WHY SPLIT NSSF SAVINGS WHEN THE FUND IS PERFORMING WELL?
— PRESIDENT MUSEVENI

MAJOR MILESTONES IN NSSF’S 30-YEAR HISTORY

NSSF IS THE MOST IMPORTANT INVESTOR IN UGANDAN FINANCIAL MARKETS
- MUTEBILE

NSSF’S DYNAMIC NEW DIRECTION

INTERVIEW WITH THE MANAGING DIRECTOR
When reporting on a contentious issue, we listen to both the ‘hero’ and the ‘villain’ to give you a balanced, accurate and clear perspective for you to decide. Read Daily Monitor. Be in the know. Be inspired. Go further.
It is with great pleasure that we present to you the “NSSF at 30”, the Fund’s anniversary souvenir magazine.

30 years is a short time in a life of an organisation such as NSSF, so it is a pleasure to witness how the Fund has transformed from just a department in the Ministry of Gender, Labour, and Social Development before 1985 into a financial giant it is today, with over 1.6 million members and an asset base of about Ushs 6 trillion.

In this magazine, we share the Fund’s 30 year journey, with a pre-1985 historical account of the origins of social security in Uganda, key milestones over the years and the Fund in its current state – expect to find every important statistic.

Our Chairman Board of Directors Patrick Byabakama Kaberenge and our Managing Director Richard Byarugaba also share their vision for the Fund over the next 10 years, key being to grow the asset base to Ushs 20 trillion and propel the Fund into an iconic social security institution in Africa and the world, in the same vein as the funds in Singapore and Malaysia.

Over the last 30 years, the Fund has gone through major triumphs, but also some challenges. Nonetheless, the last 5 years have been the most critical for the Fund, its image, and members. We have witnessed a complete turn around and transformation of the Fund into an efficient, innovative and forward looking institution that it is today.

But most importantly, the Fund has by and large fulfilled its statutory mandate, which is to provide social security services to workers in the formal sector as well as contribute to the economic development of the country:

The Fund has paid in excess of Ushs 1 trillion to over 230,000 members; majority of whom enjoyed a happy retirement. Every day, it is gratifying to witness accounts of people, upon receiving millions, often times tens of millions, and in many cases hundreds of millions of shillings of their savings, acknowledging that saving with NSSF has been one of the best decisions of their working life. That is what any social security fund should be proud of, despite the challenges encountered as a result of an ever changing environment and an ever demanding membership.

On the Economic front, the Fund has directly and indirectly created hundreds of opportunities for Ugandans through our investments. Suffice to say the Fund has played a critical role in Uganda's economy, contributing to 14% of all deposits in commercial bank critical for credit financing, enabling NSSF Members to own shares in several companies listed on the Uganda Securities Exchange and financing 40% of government debt through its investments in Stocks and Bonds issued by the Central Bank.

To our members, the Fund is committed to continuous improvement. We have made a commitment to transparency and accountability innovation. As we look forward to the next 30 years, we ask that you come along with us; the future is very certain.

Finally, we extend our sincere appreciation to our partners who have participated in the souvenir magazine we look forward to more mutually beneficial business relationship.

Barbra Teddy Arimi –
Head of Marketing & Communications.
CONTENTS

10 **NSSF IN NUMBERS; FACTS & FIGURES**
The facts and figures that sum up the National Social Security Fund as it is today.

14 **CONGRATULATORY MESSAGE FROM THE MINISTER OF FINANCE**
Hon. Matia Kasaija, Minister of Finance, whose ministry oversees the NSSF, congratulates the Fund upon its achievements.

16 **FOREWORD FROM THE CHAIRMAN OF THE BOARD**
NSSF’s Chairman Board of Trustees shades light on the Fund’s 10-year strategy for growth.

18 **THE WINNING TEAM**
A deeper look at the profiles of the Fund’s Board of Trustees.

24 **THIRTY YEARS OF THE NSSF**
An insight into the Fund’s journey through the days of political uncertainty, emerging through upheavals and challenging circumstances to grow into the largest pension fund in East Africa.

