-Russia conflict and the attendant sanctions.

3.1.4.1 Key Achievements

a. Growth

The Fund grew by 23% over the three-year plan period from KES 235B in 2018/2019 to KES 288B in 2021/2022. The fund growth over the last five-years was 46% from KES 197B in 2016/2017 to KES 288B in 2021/2022.

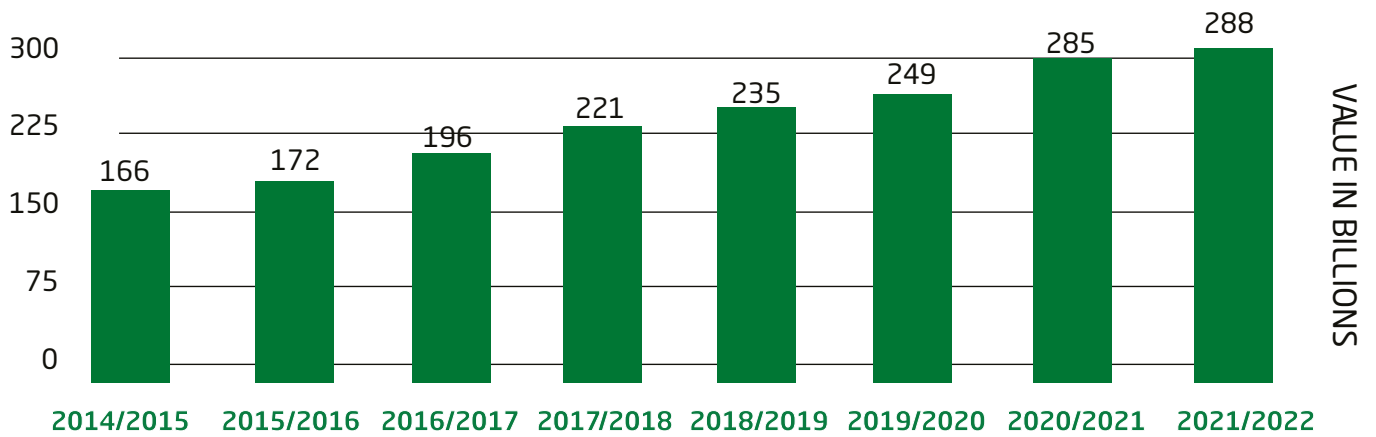
The cost ratio to Fund value reduced drastically from 2.6 % in 2018/2019 to 2.1 % in 2021/2022 as shown in table 3.9 and graph 3.

Table 3.9: Fund Value, Staff Costs, Administration Costs & Cost to Fund Value Ratio

FACTORS	Unit of Measure	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Fund Value	Kes (BN)	197	222	235	250	285	288
Staff Cost	Kes (BN)	3.4	3.9	4.2	3.8	3.9	3.8
Administration Cost	Kes (BN)	2.1	2.5	1.8	1.57	2.5	2.4
Cost to Fund Value	%	2.8%	2.9%	2.6%	2.2%	2.2%	2.1%

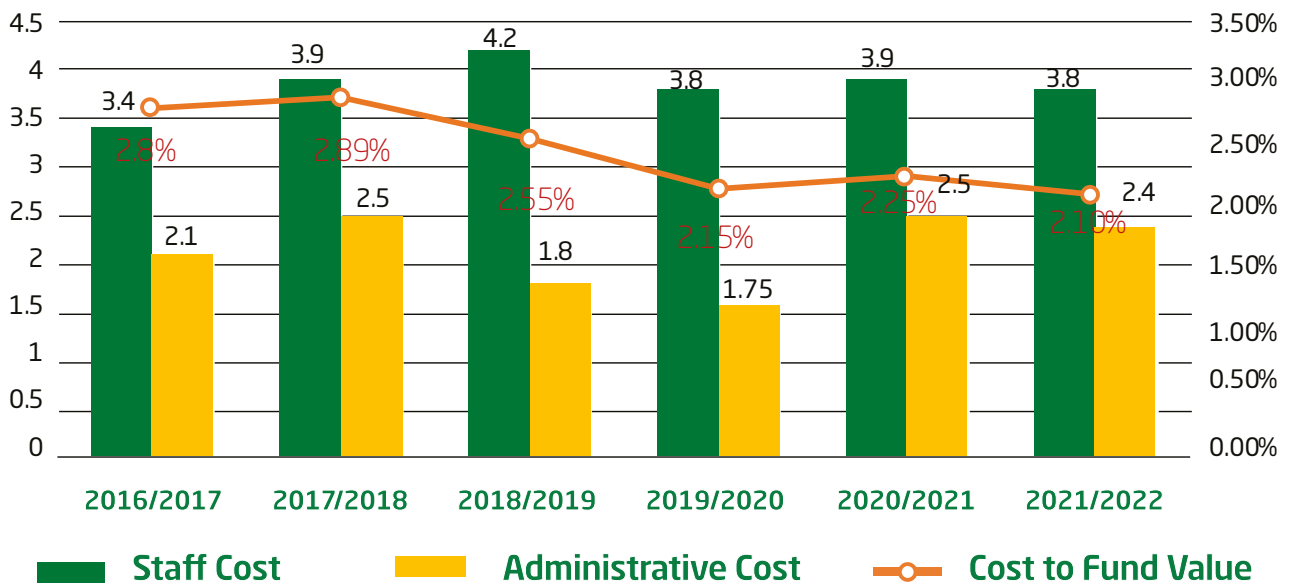
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Graph 1: Fund Value



Graph 2 shows that the cost to fund value has generally been coming down. By 2021/22, this ratio was about 2. Graph 4 shows that the gross return on members funds was way below double digits in 2018/19 and 2019/20. There was recovery in 2020/21 but went to zero in 2021/22, largely due to harsh economic times.

Graph 2: Cost to Fund Value







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Table 3.10 Investment income, Net Return on Investment, Fund Value & Gross Return on Members funds.

RATIOS	Unit of Measure	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Investment Income (KES B)	Kes (BN)	14.29	17.66	18.29	20.39	21.64	25.40
Net Return on Investments (KES B)	Kes (BN)	20.41	20.67	8.93	9.61	32.73	(0.36)
Fund Value (KES B)	Kes (BN)	196.57	221.73	235.07	249.65	284.49	288.30
Gross Return on Members funds	%	10.4%	10.5%	4.0%	4.1%	13.1%	0%

Table 3.11 shows the Fund's return performance against the industry average. It illustrates that the Fund is on average about 2.5% below the industry performance and just about matches the banks performance on deposits.

