Exploring the extent of adoption of Risk-Based Supervision among pension supervisors in Africa:

Highlighting the challenges, lessons learnt the opportunities.

Dr William Motende, Attain Enterprise Solutions Ltd

APSA Conference, 10th July, 2025

KEY STATISTICS

> 15 countries represented under APSA

>$350 billion managed under pension assets

Only about 9.6% of Africa's population has pension coverage

Leading adopters of RBSS technologies include:

| Kenya – Fully Implemented since 2011 | Uganda – Fully Implemented since 2023 | Ghana – Fully implemented since 2024 | Nigeria – Fully implemented since 2017 | South Africa – Fully Implemented since 2018 | Rwanda – Implementation underway | Zambia – Implementation underway. | Morocco – Currently transitioning from traditional supervision to the Risk based model | Among others. |

RBSS – Risk Based Supervision SYSTEMS

- Computerization of the structured approach that focuses on identifying potential risks faced by pension funds and assessing the financial and operational factors in place to minimize those risks.

- Features: Proactive, risk-focused, differentiated response and forward looking.

- Typical modules implemented include:

PROJECT PLANNING	DATA MIGRATION ANDTRAINING	SUPPORT AND MAINTENANCE
Licensing and Renewals	Returns and Submissions	Contribution Returns Investment Returns
Inspections Complaints Management	Risk Toolkit	Self-service portal Integration to other systems

WHY RBSS IS IMPORTANT

RBS *implementation is not just about regulatory compliance—it's about securing the retirement future of millions of Africans while channelling pension assets for economic development.*

TARGETS:

2030 vision for all African countries with operational RBS system

Regional harmonization of standards

Technology-enabled supervision

Expanded pension coverage from current 9.6% to >30%

Enhanced retirement security for all

"**ASSESS** current supervisory capacity and gaps, **JOIN** APSA for regional support and coordination, **ENGAGE** – stakeholders for buy-in and support, **PLAN** – phased RBS implementation approach, **INVEST** – in technology and capacity building"

RISK TOOLKIT CORE COMPONENTS vs SYSTEM MODULES

Risk Identification - Systematic discovery of potential risks **– PARAMETERS MODULE**

Risk Assessment - Quantitative and qualitative evaluation **– FROM RETURNS AND OTHER DATA**

Risk Mitigation - Targeted interventions based on risk levels **– COLOR CODED ASSESSMENT**

Monitoring & Review - Continuous surveillance and adaptation **– OBJECTIVE RATING AVAILABLE TO REGULATEE – SELF SERVICE MODULE**
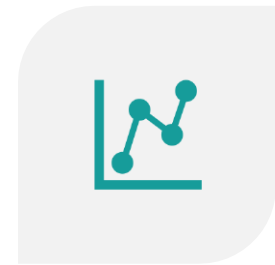
RBS IMPLEMENTATION STAGES

FOUNDATION BUILDING (REGULATORY FRAMEWORK, BASIC ASSESSMENT)

SYSTEM DEVELOPMENT (ENHANCED MODELS, DATA COLLECTION)

FULL IMPLEMENTATION (COMPREHENSIVE ASSESSMENT, INTEGRATION)

MATURITY & OPTIMIZATION (ADVANCED ANALYTICS, PREDICTIVE MODELING)

Country stories:

- KENYA – RBS pioneer, with RBS launch in June 2010. Has over Kes. 2.25 trilion assets under management
    - RBS methodology – Intensity proportional to scheme size and risk profile.
    - Mandatory risk registers for schemes
    - Regular risk based inspections
    - Electronic reporting systems
    - Have a 2024-2029 strategic plan
    - Have strong governance preventing conflics of interest
    - Challenges: Initial resource allocation difficulites, industry adoption requirements, system integration complexities

Risk-Based Supervision Implementation Across Africa

Comprehensive Country Comparison: Success, Methodology, Achievements & Challenges

🎯 Key Insights from Implementation Comparison

- **Kenya:** Pioneer advantage with 15+ years experience
- **South Africa:** Most sophisticated regulatory framework
- **Ghana:** Technology-first transformation model
- **Zambia:** Rapid implementation success story
- **Uganda:** Building from strong foundational growth