32 **INTERVIEW WITH THE MANAGING DIRECTOR**
The Managing Director, Richard Byarugaba, takes us through the policy changes and most importantly, the change in mindset and technology that have shaped the Fund’s success that it is today.
38  PENSION REFORMS
President Museveni maintains that the ongoing pension reforms should further the benefits of having a large pool of concentrated funds such as those saved with NSSF so as to finance Uganda’s mega-growth projects such as roads, housing and energy.

40  THE ANNIVERSARY EVENT
A pictorial insight into the 29th December, NSSF 30th anniversary celebration dinner at Kampala Serena Hotel.

46  MAJOR MILESTONES IN NSSF’S 30-YEAR HISTORY
Key dates, events, policy developments in the timeline of the Fund since its establishment in 1985.

60  THE FINANCIAL PRUDEENCE ON WHICH NSSF IS BUILT
Officials from regulatory agencies give the NSSF a clean bill of health over its prudent financial management.
64 HUMAN RESOURCE MANAGERS PRAISE NSSF, CALL FOR A BROADER PRODUCT RANGE

At the heart of NSSF is its hundreds of thousands of members. Selected Human Resource Managers give their appraisal of the Fund.

68 NSSF BRANCH MANAGERS REPORT

Managers from half a dozen of NSSF’s 19 branches countrywide present their reports from the field on the Fund’s performance.

72 NSSF BENEFICIARIES’ TESTIMONIES

Testimonies by Ugandans who have been paid their NSSF benefits and how they put them to good personal use.

78 NSSF @30: BUILDING A BRAND FROM THE INSIDE AND OUTSIDE A FACTOR FOR SUCCESS

NSSF Deputy Managing Director Geraldine Ssali explains how the Fund has cemented its position as one of East Africa’s Super Brands.

80 REFLECTIONS OF THE LONGEST SERVING EMPLOYEE

The longest-serving member of staff in NSSF’s history reflects on her experience, work, the evolution of the institution and her fond memories of the last three decades.
Congratulations

on celebrating 30 Years
of offering a better life to Savers

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NSSF in Numbers: Facts & Figures as of June

- **84%**
  Customer satisfaction rates in 2015, up from 49% in 2010

- **79%**
  Contributor compliance rate, up from 47% in 2009

- **84%**
  Staff satisfaction rate, up from 48% in 2010

- **13%**
  Interest paid to members, up from 3% in 2009.

- **13%**
  Cost income ratio better than 76% banking industry average.

- **1.3%**
  Cost of administration better than most global funds of similar size

**Interest Rate Declared on Savings**

- 2000: 3%
- 2001: 4%
- 2002: 4%
- 2003: 6%
- 2004: 7%
- 2005: 7%
- 2006: 7%
- 2007: 7%
- 2008: 7%
- 2009: 3%
- 2010: 6%
- 2011: 7%
- 2012: 10%
- 2013: 11.23%
- 2014: 11.50%
- 2015: 15%
**NSSF in Numbers:**

Facts & Figures as of June 30th 2015

**UGX 5,569,863,439,000**
Total assets of the Fund as at June 2015, up by 27% from the UGX4,402,946,079,000 registered as of June 2014.

**UGX 5,529,790,313,000**
Total members funds and reserves (accumulated members’ funds, reserve account and accumulated surplus), up by 27% from the UGX4,367,696,351,000 realised the previous year. The Fund is fully funded.

**UGX 3,000,000,000,000**
Amount of money invested in government securities. The Fund expressed readiness to invest in infrastructure bonds.

**UGX 661,000,000,000**
Fixed deposits held with local commercial banks, constitute 14% of all bank deposits. NSSF is also a leading investor on the Uganda Securities Exchange (USE).

**UGX 444,000,000,000**
Amount invested in real estate properties. Among the real estate investments that NSSF boasts of are; Temangalo Estate, Pension Towers (currently under construction), Workers House, Social Security House and Lubowa Housing Project.

**UGX 688,095,082,000**
Contributions received during the year 2014/2015, up 11% from UGX622,353,746,000 the previous year, translating into an average of UGX 57,341,256,833 per month.

**UGX 525,960,989,000**
Amount of money earned by members as interest on their savings, up by 44% from the UGX365,842,850,000 paid out the previous year.