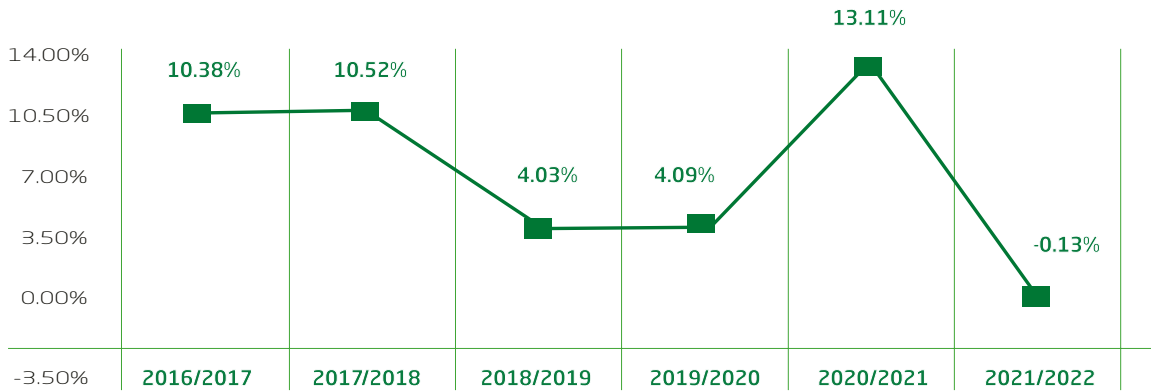
Table 3.11: NSSF performance against industry

NSSF PERFORMANCE AGAINST INDUSTRY						
ITEM	2018	2019	2020	2021	2022	AVERAGE
NSSF Assets (KES B)	222	235	250	284	286	
Industry Assets (KES B)	1,166	1,299	1,399	1,547	1,576	
NSSF Investment Return - Gross	10.73%	4.05%	4.14%	13.17%	-0.13%	6.39%
NSSF Investment Return - Net	7.32%	1.40%	1.78%	10.49%	-3.20%	5.90%
Industry Median Return - Net	5.40%	17.10%	7.30%	12.40%	2.40%	8.92%
NSSF Interest Rate Declared	7.00%	3.00%	3.00%	10.00%		6.00%
Bank Interest Rates	7.41%	7.11%	6.30%	6.50%	7.17%	6.90%
Inflation	5.71%	5.82%	5.62%	5.73%	9.10%	6.40%

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In the period under review, gross return on investment decreased from 4.03% in 2018/2019 to -0.13% in 2021/2022, with an increase to 13.11% in 2020/2021 as shown in graph 5.

Graph 3: Gross Return on Members Funds



b. Haba Haba

During the period under review, the Fund in line with the NSSF Act, 2013, came up with Haba Haba arrangement with short term maturity period targeted for the informal sector. The Fund targeted five segments: Market Vendors, Matatus, Boda Bodas, Athletes and Taxis. The implementation was planned for roll out progressively within the three-year period and messaging and incentives for each market segment was planned to be different. During the period under review, the Fund engaged various partners to offer incentives to each sector with the aim of holistically addressing the needs of the workers in the informal sector.

The COVID-19 pandemic affected the planned roll out of activities due to restrictions, lock downs and curfews. However, thus far 742,779 members have been registered as at 2022/2023 against a target of 1,200,000 in 2021/2022. FY. During implementation of this product, some of the lessons learnt include:

- I. The importance of engaging the local leadership when carrying out public member education and strategic partnerships specifically the Know Your Customer

Validation process in partnership with Safaricom;

- II. The behavioral pattern of intent and action which can be remedied through an Auto-Debit process to enhance compliance;
- III. The need to offer better returns to members; and
- IV. The importance of Corporate Social Investment and stakeholder engagements to demystifying myths about the Fund.

c. People

The overall Employee Satisfaction Index was 68.56% in 2020/2021 compared to 61.23% in 2019/2020. The work environment index was 74.24% in 2020/2021 compared to 68.24% in 2019/2020. The employee satisfaction and work environment index increased by 7.33% and 6% respectively. The highest score for the employee satisfaction survey was staff wellness program at 89.81% followed by Staff Welfare and Pension Scheme at 86%, Performance Management Review at 79.27%, Communication at 77.34%, Disciplinary Mechanisms at 74.89%, Medical Care Scheme at 73.6%, Grievances Handling at 71.1%, Training and Development at 69.14%, Employee Involvement in Decision Making at

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68.43%, Motivation at 65%, Remuneration, and Benefits at 63.93%, Staffing and Workload at 62.28%, Interpersonal Relationships at 60.19%, Recruitment and Promotion at 57.39%, Recognition and Reward System at 55.24% and job placements and Transfers at 43.29%.

d. Customer Engagement and Service Delivery

During the period under review, the customer satisfaction index for the financial year 2019-2020 stood at 79.48% - an improvement from 77% in 2018/2019. Index for the year 2020/2021 stood at 81.44% against the target of 80%. Infrastructure was put in place to ensure that the recommendations of these surveys are monitored regularly and some of its implementation will be captured in the 2023-2027 Corporate Strategic Plan.

e. Internal Processes

During the period under review, the Fund improved on its internal processes through certification to ISO 22301:2019 - Business Continuity Management System being the first organization in the Public Sector to achieve this certification. Other notable achievements include introduction of new channels such as availability of the USSD services on Mpesa application, introduction of the USSD code *303# where members can be able to check their statements, validate their details, register and make payments. This increased member registration by 50% during the review period. Other initiatives include payment of benefits through Mpesa upto Kes.10,000 and SMS notification when payment process is complete. In addition, there was registration and automation of compliance certificates. Finally, the Fund commenced classification of records and the Electronic Document Records Management System.

f. Corporate Image

During the period under review, the Fund carried out stakeholder engagement with a view to enhancing relations. NSSF achieved organizational endorsements and media appearances in both print and electronic media.

The Fund also enhanced its presence on social media through engagement of social media influencers.

g. Culture and Governance

During the period under review, the Fund remained committed to zero-tolerance to corruption through adherence to governance and anti-corruption related legislations, implementation of Chapter Six requirements of the Constitution of Kenya, and carrying out respective surveys to assess the levels of compliance. The Fund also implemented the ISO 30401:2018 - Knowledge Management System standard to enhance the culture of knowledge management.

3.1.4.2 Challenges

During the implementation of the 2019-2022 Corporate Strategic Plan, some of the challenges faced include:

- a. COVID-19 pandemic affected the Fund's business in terms of reduced collections, an upward surge of benefit withdrawal requests and poor performance of investments;
- b. Delayed implementation of the organizational structure whose objective was to right fit staff and enhance productivity levels;
- c. Delay in the appointment of the Board of Trustees which resulted in delays in the necessary approvals;
- d. Increased turnaround time in processing of claims due to huge claims backlogs as a result of reduced staff capacity and manual biometric identification of members; and
- e. Poor member data management.

3.1.4.3 Lessons Learnt

During implementation of the 2019-2022 Corporate Strategic Plan, the Fund learnt numerous lessons, which will form the basis for the formulation of the 2023-2027 strategies. The salient lessons include:

- a. The need to mainstream property development projects as any other asset class as per RBA guidelines;

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- b. The need to position the Fund and collaborate with other Government agencies in order to participate in other key initiatives such as housing, unemployment and pension;
- c. The need to offer additional products such as unemployment benefit to address contingencies;
- d. The need to prioritize data cleaning of member primary data and contribution records which would reduce redundant processes which increase process turnaround time;
- e. The need for separation of Funds/Accounts with a view of offering competitive returns to members; and
- f. The need to invest in institutional capacity and staff development so as to ensure the right competence levels for implementation of this strategic plan.