Country	Implementation Success	RBS Methodology	Key Achievements	Challenges Faced	How Challenges Were Overcome
Kenya **RBA - Retirement Benefits Authority** 🇰🇪	**Pioneer Status** **Since 2010** **15+ Years** • First African country to implement RBS • Most mature system on continent • Regional benchmark	**Risk-Proportional Approach:** • Intensity based on scheme size & risk profile • Mandatory risk registers for all schemes • Regular risk-based on-site inspections • Electronic reporting systems • Systematic risk identification processes	✓ **KSh 2.25 trillion** assets under management ✓ **$5 billion** pooled through KEPFIC ✓ Strong governance preventing conflicts of interest ✓ Strategic Plan 2024-2029 launched ✓ World Bank partnership success ✓ Regional leadership in pension supervision	⚠ Initial resource allocation difficulties ⚠ Industry adaptation resistance ⚠ System integration complexities ⚠ Limited initial technical expertise ⚠ Regulatory framework gaps	→ **Sustained commitment** over 15+ years → **Gradual implementation** allowing learning → **World Bank technical assistance** → **Continuous system refinement** → **Strong stakeholder engagement** → **Patient capacity building**
South Africa **FSCA - Financial Sector Conduct Authority** 🇿🇦	**Fully Advanced** **Since 2018** **Twin Peaks** • Most sophisticated framework • International best practices • Advanced technology integration	**Twin Peaks Model:** • IOPS Toolkit methodology • Risk-based fund categorization • Automated threshold breach notifications • Advanced data analytics • Real-time risk dashboards • Electronic regulatory returns	✓ **R5.8 trillion** supervised assets ✓ **4,896** registered funds ✓ **10.6 million** active members ✓ **87%** of returns analyzed ✓ **R943 million** in penalties (2023-24) ✓ **1,900** regulatory actions taken ✓ APSA founding member	⚠ Large market complexity ⚠ Legacy system integration ⚠ Multiple regulatory mandates ⚠ Industry sophistication variations ⚠ Cross-sector coordination needs	→ **Comprehensive regulatory reform** (Twin Peaks) → **Advanced technology investment** → **Strong enforcement framework** → **International cooperation** (IOSCO) → **Extensive trustee training** programs → **COFI cross-sector** coordination

Ghana
NPRA - National Pensions Regulatory Authority 🇬🇭

Active Implementation

Since 2021
Tech-Driven

- Major technology investment
- Switzerland-supported transformation
- Digital ecosystem approach

Technology-First Approach:
- Microsoft Dynamics-based RBS system
- Real-time information analysis
- Automated risk assessment
- Electronic reporting platform
- Corporate trustees real-time data
- Ghana Card ID integration

✓ **GH¢50 million** SECO investment
✓ **GHS 39 billion** assets reached
✓ RBS system deployment completed (2021)
✓ Phase II SECO project success
✓ Pensions Digital Ecosystem development
✓ Enhanced ICT infrastructure
✓ Mobile money integration

⚠ Limited initial digital infrastructure
⚠ Staff technical capacity gaps
⚠ Industry digital readiness
⚠ System integration complexity
⚠ Change management resistance

→ **Major upfront investment** (GH¢50M)
→ **Switzerland SECO funding** & support
→ **Comprehensive staff training** on Dynamics
→ **Phased technology rollout**
→ **Extensive stakeholder engagement**
→ **Ecorys technical assistance**

Uganda
URBRA - Uganda Retirement Benefits Regulatory Authority 🇺🇬

Early Stage

Since 2011
Building

- Strong sector growth foundation
- Developing RBS capabilities
- Focus on capacity building

Foundation Building:
- Transitioning from compliance-based approach
- Building digital supervision tools
- Developing risk assessment methodologies
- Electronic reporting capabilities
- Systematic risk identification focus
- Early warning systems development

✓ Assets grew **6.6% to 11.1%** of GDP (2015-2020)
✓ **UGX 18.9 trillion** reached (2022)
✓ **20%** average annual growth rate
✓ Regulatory framework establishment
✓ Stakeholder education programs
✓ Hosted Africa Pension Supervisors Conference

⚠ Limited initial regulatory capacity
⚠ Relatively young retirement sector
⚠ Resource constraints
⚠ System development from ground up
⚠ Technical expertise gaps
⚠ Industry awareness levels

→ **Gradual capacity building** approach
→ **Focus on foundational growth** first
→ **Regional knowledge sharing** (APSA)
→ **Step-by-step implementation**
→ **Stakeholder education** prioritization
→ **Patience with sector** development

Zambia
PIA - Pensions and Insurance Authority 🇿🇲

Successfully Implementing

Recent
Regnology

- Rapid implementation success
- Technology-enabled approach
- World Bank supported