**UGX 186,609,416,000**
Benefits paid out to members during the (2014/2015), up 12% from UGX165,926,552,000 the previous year.

**UGX 126,013,167,000**
The size of the surplus fund, up 46% from the UGX86,573,827,000 registered the previous year.

**1,573,354**
Number of NSSF members out of whom 597,203 are active contributing members.

**10,911**
Number of employers currently registered with NSSF.

**19**
Number of offices and branches across the country.

**8**
The average number of days, it now takes from benefit claim to payment, down from 105 days in 2009.
The Board of Directors, Management and Staff of African Alliance Uganda takes this opportunity to congratulate the National Social Security Fund (NSSF) on celebrating their 30th anniversary.

Since 2005, African Alliance Uganda Limited has been at the forefront of creating wealth for our clients and in particular as advisor and broker for the National Social Security Fund.

African Alliance Group has a unique pioneering philosophy aimed at building markets while developing solutions for our clients in a local context using our on the ground professionals. We are driven by outcomes and add real value by drawing on our collective skills and experience in: Asset Management, Private Equity, Venture Capital, Treasury Management, Third Party Administration and Capital Markets.

For further information, contact us at 1st Floor, Workers House Pilkington Road, Kampala Tel: +256 417777701 E mail: info@africanalliance.co.ug or securities@africanalliance.co.ug www.africanalliance.com
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Tel: +256 417777701
E mail: info@africanalliance.co.ug or securities@africanalliance.co.ug
www.africanalliance.com

Licensed by the Capital Markets Authority
Member of the Uganda Securities Exchange
Licensed by the Uganda Retirement Benefits Regulatory Authority
As NSSF celebrates 30 years of successful existence, I wish to congratulate all NSSF stakeholders, upon reaching this milestone. I would like to commend the Board, management and staff of the Fund for growing this fund thus far; but more importantly commend the employers and employees for continuing to consistently remit these savings that has enabled the fund to grow at a steady 30% annually.

NSSF was established in 1985 through an Act of Parliament and over its 30 year journey, the Fund has continued to grow from strength to strength. To date the Fund’s asset base has grown to UGX5.8 trillion ($1.8 billion), making it the largest pension fund in East Africa. As we celebrate 30 years of existence, I wish to underscore the key role of The Fund and social security in general, in spurring economic growth of our country.

Social security plays a very important role in the economic and social livelihood of every citizen. It ensures that workers live a comfortable life even after retirement. It also protects those in employment from other risks such as loss of income and livelihood that may result from uncertain events such as illness or accidents.

NSSF’S SUCCESS IS GOOD FOR UGANDA’S ECONOMIC GROWTH

I AM HAPPY TO REPORT THAT NSSF HAS CONTINUED TO PLAY ITS RIGHTFUL ROLE AND IN THE PROCESS CONTRIBUTED TO THE SOCIAL ECONOMIC DEVELOPMENT OF OUR NATION BY MAKING STRATEGIC INVESTMENTS THAT SPUR ECONOMIC GROWTH.
It is for this reason that Article 22 of the Universal Declaration of Human Rights emphasizes that “Everyone, as a member of society, has the right to social security and is entitled to realization, through national effort and international co-operation and in accordance with the organization and resources of each State, of the economic, social and cultural rights indispensable for his dignity and the free development of his personality.”

In accordance with international standards, the government of Uganda saw it wise to establish NSSF as a vehicle to guarantee the working class, of a better life in an event that they suffer irreversible loss of income.

I am happy to report that NSSF has continued to play its rightful role and in the process contributed to the social economic development of our nation by making strategic investments that spur economic growth. In this regard, I commend the Board, Management and staff for having grown the fund into the biggest financial institution in Uganda and the largest Social Security Fund by value in East Africa region.

It is gratifying to note that the Fund marks this 30 years celebration on a solid foundation with an asset base of about UShs 6 trillion, and growing at a rate of about 30% annually and with a membership of over 1.6 million contributors.

Regarding investments, the fund has put money in the housing sector, playing a key role in addressing the current shortfall in housing estimated at 1.6 million units. I believe with a number of investments that the fund plans to make in future, we are likely to see the shortfall in number of affordable housing units reduce.