3.1.5 Summary of Situational Analysis

An analysis of the Fund's internal and external operating environment was undertaken by carrying out a SLOC (Strengths, Limitations, Opportunities, and Challenges) analysis. Analysis of the internal environment entailed identification of issues within the Fund that may impact positively (Strengths) or negatively (Limitations). An analysis of the external environment identified factors outside the Fund that may impact positively (Opportunities) or negatively (Challenges). Table 3.12 shows a summary of situational analysis from the sections reviewed above. This summary has incorporated the challenges experienced in implementing the 2019/2022 Corporate Strategic Plan and the lessons learnt.

Table 3.12: Summary of the Fund's Situational Analysis

NSSF PERFORMANCE AGAINST INDUSTRY	
STRENGTHS	LIMITATIONS
<ol style="list-style-type: none"> 1. Extensive coverage with the widest service delivery network across the country 2. Competent and experienced workforce 3. Diversified Fund asset portfolio accounting for close to 20% of Asset under Management in the pension industry 4. Implementation of Integrated Management System 	<ol style="list-style-type: none"> 1. Negative historical publicity 2. Limited stakeholder engagement 3. Data integrity and quality challenges 4. Legacy ICT systems and weak integration of internal and external systems 5. Ineffective succession plan 6. Low staff morale
OPPORTUNITIES	CHALLENGES
<ol style="list-style-type: none"> 1. Growing Informal sector 2. Diversified product offerings and markets 3. Large population of dormant members 4. Leverage on Government projects and initiatives e.g. affordable housing 5. Leveraging on emerging technologies 6. Strategic partnerships 7. Full utilization of property class head room 	<ol style="list-style-type: none"> 1. Increasing competition in different markets 2. Contracting out of Tier II contributions under the NSSF Act, 2013 3. Possible legislation change with adverse effects and many legacy cases in court 4. Negative perception of NSSF 5. Disruptions to business operations e.g. cyber security, insecurity, pandemics and endemics

The above SLOC elements are the basis of the strategy to be developed in subsequent chapters

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3.2 Stakeholder Analysis

Stakeholders are relevant interested parties who have vested interest in the Fund business, and have impact on achievement of Fund`s objectives. The undertaking of Stakeholder analysis is imperative in identification and needs assessment. The Strategic Plan recognizes various stakeholders in Social Security.

Table 3.13 shows an analysis of the key stakeholders in terms of their roles/functions, what the stakeholder should do to support the Fund, their expectations from the Fund, what the Fund should do to meet the stakeholder expectations, and the Priority Rating.

Table 3.13: Stakeholder Analysis

Key Stakeholders	Roles/ functions of Stakeholder	What the Stakeholder should do to support the Fund	Stakeholder expectations from the Fund	What the Fund should do to meet Stakeholder expectations	Priority rating
Government Ministries: <ul style="list-style-type: none"> The National Treasury and Planning, Labor Public Service, Gender and Affirmative Action Legislature Judiciary Lands and Physical Planning Transport, Infrastructure, Housing and Urban Development 	<ul style="list-style-type: none"> Policy guidance Provision of accurate and timely information. Supporting legal framework Facilitating technical assistance. Providing of infrastructure for housing projects. Lobbying for better legislation & policies. Supporting the Fund's initiatives especially full implementation of the New Act. 	<ul style="list-style-type: none"> Professionalism, transparency and accountability in execution of the Fund's functions. Compliance with policies, regulations and other commitments. 	<ul style="list-style-type: none"> Prudent use of resources. Proper internal policies. Stakeholder engagement Implement relevant ILO Conventions and Labor laws. Effective and efficient management of the Fund. 	<ul style="list-style-type: none"> Provide policy guidance in implementing strategic and operational policies. 	High Priority

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Table 3.13: Stakeholder Analysis

Key Stakeholders	Roles/ Functions of Stakeholder	What the Stakeholder should do to Support the Fund	Stakeholder Expectations from The Fund	What the Fund Should Do To Meet Stakeholder Expectations	Priority Rating
FKE and other Employer organizations	<ul style="list-style-type: none"> Lobbying for better legislation & policies. Support the Fund initiatives especially full implementation of the New Act. Sensitize its membership on the new rates. Ensuring good governance in the Fund. 	<ul style="list-style-type: none"> Create awareness among its membership for the need to support the Fund's initiatives. Lobby with an aim of enhancing compliance. 	<ul style="list-style-type: none"> Consistent engagement with FKE and other employers and its membership. Adherence to principles of good governance in running the Fund Information sharing Keeping them updated on progresses in the Fund 	<ul style="list-style-type: none"> Comply with the law and regulations set by RBA and other agencies to grow the Fund. Open and sound investment decision making . Organize meetings/ engagement sessions Capacity building Annual/quarter/ monthly information sharing Holding regular sessions to update them on new developments Equip them with tools. 	High Priority
Workers Organizations	<ul style="list-style-type: none"> Central Organization of Trade Unions (COTU) as the workers' umbrella body represents the interests of workers. Ensuring the Fund observes sound governance and sound investment decisions in accordance with the law. 	<ul style="list-style-type: none"> Assess and Support the Fund initiatives for its growth. Effective Board representation and participate in top-level decision making. Ensure the Fund makes sound decision to meet its strategic objectives.. 	<ul style="list-style-type: none"> To ensure the Fund observes sound investments, governance and regulations from the regulator (RBA). To operate openly and consistently engage with its affiliates and workers in its initiatives. 	<ul style="list-style-type: none"> Organize meetings/ engagement sessions. Capacity building. Annual/quarter/ monthly information sharing. Holding regular sessions to update them on new developments. Equip them with tools. 	High Priority

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Table 3.13: Stakeholder Analysis

Key Stakeholders	Roles/ Functions of Stakeholder	What the Stakeholder should do to Support the Fund	Stakeholder Expectations from The Fund	What the Fund Should Do To Meet Stakeholder Expectations	Priority Rating
Suppliers	<ul style="list-style-type: none"> Supply of quality goods and services 	<ul style="list-style-type: none"> Provide good, safe products and services. Compliance with relevant laws and standards. Guarantee best prices and quality to ensure repeat business/trust 	<ul style="list-style-type: none"> Prompt payments. Streamline supplier agreements so it's the same for all suppliers 	<ul style="list-style-type: none"> Pay within the stipulated time period. Build lasting and cordial relationships to ensure full understanding of the supplier's capabilities. Invest in technology (Supplier management software) 	Medium Priority
Development Partners	<ul style="list-style-type: none"> Capacity building, project planning, lobbying and advocacy, resource mobilization and financing (Where necessary). Contribution to social welfare. 	<ul style="list-style-type: none"> Share global experience, capacity support and technological transfer 	<ul style="list-style-type: none"> Avail staff data for analysis to gauge gaps and provide suggested solutions. To have Systems Integration to best practice in the Social security sector. Open to partnership. 	<ul style="list-style-type: none"> Engage in strategic partnership, share challenges and financial commitment for such initiatives 	Medium Priority
Media	<ul style="list-style-type: none"> Provide information. Influence decisions. Shape member attitudes. 	<ul style="list-style-type: none"> Provide factual information to allow our members to be better informed about NSSF. 	<ul style="list-style-type: none"> Provide information in a timely manner. Operate in line with regulations. 	<ul style="list-style-type: none"> Be available, open and transparent in its operation. Be available to provide information when needed. 	High Priority
Staff	<ul style="list-style-type: none"> Contributing to the long-term success and performance of the organization. Commitment to best practice workplace ethics 	<ul style="list-style-type: none"> Manage Fund resources effectively. Be dependable, responsible and perform. 	<ul style="list-style-type: none"> Competitive pay and job security. Healthy and secure work environment. Job satisfaction Meaningful work Development/ growth 	<ul style="list-style-type: none"> Create a culture that promotes growth and development. Provide a clean, safe working environment that is free from all forms of discrimination. Provide job security. Give leadership Eliminates silo-working styles. 	High Priority