Platform-Based Approach:
- Regnology platform implementation
- Integrated data collection & supervision
- Comprehensive risk profiling
- Automated email notifications
- Multi-dimensional data validation
- Dynamic risk assessment updates

✓ **30-week** implementation within budget
✓ **600+** regulated entities
✓ **K6.5 billion** pension assets
✓ **K775 million** in contributions
✓ Significant data quality improvements
✓ Automated processes reducing workload

⚠ Limited initial technology infrastructure
⚠ Data quality and standardization
⚠ Regulatory capacity constraints
⚠ Industry system integration
⚠ Change management needs

→ **World Bank FIRST Initiative** support
→ **Vendor partnership** with Regnology
→ **Comprehensive training** programs
→ **Phased platform rollout**
→ **Regional coordination** & learning
→ **Focus on automation** benefits

Total Assets Under Supervision	Countries Implementing RBS	Implementation Timeline	Regional Coverage
$350+ Billion	**15+ African Nations**	**2010 – Present**	**9.6% → 30% Target**

Data compiled from APSA reports, national regulatory authorities, and World Bank studies (2025)

SUPERVISORY TECHNOLOGY REQUIREMENTS – Essential modules

Data Collection & Aggregation

Real-time data ingestion

Multi-format support (XBRL, Excel, CSV, APIs)

Automated validation checks

Centralized data repository

Risk Scoring & Assessment

Machine learning algorithms

Impact vs. Risk matrices

Peer benchmarking capabilities

Automated risk categorization

Dashboard & Visualization

Interactive risk dashboards

Geographic heatmaps

Mobile-responsive design

Role-based access

Compliance Monitoring

Regulatory rule engine

Exception reporting

Audit trail maintenance

Automated alerts

Early Warning Systems

Predictive analytics

Threshold monitoring

Escalation workflows

Scenario analysis

BEST PRACTICES

Technology Implementation:

Use Case-Driven Approach (66% of authorities)

Cloud-First Strategy for scalability

Phased Rollout to manage risks

Vendor Partnerships for knowledge transfer

Organizational Excellence:

Leadership Commitment from senior management

Cross-departmental Collaboration

Continuous Skills Development

Data-driven Decision Making

Regional Cooperation:

APSA Platform for knowledge sharing

Joint Initiatives across countries

Standards Development for harmonization

Resource Pooling for cost efficiency

IMPLEMENTATION CHALLENGES

Resource Constraints:

Limited funding for supervisory authorities

Insufficient technical expertise

High staff turnover rates

Inadequate IT infrastructure

Data Quality Issues:

Inconsistent reporting standards

Poor data from smaller schemes

Limited historical data

Integration challenges

Regulatory Barriers:

Outdated legislation

Insufficient enforcement powers

Multiple overlapping mandates

Lack of regional harmonization

Industry Readiness:

Resistance to increased scrutiny

Limited risk management capabilities

Small funds lacking resources

Poor financial literacy

Environmental Factors:

Political instability

Economic volatility

Currency fluctuations

Infrastructure limitations

LESSONS LEARNT *Success requires balancing ambition with realistic capacity assessment and sustained commitment*

Success Factors:

Strong Political Support - Essential for reforms

Adequate Resources - Realistic budgeting crucial

Stakeholder Engagement - Early and continuous

Phased Implementation - Allows learning and adjustment

Technical Assistance - Leverage international expertise

Common Pitfalls Avoided:

Rushing Implementation → Comprehensive planning

Underestimating Resources → Realistic assessments

Poor Data Quality → Infrastructure investment first

Lack of Buy-in → Extensive consultation

Regional Insights:

Kenya: First-mover advantage with 15+ years experience

Nigeria: Strong enforcement mechanisms critical

Ghana: Technology investment drives transformation

Rwanda: Digital-first approach accelerates progress

South Africa: Sophisticated frameworks set benchmarks

EMERGING OPPORTUNITIES

Technology Innovation:

AI & Machine Learning: Automated risk assessment, predictive analytics

Blockchain: Transparent records, smart contracts, cross-border portability

Digital Platforms: Mobile pension services, robo-advisors

RegTech Solutions: Automated compliance, real-time monitoring

Regional Integration:

APSA Coordination: 15 countries, $350B assets

Pension Portability: Cross-border frameworks

Harmonized Standards: Regional regulatory alignment

Joint Investments: Infrastructure financing opportunities

Financial Inclusion:

Micro-pensions: Informal sector coverage - esp with URBRA and RBA

Mobile Money: 296M accounts in East Africa

Digital Identity: Enhanced tracking systems

Fintech Partnerships: Innovation acceleration

Capacity Building:

World Bank Support: Technical assistance programs

FSD Africa: APSA development support

Peer Learning: Regional knowledge exchange

Professional Certification: International standards

STRATEGIC RECOMMENDATIONS Roadmap to Enhanced RBS Adoption – for fresh starters in RBS journey

Phase 1: Foundation (Years 1-2)
- Legal framework review
- Stakeholder engagement
- Basic data infrastructure
- Capacity assessment

Phase 2: Pilot (Years 2-3)
- Select pilot pension funds
- Develop risk methodologies
- Train supervisors
- Upgrade IT systems

Phase 3: Full Implementation (Years 3-5)
- Comprehensive rollout
- Continuous monitoring
- Industry-wide training
- Performance evaluation

Quick Wins:
- Join APSA immediately
- Implement basic risk frameworks
- Standardize data collection
- Launch training programs

Resource Mobilization:
- Coordinate donor support
- Establish regulatory fees
- Industry contributions
- Government budget allocation
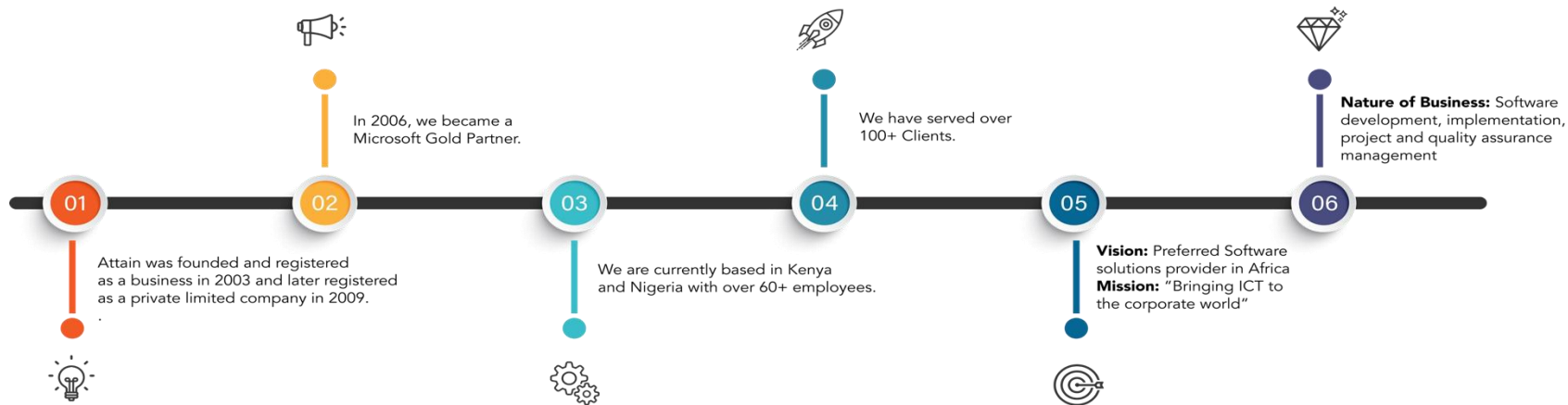
Company Profile Summary

Attain Enterprise Solutions is a leading and trusted technology services provider in Africa. The organization was established as a partnership in the year 2003, it started its operations in mid-2004 and became a limited company in July 2009.

We provide software development, implementation, system support and ICT consultancy services. As Microsoft Gold ERP partners, we invest and adhere to high standards in technology, implementation and support of our solutions.

Within the ERP space, we have implemented several successful solutions in the public sectors, therefore we have a broad understanding of the exceptions within these institutions.

Over 12 Risk Based Supervision implementations, with 3 in the pension industry, and 2 under negotiation.

Have some of the largest PFA implementations in the continent

01 Attain was founded and registered as a business in 2003 and later registered as a private limited company in 2009.

02 In 2006, we became a Microsoft Gold Partner.

03 We are currently based in Kenya and Nigeria with over 60+ employees.

04 We have served over 100+ Clients.

05 **Vision:** Preferred Software solutions provider in Africa
Mission: "Bringing ICT to the corporate world"

06 **Nature of Business:** Software development, implementation, project and quality assurance management

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