NSSF also holds a significant stake in local companies such as Uganda Clays Limited, Umeme, Stanbic Bank, Housing Finance Bank, among others. We are all aware that all the companies I have mentioned have played a key role in furthering economic growth of our country.

But most importantly the Fund has continued to grow the value of its members’ savings and as such, NSSF members continue to be paid interest rate that is above the 10-year average rate of inflation for any given year.

As the government of Uganda, we appreciate the role that NSSF has played in fostering social economic development of our nation, and as such we shall continue to provide the Fund with the necessary policy support to ensure that it continues to play its rightful role in the social security sector.

Once again, I would like to congratulate the NSSF Board and management for a successful 30 years.
Foreword from the Chairman

I congratulate all members, management, staff and stakeholders of the National Social Security Fund (NSSF) upon its attainment of 30 years of autonomy and existence.

The Fund crosses the 30 years milestone on a solid reputable record of accomplishment upon which it plans to build an even more robust financial institution that we believe will continue to transform and impact in a positive way the social and economic development of Uganda in general for many more years to come.

For this, allow me to thank the Fund’s Board of Directors, Management and staff both past and present, the Government of the Republic of Uganda, the Regulator, the Trade Unions, our business partners within the private sector and all Ugandans in general for their good will, unwavering commitment and support rendered to the Fund over the last 30 years.

Suffice to say, the Fund performed extremely well over the last five years and currently is the biggest financial institution in the country with a total asset base close to Uganda Shillings 6Trillion. This is no mean achievement and therefore worth celebrating. While we have done extremely well by all standards and have set benchmarks upon which a Fund of this nature is measured, we are mindful of the fact that we can do better.

The Board acknowledges that the success of the Fund is dependent on the oversight of the Board of Directors and all Ugandans in general for their good will, unwavering commitment and support rendered to the Fund over the last 30 years.

A BETTER LIFE: WELCOME TO THE NSSF OF THE FUTURE

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NSSF’S 10 - YEAR STRATEGY

There is need to widen the net to include the informal sector and also restructure the current government pension arrangement which has become unsustainable Vision 2040 recognises that Ugandans are the biggest investors in their country.
and is committed to ensuring that we continuously improve our governance framework, risk management and internal controls.

The Board also recognizes that for the Fund to stay competitive, it must have a well-conceived reliable and competitive strategy aimed at delivering value to our members. In this regard, the Fund has designed a more robust Business Strategy for 2015-25. This business strategy focuses on reinforcing the Fund’s position as a dominant player that is playing a pivotal role in remaining relevant and making meaningful contributions in the lives of its members and the country in general.

To that end, the key financial target of this strategy is to see the Fund emerge incrementally into a UGX 20 Trillion Fund by 2025. One of the ways we intend to achieve this is by being customer centric and ensuring we address the short, medium and long term social security needs of our members.

We anticipate an enhancement in the regulatory environment that should enable the Fund achieve the core objectives of the new Business Strategy 2015 – 2025. Internally the Fund is set to introduce more products and services that are relevant through the life cycle of our members so as to be responsive to our customers’ needs and the changing market dynamics. The Fund will focus on providing innovative and appropriate products and incentives that meet the demands and lifestyle of its segmented population thereby making itself-relevant to them. Relatedly, the Fund intends to exploit the untapped potential in the informal sector and the self-employed by designing products that address their Social Security Needs as a way of increasing social security coverage.

To deliver all the above, I am fully aware of the need of the presence of a functional governance structure with a strong Board which exercises its oversight role unimpeded in compliance with the regulatory framework.

The Board is committed to working with all major stakeholders including the Government, employers, employees and unions in achieving its mandate to deliver a better life to each and every one of our members but also Uganda as a whole.

For God and my Country
A Board of Directors is indispensable to any corporation. It sets the overall direction of the company’s policy, deliberates on strategic policy matters, and approves important management decisions. It is the most formal face of a corporate entity.

The board that governs the National Social Security Fund (NSSF) is no different, drawn as it is from workers, employers, government and the private sector.