CHAPTER 3: SITUATIONAL & STAKEHOLDER ANALYSIS

Table 3.13: Stakeholder Analysis

Key Stakeholders	Roles/ Functions of Stakeholder	What the Stakeholder should do to Support the Fund	Stakeholder Expectations from The Fund	What the Fund Should Do To Meet Stakeholder Expectations	Priority Rating
Retirement Benefits Authority (RBA)/ Central Bank, CMA and NSE other regulators.	<ul style="list-style-type: none"> Providing pension industry regulations that create healthy growth in the sector. Ensure adherence to the regulations. Maintain best practice in regulating the pensions industry. 	<ul style="list-style-type: none"> Provide regulations that grow the pension sector without biases. Support the Funds' initiative for growth. 	<ul style="list-style-type: none"> Adherence to Regulations in the industry. Support RBA by ensuring payment of regulatory dues and fees. 	<ul style="list-style-type: none"> Provide accurate data to the regulator. Total collaboration with the regulator. 	High Priority
The Pensions and Investment Industry players	<ul style="list-style-type: none"> To create a competitive environment and set standards in the industry. 	<ul style="list-style-type: none"> Cooperate and share information to support each other 	<ul style="list-style-type: none"> Reciprocal initiatives and cooperation in the industry. 	<ul style="list-style-type: none"> Forge for productive initiatives to create conducive environment in the sector 	High Priority
Members	<ul style="list-style-type: none"> Make contributions to ensure adequate benefits in retirement. 	<ul style="list-style-type: none"> Pro-active following up, ensuring their remitted contributions reach the Fund. 	<ul style="list-style-type: none"> Update their contributions statements. Provide adequate information on new products and services for easy interaction. 	<ul style="list-style-type: none"> Keep member statements well updated, pay benefits on time without delays. Open communication channels for ease of interaction. 	High Priority
County Governments	<ul style="list-style-type: none"> Approvals for property projects and receipt payment of rates 	<ul style="list-style-type: none"> Facilitate requested approvals. Support Fund infrastructure development in the Counties. Supporting 1st Pillar Pension through IPPD in the Counties. 	<ul style="list-style-type: none"> Collaboration and partnership for the benefit of both parties. 	<ul style="list-style-type: none"> Cultivate mutual relationships with the Counties through its Regional network. 	High Priority
TPS customers/ Tenants	<ul style="list-style-type: none"> Meeting the TPS agreement obligations. 	<ul style="list-style-type: none"> Adhering to the TPS requirements and agreements during the purchase period. 	<ul style="list-style-type: none"> Provide timely statements. Provide information on new products and services. Ensuring service charge funds give expected services in the premises. 	<ul style="list-style-type: none"> Ensure Service Providers meet their obligations in service provision. Maintain mutual relationship with the customers/ Tenants. 	High Priority





CHAPTER 4: STRATEGY IMPLEMENTATION AND COORDINATION FRAMEWORK

This Chapter highlights how the Strategic Plan will be implemented through the operationalization of the implementation plan, action plan, annual work plans, budgeting and performance contracting. It also highlights the principles of the organizational structure, staff establishment, business process re-engineering risk analysis and mitigation measures.



4.1 Implementation Plan

Tables 4.1 to 4.4 show the implementation plan for each of the strategic themes.

Strategic Theme 1: Customer Experience

Goal 1: Increase customer experience from 81% to 95%

Table 4.1: Customer experience

OBJECTIVES	TACTICS	OUTCOMES	KPIs	RESPON- SIBILITY	BASE- LINE 2022/23	TARGET				
						Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
1.1 Develop an attractive value proposition	<ol style="list-style-type: none"> 1. Develop differentiated products and value propositions for different customer segments 2. Adopt account management model for differentiated customer segments 	Competitive advantage	Tier II market share (%)	GM SS	85	60	50	50	50	50
1.2 Deliver great customer experience	<ol style="list-style-type: none"> 1. Improve service delivery across all channels 2. Streamline benefits payment process 3. Ensure timely declaration of interest on member accounts 4. Process existing preserved benefits 5. Review and upgrade SSPAS to implement customer relationship functionalities 	Enhanced customer experience	Average benefits payments turnaround time (days)	GM SS	38.82	30	20	10	7	7
1.3 Diversify product offerings	<ol style="list-style-type: none"> 1. Develop, brand and grow Tier II, Haba Haba, unemployment benefit, diaspora, maternity benefit, and home savings scheme 2. Develop new product offerings and markets 	Product diversity	Overall customer satisfaction index (%)	GM SRR	81.44	84	87	89	92	95
1.4 Enhance corporate brand	<ol style="list-style-type: none"> 1. Enhance the brand of the Fund 2. Set a percentage of the investment income in corporate social investment initiatives in collaboration with strategic partners 3. Enhance capacity of internal stakeholders on media interactions 	Enhanced corporate image	Media tonality (%)	MCC	79	81	83	85	87	88
			Overall brand affinity (%)		74.5	77	79	81	83	85

Strategic Theme 2: Financial | Goal 2: Grow Fund value from 312B to 1Tn

Table 4.2: Financial sustainability and growth

OBJECTIVES	TACTICS	OUTCOMES	KPIs	RE-SPONSIBILITY	BASE-LINE 2022/23	TARGET				
						Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
2.1 Grow Fund value	1. Review the portfolio offerings to increase contributions	Increased Fund value	Total Fund value (KES B)	MT	312	379	482	630	819	1000
	2. Diversify investment portfolio to optimize returns	Reduced historical debt	Historical Fund debt %	GM SS	100%	90%	80%	70%	60%	50%
	3. Management of revenue or costs									
2.2 Grow Tier I contributions	1. Enhance compliance levels	Increased Tier I contributions	Tier I contributions (KES B)	GM SS	14	18	22	27	31	37
	2. Reorganize compliance function to create prosecution units at HQ and in the Regions									
	3. Increase access channels	Increased compliance	Weighted compliance default ratio (%)	GM SS	70	75	80	84	87	90
2.3 Onboard Government T1 contribution	1. GoK SBU as an initiative	Increased Government contributions	GoK Contributions (KES B)	GM SS	0	4	5	6	8	9
	2. Create systems and processes for handling of Government employer contributions									
	3. Ensure government amends the IPPD payroll to accommodate NSSF number									
2.4 Grow and retain Tier II contribution	1. Profile the existing employers then target them for engagement	Increased Tier II contributions	Tier II contributions (KES M)	GM SS	12	19	34	56	68	87
	2. Manage Tier II as a segregated Fund with an investment strategy, policy and cost structure									
	3. Brand and market Tier II									
	4. Develop capacity for member-driven compliance									
2.5 Grow voluntary contributions	1. Manage voluntary contributions as a guaranteed fund	Increased voluntary contributions	Voluntary contributions (KES M)	GM SS, GM SRR	800	990	1340	1700	2160	2765
	2. Diversify to external markets									
	3. Leverage on Strategic partnerships to grow this sector (through bundled incentives, direct debit and matching contributions)									
	4. Mitigate brand injury from early withdrawals of Haba Haba									

