

Introduction by Mr. Ross Jones:

Distinguished guests:

Ladies and Gentlemen,

It is my great pleasure to welcome you today on the occasion of the IOPS Workshop on pension supervision which is jointly co-organized by the IOPS and the Supervisory and Regulatory Commission of Social Security of Senegal. In this regard, I would like to express our particular gratitude to our Senegalese hosts for all their considerable efforts to make this event a success.

This workshop organized by the IOPS on pension supervision is the first event held by the Organization in the African continent. I trust it will prove a successful start to a continuing series of the IOPS events, designed to reply to the specific needs and expectations of pension supervisors of the region.

I am very encouraged to see for this first meeting so many countries from the region represented here. The attendance of senior officials and pension experts from the supervisory authorities of seven countries of the African continent ( Kenya, Nigeria, Senegal, South Africa, Zambia, Botswana and Malawi) - the majority being already the IOPS Members - together with the senior pension experts from Australia and United Kingdom, testifies to the crucial importance that the pension reform occupies on the international public policy agenda. I am particularly delighted to welcome the participation of the officials from the Ministry of Finance of Botswana and the Reserve Bank of Malawi, joining an IOPS event for the first time.

An increasing number of African countries have recently initiated major parametric and systemic reform of their pension systems and are beginning to adopt diversified approaches to pension provision in order to strengthen retirement security of their workforce. Many other authorities are in the process of formulating serious reform proposals and are exploring ways to encourage more saving over the long run.

In undertaking the overhaul of their pension systems, governments are pursuing policy objectives including cutting government expenditure for unfunded pension liabilities. They are also aiming at alleviating and preventing post-retirement poverty - an extremely important issue in the region given that households are not infrequently headed by a retiree and that urbanization is putting pressure on family support. The promotion of savings to develop financial markets and stimulate economic growth and stability in general are also long-term considerations.

Although the structure and challenges to the pension systems in each country may differ, with countries correspondingly adopting different reform agendas, increased reliance on private pensions savings as a part of national retirement systems constitutes a trend globally. The pace of reform differs from country to country, ranging from the introduction of individual DC accounts in Nigeria, to extending pension coverage to the informal sector in Botswana; exploring ways to overhaul the civil service pension scheme in Kenya; to improving pension fund governance and reforming taxation of retirement funds in South Africa. Many countries - including Botswana, Kenya, Zambia - are reviewing their national social security and severance schemes to make them less expensive to administrate and more sustainable for retirees in the long run. A major component of these announced reforms is the need to improve the quality and effectiveness of the supervisory oversight of the burgeoning private pension system.

This workshop aims to address a range of topics related to private pension supervision, which have been identified as crucial by the supervisors of the region during consultations with the IOPS Secretariat prior to the event. The first session will address the topic of the essential powers that supervisory authorities need to develop in order to conduct in efficient and effective manner supervisory oversight of pension industry. The second panel will examine reporting requirements and the information which supervisory authorities need to receive in order to oversee the pension system effectively. The final session will focus on the role of the supervisory authority in providing education programmes and trainings to trustees and fiduciaries with an objective to heighten awareness of their roles, duties and responsibilities in relation to pension scheme administration.

I wish to invite all participants in this event to engage fully in the discussions of each panel of the workshop. We are very keen for the meeting to be as interactive as possible, and have tried to allow ample time for roundtable discussions and an open exchange of views on key policy issues for the region, which will be also examined in a broader international context.

I am particularly delighted that the meeting is being held in Senegal, as the Senegalese authorities are currently in the process of undertaking pension reform directed at establishing regulatory and supervisory frameworks for promoting complementary private pensions. I will now pass the floor to the Mr. Alpha Ndiaye, President of the Supervisory and Regulatory Commission of Social Security Institutions of Senegal, our chief guest, who will make his introductory remarks and officially open today's event.

I hope the meeting will prove fruitful and rewarding for all participants.