This is a look at the team composition of the board.
Patrick Byabakama Kaberenge
Mr. Patrick Kaberenge has a wealth of experience going back 38 years to 1977. He currently works as a management consultant and Lead Partner at Byabakama, Kwemala & Associates, and Certified Public Accountants. He previously worked at Bank of Uganda for 17 years in various positions, including Executive Director Operations, Bank of Uganda, Acting Deputy Governor, Executive Director/Chief Internal Auditor, and Director for Domestic Currency issuance.
In addition, he was Chief Accountant with the Uganda Cooperative Transport Union (UCTU) and Accountant/Executive officer in the Ministry of Finance. Mr Kaberenge is a Chartered Banker (ACIB UK), a Chartered Secretary and Administrator (ACIS UK), a Chartered Transporter (MCIT UK), as well as a Certified Internal Auditor (USA). He hold a B. Sc. in Financial Services from University of Manchester Institute of Science & Technology, a M. Sc. in Finance and Computing from the University of Greenwich in the U.K, and was elected as Uganda’s International “Who is Who of Professionals” in 2004 (USA).
Mr. Pius Bigirimana
Mr. Pius Bigirimana is currently the Permanent Secretary, Ministry of Gender, Labour and Social Development.
Prior to his appointment at the Ministry, he was the Permanent Secretary in the Office of the Prime Minister (2008-2013), Under Secretary at the Ministry of Health (2006-2008), Under Secretary at the Ministry of Public Service (2005-2006), Under Secretary at the Ministry of Education and Sports (1999-2005) and Principal Assistant Secretary in the Office of the President (1993-1999).

Mr. Bigirimana holds a Master's Degree in Business Administration from the Eastern and Southern Africa Management Institute (ESAMI) and a Master of Arts Degree in Development Administration and Management, majoring in Economic and Social Policy from the Victoria University of Manchester in the United Kingdom, among other qualifications.

Mr. Patrick Ocailap
Mr. Ocailap is the Deputy Secretary to the Treasury, Ministry of Finance, Planning and Economic Development. He has been a member of the NSSF Board since 2013 representing the Ministry of Finance Planning and Economic Development.
He is also sits on a number of company boards including the National Housing and Construction Company Ltd., National Medical Stores, Uganda Road Fund, Africa Institute for Capacity Development, the Uganda Investment Authority, Uganda National Bureau of Standards, the NGO board, Pride Africa Limited and Pride Micro-finance Ltd.
He holds a Masters degree in Development Economics from Williams College Massachusetts in the United States and a Bachelor of Commerce degree from Makerere University, among other qualifications,

Ms Peninnah Tukamwesiga
Ms. Tukamwesiga is a lawyer and an advocate of the High Court of Uganda. Currently she is the Head of Legal Aid at the Central Organisation of Free Trade Unions (COFTU).
She previously served as legal advisor in a number of legal firms in Uganda. She holds a Master of Laws degree from Makerere University, a post-Graduate Diploma in Legal Practice from the Law Development Centre in Kampala, and a Bachelor of Laws Degree from Uganda Christian University.
The board that governs the National Social Security Fund (NSSF) is drawn as it is from a wide and diverse background from ranging business to trade unions, the corporate establishment and public life in Uganda.

Andrew Stewart Obita
Mr. Obita is a member of the National Organisation of Trade Unions (NOTU). His work experience spans 20 years. Previously he worked with Umeme Ltd. as the Staff and Contractor Engagement Manager for eight years, prior to that he worked in several organisations at managerial level including Uganda Electricity Distribution Company Ltd. and Uganda Electricity Board. Mr. Obita also worked part-time at NSSF as a member of the Board of Directors/Trustee, the Board of Directors of Namilyango College, a council member at the Association of Public Sector Unions of East Africa, the Board of Director East African Labour College, and National Treasurer of the Uganda Electricity & Allied Workers Union.
He holds a Masters degree in Business Administration with specialty in Financial Management at Cambridge International College in the U.K, a Bachelor of Business Administration from Newport University in the U.K, a Diploma in Computer Science, and a Higher Diploma in Business Administration.