Strategic Theme 2: Financial | Goal 2: Grow Fund value from 312B to 1Tn

Table 4.2: Financial sustainability and growth

OBJECTIVES	TACTICS	OUTCOMES	KPIs	RESPON-SIBILITY	BASE-LINE 2022/23	TARGET				
						Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
2.6 Generate competitive investment returns	1. Develop and implement a property projects pipeline and master plan 2. Develop and implement a home ownership savings product	Profitable projects	Return on investment (%)	GM F&I	2	11	13	14	14	7
			Project fund absorption per year (KES B)	GM F&I	0	5	5	5	5	
			Projection schedule attainment (%)	GM F&I		100	100	100	100	100
	3. Reduce the cost of running the Fund's buildings through ESG	Reduced cost of running buildings	Number of initiatives (#)	GM F&I	0	2	2	2	2	2
			Savings in utility costs (%)	GM F&I	0	0	0	5	10	10
4. Invest in alternative asset classes to further diversify the asset portfolio	Enhanced portfolio diversification	Return on investment (%)	GM F&I	N/A	15	15	15	15	15	
5. Partner with other industry players for mega infrastructure projects to optimize returns and minimize risks		Alternative asset allocation (%)	GM F&I	0	0	2	5	7	10	
2.7 Turnaround non-performing assets	1. Review all non-performing assets (land, quoted equities and unquoted equities) 2. Develop and implement an exit strategy for each non-performing asset	Reduced assets that are non-performing	Value of non-performing assets (KES B)	GM F&I, GM SS						

Strategic Theme 3: Operational Excellence | Goal 3: Reduce administrative costs from 2.1% to 1.5% of Fund value

Table 4.3: Operational excellence

OBJECTIVES	TACTICS	OUTCOMES	KPIs	RESPON-SIBILITY	BASE-LINE 2022/23	TARGET				
						Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
3.1 Develop and implement innovative ideas that add value to the business	<ol style="list-style-type: none"> 1. Develop and implement a Fund-wide innovation strategy 2. Lobby to have Social Security introduced in the school curriculum 3. Adopt emerging technologies to improve service delivery and solve legacy system challenges 4. Exploit ICT to come up with quality products and services that meet the needs of emerging markets 5. Develop and implement business innovation challenges 6. Encourage ADR to reduce number of court cases 	Pipeline of innovative ideas	Implementable innovative ideas (#)	GM SRR	1	2	2	2	2	2
		New products and services	New products and services (#)	GM SRR	1	1	0	1	0	1
		Enhanced customer satisfaction	Customer satisfaction index (%)	GM SRR MICT	81.44	84	87	89	92	95
		Enhanced compliance	Weighted compliance default ratio (%)	GM SS	70	75	80	84	87	90
		Reduced legal costs	Cases resolved via ADR (#)	GM CS & LS	3	5	7	7	8	9
		Improved efficiency	Value of outstanding transactions(%)	GM SS, MICT, GM F&I	40	35	30	25	20	15
3.2 Review existing systems and implement new systems to effectively serve the business	<ol style="list-style-type: none"> 1. Integrate our systems with third party systems to facilitate update of member records 2. Re-engineer business processes to improve efficiency and service delivery in the following areas: Registration, Compliance, Benefits, Contributions, and Receivables and Payables 3. Review, upgrade and integrate SSPAS and SAP systems to meet current and future business 	Reduced transit and allocation	Transit and allocation as a percentage of collection (%)	GM SS, MICT, GM F&I	1.5	1.4	1.3	1.2	1.0	0.9
		Legacy transit and allocation (KES M)	Legacy transit and allocation (KES M)		861	750	700	650	600	550

Strategic Theme 3: Operational Excellence | Goal 3: Reduce administrative costs from 2.1% to 1.5% of Fund value

Table 4.3: Operational excellence

OBJECTIVES	TACTICS	OUTCOMES	KPIs	RESPON- SIBILITY	BASE- LINE 2022/23	TARGET				
						Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
3.2 Review existing systems and implement new systems to effectively serve the business	<ol style="list-style-type: none"> Review SSPAS, SAP, Oracle BI and develop dynamic business intelligence capabilities to aid management decision making Develop, test and implement business continuity measures against known key business disruptors 	Improved systems uptime	System availability (%)	MICT	97	97.5	98	98.5	99	99
3.3 Reduce benefits turnaround time	<ol style="list-style-type: none"> Re-engineer benefits payment process Enhance automation of benefit payment process 	Improved decision making	Average benefits payments turnaround time (days)	GM SS, MICT	82	30	20	10	7	7
3.4 Reduce preserved benefits	<ol style="list-style-type: none"> Data cleansing of member personal data Recapture historical benefits Automate processing of interest arrears Proactively reach out to members aged 60 years and above Transfer pension credits to Capital Preservation Fund 	Reduced preserved benefits	Preserved benefits (KES B)	GM SS	40	30	20	10	5	5

Strategic Theme 4: Organizational Resilience | Goal 4: Strengthen organizational resilience to 95%

Table 4.4: Organizational Resilience

OBJECTIVES	TACTICS	OUTCOMES	KPIs	RESPON-SIBILITY	BASE-LINE 2022/23	TARGET				
						Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
4.1 Develop institutional capacity to grow Tier II and voluntary contributions	<ol style="list-style-type: none"> Incentivize and empower customer facing functions to create relationships and market product offerings to different groups Realign and restructure the customer facing functions to be more responsive to different member needs Develop and integrate KPIs on marketing products and growing membership into departmental work plans Create and implement a commission agency framework for Tier II and voluntary contributions Develop a strategic partnership framework and cascade to departments for implementation Exploit third party channels for enhanced service delivery 	Growth in membership	Tier I active members (# M)	GM SS	2.4	2.5	2.6	2.8	2.9	3.0
			Rate of retention of Tier II members (%)	GM SS	85	60	50	50	50	50
			Voluntary members (# M)	GM SS	0.60	0.72	0.86	1.04	1.24	1.49
4.2 Enhance staff productivity and morale	<ol style="list-style-type: none"> Review and implement the performance appraisal framework Leverage on emerging technologies to improve the work environment for improved staff morale Train staff on relevant skills 	Increased staff productivity	Fund value per capita (KES M)	GM HR&A	292	270	250	230	200	180
4.3 Enhance stakeholder relations management	<ol style="list-style-type: none"> Equip and enhance capacity of branch management Create a structured mechanism to actively engage National and County Governments Influence for favourable changes in legislation in the pension industry 	Improved corporate image	Media tonality (%)	MCC	79	81	83	85	87	88

Strategic Theme 4: Organizational Resilience | Goal 4: Strengthen organizational resilience to 95%