Ms. Florence N. Mawejje
Ms. Mawejje has over 15 years of experience in Provident Fund and Pension Trusteeship. For 10 years she served as the first Chairperson of the MTN Provident Fund and participated in the structural review of the process of the Pension Sector while serving as a board member on the Federation of Uganda Employers’ Governing Council.
Ms. Mawejje has worked at Unilever as the Human Resources thought leader and Executive Board and Leadership Team member, CARE International in Uganda (1996-1998) and the National Agricultural Research Organization, NARO (1995-1996). She is also a licensed member on the Board of Trustees of the Centenary Bank's Staff Defined Contribution Fund where she also serves as the General Manager, Human Resource.
Ms. Mawejje holds a Master of Science Degree in Human Resource Development from the University of Manchester's Institute of Development Policy Management, a Bachelor of Arts with Education Degree and a post-Graduate Diploma in Public Administration from the former Uganda Institute of Public Administration (IPA), now known as the Uganda Management Institute, among other qualifications.
Richard Byarugaba
Mr. Byarugaba has been the Managing Director of the National Social Security Fund since August 2010 and has overseen the transformation of the Fund over the last five years. Mr. Byarugaba has a wealth of experience spanning over a period of over 30 years in managing large financial institutions, including commercial banks. He held similar positions at Global Trust Bank and Nile Bank. In 2007 he also served as the Chief Operating Officer at Barclays Bank Uganda Ltd. Mr Byarugaba is a qualified Accountant with the Association of Chartered Certified Accountants. He also holds an MBA from Edinburgh Business School, Heriot-Watt University, a management diploma from the Henley Management College of the U.K and a Bachelor of Science, Statistics & Economics from Makerere University, Kampala. He is the Chairman of the Board of Directors of Vodafone Uganda, and Kulika Uganda, a charitable trust. He also serves on the Boards of Uganda Clays and Uganda Stock Exchange.

Ms. Sarah I. Walusimbi
Ms. Sarah Walusimbi has over 29 years of experience as a corporate lawyer, director and Company Secretary with various companies. She currently holds the position of Chief Manager Management Services/Corporation Secretary at the National Water and Sewerage Corporation. She is also an alternate member on the SOS Children’s Village Board, Director of Nikiwa Products Ltd and Director of KNN International Limited. She has held various positions including Company Secretary, Nice House of Plastics Ltd., Uganda Batteries Ltd., Jesa Farm Dairy Ltd., and Jesa Investments Ltd. She was also a Personal Advisor to the Honorary Consul, Royal Thai Consulate of the Royal Kingdom of Thailand, and is a former director on the board of the Capital Markets Authority.

Mr. Wajana Nelson Makwasi
Mr. Makwasi is currently the General Secretary of the Uganda Farm and Agro-BasedWorkers’ Union, a member on the National Negotiating and Consultative Board, and Deputy Treasurer General and Training on the Central Organization of Free Trade Unions. Previously, he worked at Lohana Academy as a bursar/administrator, as a part-time Lecturer at the College of Commerce and Accounts, and as an accountant at Uganda Medical Workers Union. He also managed the Central Region Health Workers’ Sacco. He holds a Masters degree in Business Administration, a Bachelors degree in Business Administration from Ndejje University and a diploma in accountancy from the Institute of Accountants and Commerce, among other qualifications.
The Management and Staff of
PINNACLE SECURITY LTD

Congratulate NSSF on making **30 Years** of service

We are looking forward to building a lasting relationship with the fund in the years to come.

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**Services Offered**

- Man Guards: Well recruited, trained, monitored and supervised guards
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- K9 Patrols (Dog Services): K9 section has a variety of dogs with varying skills tailored to suit different needs of the client. We supply guard dogs with or without security handlers. We also supply explosive detection and drug detection dogs.
- CCTV & Access Control: We supply, install CCTV and access control systems by well-trained personnel according to the requirements per site. Equipment used is top of the range and sourced from the USA and UK.
- Event Crowd Management: We control crowds and make the event safe for everyone in attendance. Events managed MTN Marathon, Bayimba Cultural Festival.

**Other services**

- Emergency Ambulance
- Commercial Shooting Range and Weapons Training
- VIP Protection and escort duties
- Security Consultancy and Training
- Risk Management and Investigation
The old NSSF offices along Lumumba Avenue in Nakasero, Kampala, pictured in the 1990s.
THIRTY YEARS OF THE NSSF

By Timothy Kalyegira

The National Social Security Fund was established by an Act of Parliament, the NSSF Act (Cap 222) 1985, following a repeal of the 1967 SSF Act, and the Social Security (Amendment) Decree No. 33 of 1972.