Table 4.4: Organizational Resilience

OBJECTIVES	TACTICS	OUTCOMES	KPIs	RESPON- SIBILITY	BASE- LINE 2022/23	TARGET				
						Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
4.4 Develop and implement a fit for purpose business operating model	<ol style="list-style-type: none"> 1. Segment customers and formulate differentiated service provision 2. Develop capacity to administer segregated funds. 3. Develop a relationship management model 4. Develop capacity to manage annuity and draw down funds 	Better customer service	Customer satisfaction index (%)	GM SRR	81.44	84	87	89	92	95
			Net Promoter Score (%)	GM SRR	22	25	28	31	34	37
		Customer retention	Average persistency for voluntary contributions (%)	GM SS, GM SRR	8	17	25	30	35	40
4.5 Regularly review strategy to remain competitive	<ol style="list-style-type: none"> 1. Regularly monitor competition and devise mitigation strategies 2. Regularly monitor changing needs of the customers and create appropriate strategies 3. Review and implement a risk management strategy 	Improved market share	Tier II market share (%)	GM SS	85	70	50	55	60	60
		Robust business resilience	Voluntary contributions (KES M)	GM SS, GM SRR	875	1,036	1,250	1,535	1,972	2,549
4.6 Design and implement a culture and attitude change program	<ol style="list-style-type: none"> 1. Carry out a Culture Assessment Survey 2. Define the desired culture 3. Create strategies to achieve the culture change 4. Institutionalize the new culture 	Improved corporate culture	Employee engagement (%)	GM HRA	X (Baseline)	X+3	X+3	X+3	X+3	X+3
		Robust business resilience	Aggregate risk level (%)	GM SRR	X (Baseline)	X-0.5	X-1	X-1.5	X-2	X-2.5

Strategic Theme 4: Organizational Resilience | Goal 4: Strengthen organizational resilience to 95%

Table 4.4: Organizational Resilience

OBJECTIVES	TACTICS	OUTCOMES	KPIs	RESPON- SIBILITY	BASE- LINE 2022/23	TARGET						
						Yr 1	Yr 2	Yr 3	Yr 4	Yr 5		
4.7 Embed good Corporate Governance practices	1. Carry out capacity building for Senior Management and Trustees - Trustees Development Program	Improved corporate governance	Corruption perception index (on a scale of 1-10)	GM CS & LS	1.8	1.6	1.4	1.3	1.2	1.1		
	2. Conduct and implement a governance and legal audit											
	3. Ensure compliance to institutional policies						75	85	100	100	100	
4.8 Develop and implement a records management strategy	1. Develop and implement a data strategy	Improved organizational performance	Performance contract rating (%)	GM SRR	3.5	3.0	2.8	2.6	2.5	2.4		
	2. Develop a Records centre											
4.9 Operationalize the NSSF Act, 2013	1. Establish policies, procedures, systems and structure to manage segregated funds	Compliance with the NSSF Act, 2013	Compliance (%)	GM SS	X (Baseline)	X+20	X+20	X+20	X+20	X+20		
	2. Establish a Risk Fund											
	3. Carry out an audit/evaluation of the assets and liabilities of the old Fund											
	4. Execute the outcomes of the evaluation/audit											
	5. Review NSSF Regulations											

CHAPTER 4: STRATEGY IMPLEMENTATION AND COORDINATION FRAMEWORK

4.2 Organizational Structure and Governance

The organizational structure should be reviewed to be responsive to the emerging landscape. This includes, but not limited to the following:

- a. Establish prosecution units at the Headquarters and the Regions;
- b. Create a Board Committee on alternative investments to expedite diversification into alternative investments;
- c. Create a Project Management Office (PMO) to provide centralized and standardized support for managing projects within the Fund; and
- d. Create Tier II, Government and Voluntary Contributions as strategic business units.



CHAPTER 4: STRATEGY IMPLEMENTATION AND COORDINATION FRAMEWORK

4.3 M&E Framework

Monitoring is an important part of strategy implementation that involves taking a periodic look at how the plan is progressing. This helps to ensure that:

- a. The Fund’s efforts conform to the strategic plan
- b. The plan accomplishes its objectives
- c. The mitigation measures put in place enhances improved performance
- d. It allows corrective action in case of deviation

The Fund will endeavour to communicate the strategic plan to all its stakeholders, monitoring implementation through measuring performance against set objectives and evaluating the achievement of the set objectives. The implementation framework will involve preparation of annual Work Plans by Divisions, Departments, Regions and Branches. The work plans will be linked to the objectives, strategies and initiatives as contained in the implementation matrix. In addition, Divisional/Departmental/Regional and Branch work plans will be cascaded to individual work plans which will be linked to the Fund’s Performance Management System - the balanced Scorecard which will be aligned to the appraisal process. For each year, the AWP’s will be evaluated to gauge the extent of achievement and lessons learned that year that could be useful in the next year. Monitoring implementation of the strategic plan shall constitute systematic tracking of activities and actions to assess progress. This monitoring will be quarterly, culminating in Management presenting implementation of the strategy to the Board every quarter. Progress will be measured against specific targets included in the Plan. Table 4.5 shows the M&E framework which shall be put in place by the Fund in order to enhance successful implementation of the strategic plan:

Table 4.5: Monitoring and Evaluation framework
Strategic Theme: Goal

Objectives	Outcomes	KPI’s	Objectives	Outcomes	KPI’s

Means of verification are the tools used and processes followed to collect data necessary to measure progress of KPI’s towards the target. It might be necessary to establish structures to ensure successful implementation. In addition, it will be necessary for Senior Management to hold formal quarterly meetings to review status of implementation of the strategic plan and identify areas that require attention. The Senior Management report on strategy implementation is presented to the Board on a quarterly basis. Table 4.6 shows the framework that will be used to monitor strategic plan implementation. This is what Management will use to report the implementation of the strategy to the Board on a quarterly basis.

CHAPTER 4: STRATEGY IMPLEMENTATION AND COORDINATION FRAMEWORK

Table 4.6: Framework for reporting strategic plan implementation
Strategic Theme: Goal:

Objectives	Outcomes	KPI's	Targets	Achievement	Chall-enges	Recomend-ation

In addition, Management will carry out annual, mid-term and end-term evaluations of the strategy implementation. The framework in table 4.6 will be used to report these evaluations.

4.4 Risk and Mitigation Strategies

As the Fund seeks to implement this strategic plan, it will be prone to various risks among them, operational, financial, strategic and technological. The specific risks under each of these categories is outlined in table 4.7.

The Likelihood (L) parameter, which quantifies the chances of a risk event occurring, will be operationalized at three levels: 1 - Low; 2 - Moderate; 3 - High. Similarly, the Impact (I) parameter, which represents severity of the risk should it occur, will be operationalized at same three levels: 1 - Low; 2 - Moderate; 3 - High. The Resultant Risk Level (RL) will be the product of L and I as shown in table 4.7.

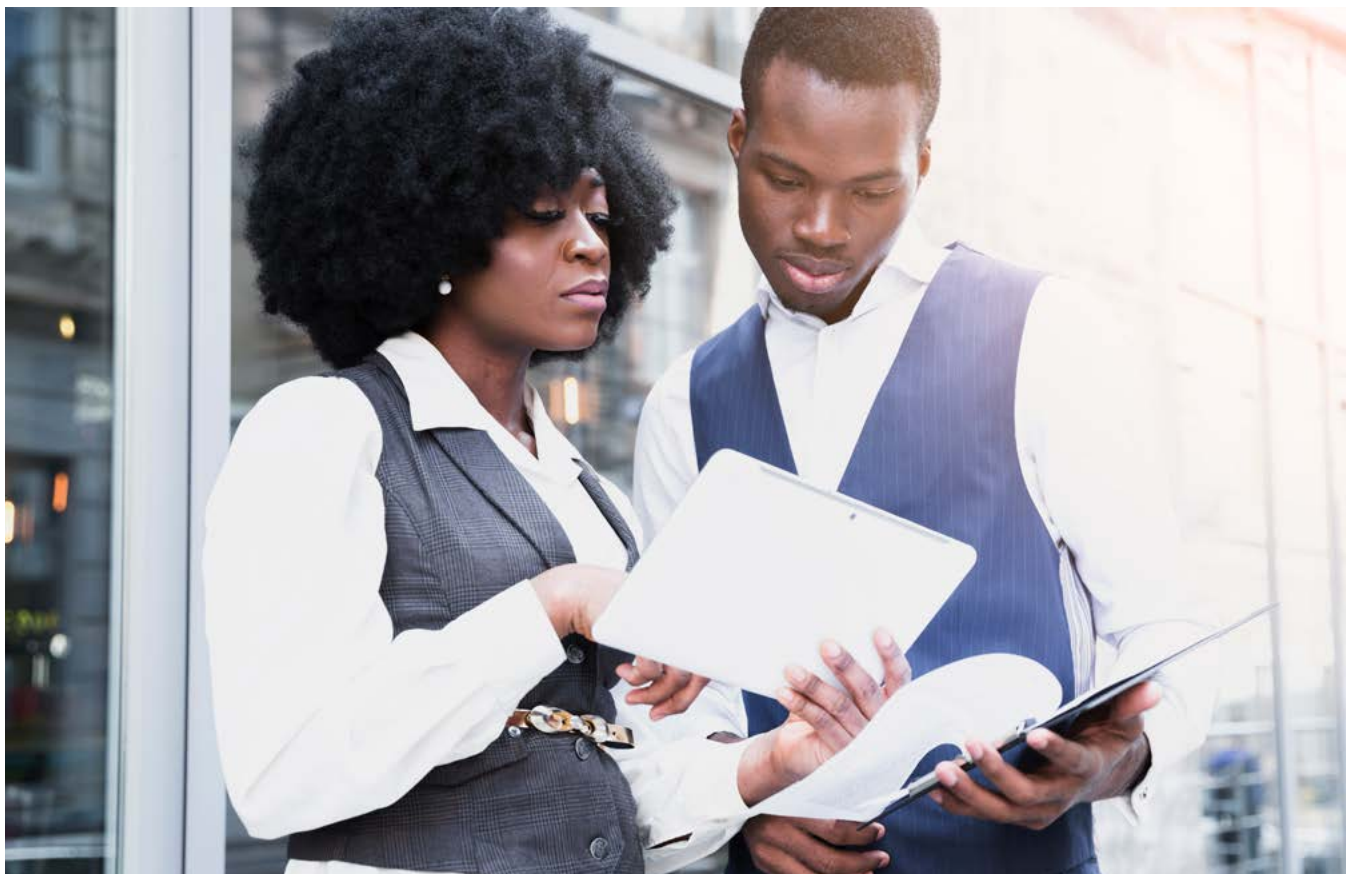


Table 4.7 Risks and mitigation strategies

Risk Level (I)	Low (L)	Medium (M)	High (H)
Resultant Score (I)	1, 2, 3	4, 6	9

Risk Category	Risk and Risk Description	Likelihood (L)	Impact (I)	Risk Level (RL=L*I)	Mitigation strategies	Risk Owner
Legal	Change in NSSF Act, 2013	2	3	6 (M)	<ul style="list-style-type: none"> Lobby key stakeholders to forestall a change ADR 	GM CS&LS
Competition	Tier II opting out	3	3	9 (H)	<ul style="list-style-type: none"> Re-engineering Tier II processes Aggressive marketing Managing Tier II as a separate SBU 	GM SS, GM SRR, MCC
Financial	Legacy debts (e.g. defunct local authorities) and other debts (e.g. TPS)	2	2	4 (M)	<ul style="list-style-type: none"> Lobbying ADR Aggressive follow-up of debts Enhance appraisal system for purchasers and tenants 	GM F&I, GM SS
	Delayed contributions from government especially of the employer portion	2	2	4 (M)	<ul style="list-style-type: none"> Amendment of the interest allocation process for government contributions 	GM F&I, GM SS

Table 4.7 Risks and mitigation strategies

Risk Category	Risk and Risk Description	Likelihood (L)	Impact (I)	Risk Level (RL=L*I)	Mitigation strategies	Risk Owner
Investment	Market volatility	2	3	6 (M)	<ul style="list-style-type: none"> Diversification to alternative investments Diversify markets (e.g. off-shore) 	GM F&I
	Low returns	2	2	4 (M)	<ul style="list-style-type: none"> Change investment contracts to be performance-based Closely monitor contracts 	GM F&I
ICT	Cybersecurity threats	3	3	9 (H)	<ul style="list-style-type: none"> Implement holistic cyber security solution to detect, deter and prevent intrusion 	MICT
	Data integrity risks	2	2	4 (M)	<ul style="list-style-type: none"> Clean member's database to ensure that members have the correct obligations and the ledger balances 	MICT, GM SS
People	Culture characterized by conservatism, risk aversiveness and in-decisiveness	3	2	6 (M)	<ul style="list-style-type: none"> Develop and implement a culture change program Sort out historical injustices 	GM HRA
	Frequent changes in the Board	3	2	6 (M)	<ul style="list-style-type: none"> Adherence to Good Corporate Governance 	MT
Governance	Political interference	3	2	6 (M)		

The above risks should be cascaded to the functional heads and integrated into the Enterprise Risk Framework.



SUMMARY OF 2023-2027 CORPORATE STRATEGIC PLAN



VISION

To be the Trusted Social Security Provider delivering exceptional value to our members



MISSION

To empower our members to achieve financial security through prudent investments and value adding solutions