The 1985 Act transformed the scheme from the Social Security Fund (SSF) which was just a department under the Ministry of Gender, Labour and Social Development into a fully-fledged autonomous body.

It is funded by contributions from employees and employers both contributing a total of 15% of the workers’ monthly wages.

The new NSSF would cover all employees in the private sector from the age of 16 to 54 years, working in enterprises having five or more workers while government employees would now be covered under a public pension scheme run under the Ministry of Public Service.
At the time the NSSF was founded, Uganda was in the depth of a political and military crisis. The UPC government had only recently been overthrown in a military coup, in July 1985. Power-sharing negotiations were underway in Nairobi, Kenya between the new military government and the NRA guerrillas.

The western quarter of the country was cut off and was being administered by the NRA. Fighting in various degrees continued to erupt between government troops and the NRA rebels.

After the NRA finally acceded to power in January 1986, there was a four-year period in which the country was preoccupied with attempts at pacifying the northern and northeastern parts of Uganda and reconstructing the central and western regions.

With its attention and resources focused on reconstruction and trying to restore peace to the country, the new government was in no position to make social security a priority.

Social security after the Structural Adjustment Programme (SAP)

The structural adjustment programme (SAP) recommended by the International Monetary Fund (IMF) to try and revive the national economy in May 1987 were the steps required at the time, but the immediate effect was to aggravate the suffering of the average Ugandan citizen. There followed a period of gradual liberalisation of the economy that peaked in 1991 with the start of large-scale downsizing of the civil service. Thousands of civil servants were retrenched and some would spend months processing their gratuity and retirement benefits.

When civil servants saw the difficulty their former colleagues endured after their retirement, a cynical attitude took root in the work force. Many felt that now, while they still had jobs, was the time to amass as much money as they could as fast as they could, in a crude attempt to provide their own social security.

This, in part, explains the sudden increase in the frequency and scale of corruption in Uganda in the 1990s. During this time, little was heard of the NSSF. To the public, it was an obscure department under the Ministry of Labour, with most of the retirement benefits being handled by the Ministry of Public Service.

Retired civil servants and corporate employees found it more immediate and practical to turn to their children and protégées now entering the work force to provide for their travel, medical treatment and upkeep.

These cultural ties of kinship were then and still are today the main social security safety net in Uganda.

The media was increasingly reporting on corruption cases in the government and other public institutions in the 1990s. It is only in the last decade that employees have started to realise that their accumulating contributions in the NSSF are now substantial enough to not require, in future, a monthly dependence on their kin and kith for their sustenance.

During this period, there grew a public perception across Uganda's urban cen-
tres that from VAT to NSSF contributions and any private levies that ended up in the national treasury, the citizens’ money was being used for nothing more than the private accumulation of wealth by the corrupt few or, at the time, to fund the army’s forays into neighbouring countries like Rwanda and the Democratic Republic of Congo. Thus when in the mid 1990s the NSSF began taking concerted measures to require business enterprises to deposit employee contributions with the Fund, both the management and employees themselves regarded this as an irritant, as a kind of taxation much in the manner of the then-existent Graduated Tax.

Workers’ House stood incomplete until the contract was re-awarded to Roko construction.

There was much public, media and parliamentary debate over the NSSF house. And so, ironically, it was this debate over the Alcon International contract that first brought to the public’s attention the fact that the NSSF was an important organisation with the capacity to invest.

The new Workers’ House, when it was completed, joined the Kampala skyline and its blue-tinted glass set off a new fashion in Uganda of commercial buildings with tinted glass.

In the minds of most Ugandans, the

The NSSF’s new high profile

For the first at least 20 years of its existence, the NSSF remained an institution largely unknown to the public. The first time the NSSF came into centre of the public spotlight and the front pages of national newspapers was in 1998 when it contracted a Kenyan company, Alcon International, to construct a new, 20-storey building to be called Workers’ House in central Kampala. Alcon had been awarded the contract in 1995 to build Workers’ House, but the contract was terminated in 1998.