STRATEGIC THEMES

1. Customer Experience
2. Financial Sustainability and Growth
3. Operational Excellence
4. Organizational Resilience



STRATEGIC RESULTS

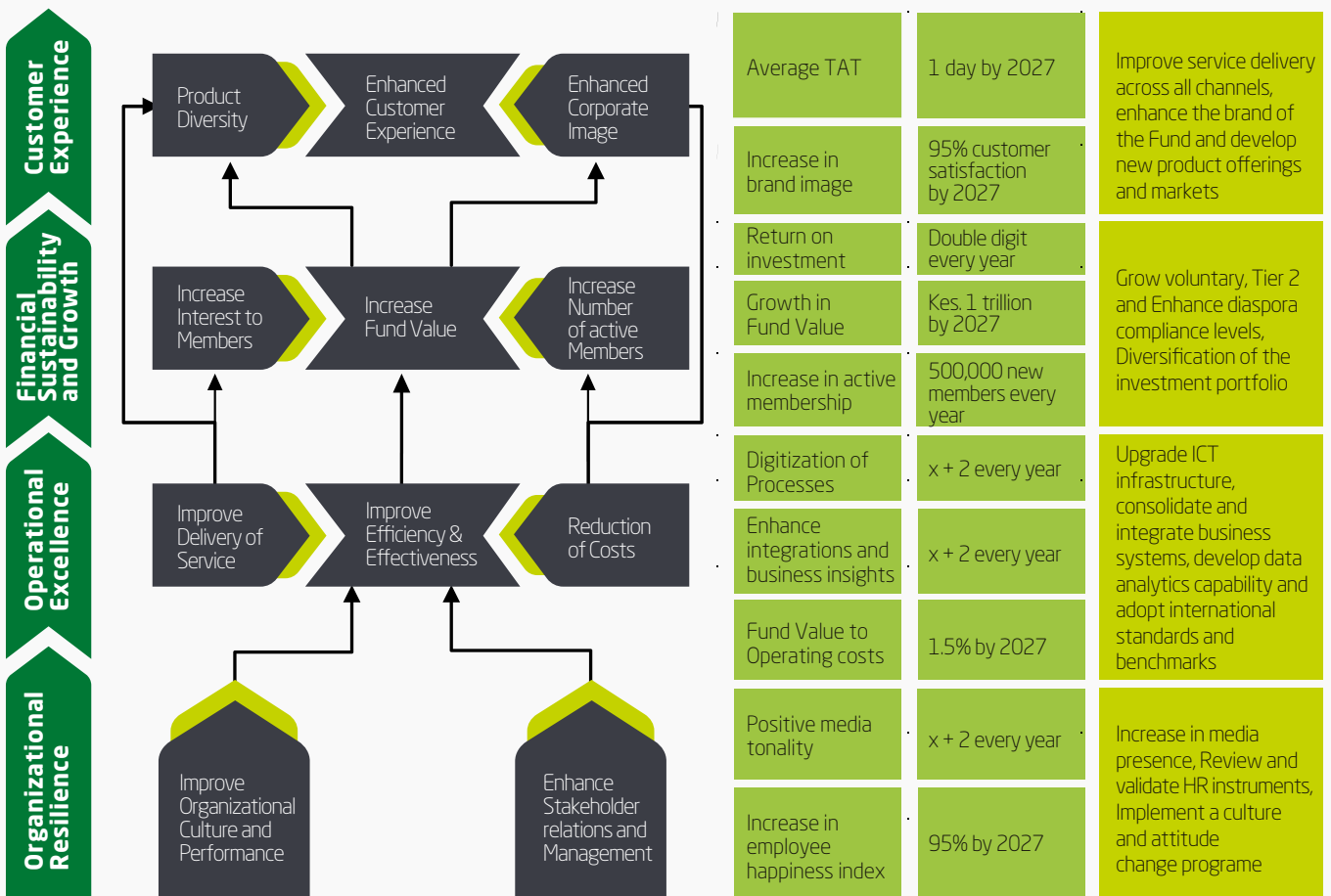
1. Increased Customer Lifetime Value
2. Create a Solid Foundation for Long-term Success
3. Create a High Performance Organization
4. Inspire Stakeholder Confidence

Strategic Outcomes and Strategy Map

Measures

Targets

Initiatives



Member Centricity



Innovation

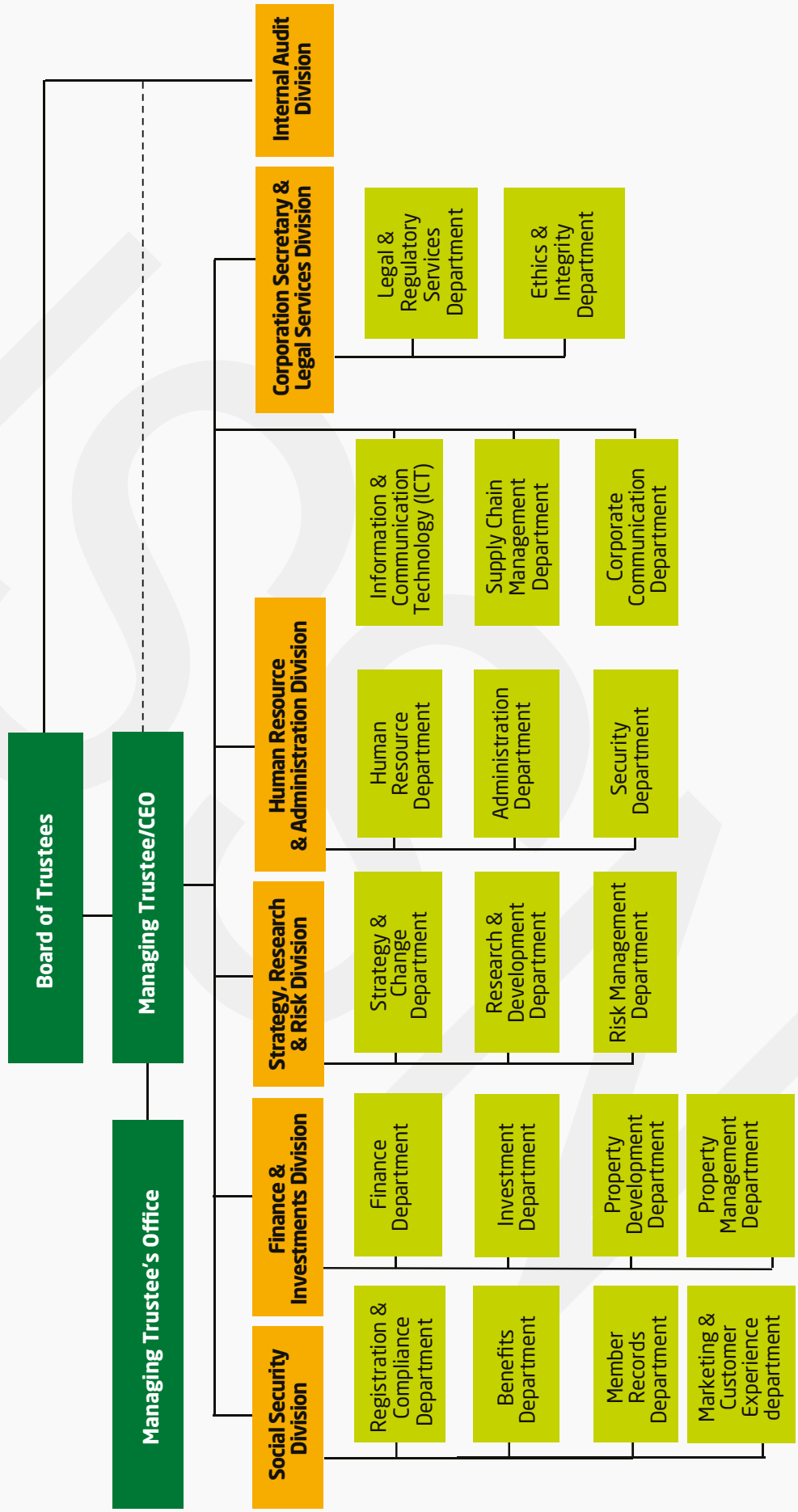


Integrity



Collaboration

ORGANIZATIONAL STRUCTURE







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