From that point onward, the NSSF became one of Uganda’s prestige institutions, at the same level as some of the major mobile phone companies just entering the market. The way the Ministry of Finance’s Inland Revenue department was transformed into the Uganda Revenue Authority in 1991 and thereafter gained the image of a prestige organisation to work for, the NSSF became in the collective public mind another of those much-coveted institutions. There was just jostling over and discussion on who would occupy the position of Managing Director and who would sit on the NSSF’s board. With this public glare came the inevitable political pressure and interest.

A decade later, the NSSF re-entered the media limelight when in 2008 news broke of the Fund’s proposal to buy land at Temangalo outside Kampala on which to develop real estate. Yet again, the revelation of ambitious plans by the Fund created the image of the NSSF as a wealthy and powerful national institution and so further increased its prestige in Ugandan society.

“Navigator” – The key to the NSSF’s success

The question is: How was the Fund in 2008, amidst the political pressure and
intense media and public scrutiny, able to start registering a significant improvement in its performance?
Under normal circumstances, a company or organisation facing a barrage of public criticism tends to get numbed and unable to focus on its work.

The answer lay in a new administrative system the NSSF launched in 2011 code-named “Navigator”. A robust management system that included a scheme that tied remuneration among the staff to performance, it soon started to produce impressive results.

The NSSF's total deposits doubled from $800 million in 2010 to $1.6 billion between 2010 and 2014, compliance by companies 50 percent to 77 percent. Soon, Uganda’s social security provider was being widely discussed in the African region.

A 2011 Act establishing the Retirement Beneficiaries Authority (RBA) started creating a new private pension régime by which the sector will eventually be opened up to other players and the public given the option to choose between the present NSSF and other provident funds. Thus, Uganda was now making the transition from a state-based social security system to a market-based system, with all the challenges but also opportunities that come with this.

In the meantime, the NSSF continued refining its collection methods until by 2015 thirty years since its founding, it has become the largest social security fund in East Africa and the single wealthiest financial institution in Uganda. The significance of this achievement was clear. Kenya, the largest economy in East Africa, is also the most urbanized country in East Africa and has the largest formal workforce.

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For Uganda’s NSSF to have larger deposits than its Kenyan counterpart either suggested that Uganda’s NSSF performance is impressive. Uganda has a larger formal workforce than had previously been realized, or Kenya’s NSSF was somewhat sub-par in its performance. Regardless, it still spoke of an institution similar to the state-owned New Vision newspaper (now under the Vision Group), that was government-founded but which had managed to manoeuvre its way through a difficult economic environment, carefully handle the political interest in its running and managerial composition. As the Development Issues magazine pointed out in 2008, “The implementation of social security is particularly difficult in Africa, because most of the countries in that region face serious budget constraints, making it almost impossible to finance often rather expensive insurance systems. In addition, the implementation and management of social security systems requires quite complex institutions which, again, are not available in most of these countries.” (Development Issues, Vol. 10, No. 2, Nov. 2008)

Lessons from thirty years of the NSSF
Given this difficult environment and in spite of the negative publicity surrounding some of its contracts, the NSSF would go on to become the most successful financial institution in post-independence Ugandan history. The lessons in the NSSF’s unquestionable success are several-fold.

First, a state-owned corporation in Uganda can succeed in spite of the shortage in skilled manpower, the ever-present prospect of political interference and even in the midst of negative publicity.
It raises questions about Uganda's rush to privatise the parastatals in the early 1990s, when better management might be all that is needed, not a sell-off. Secondly, it suggests that much of the difficulty in capital accumulation in Uganda is not so much because of the high poverty levels but often because of the weak enforcement and collections. NSSF has demonstrated that when systems of collection and enforcement are strictly adhered to, large amounts of money can be accumulated from the Ugandan economy that, on the face of it, seems limited by a weak financial base.

The third lesson is that sometimes and unwittingly, bad publicity can contain in itself the seeds of a future positive image. A certain adverse kind of publicity can reveal the truth about an organisation better than its best public relations effort. It had to take the scrutiny of the NSSF’s contracts and the huge sums of money being discussed in parliament and the media for the public to start viewing the NSSF as a serious and viable financial institution.

This in turn, in an interesting twist, led thousands of companies and employees across Uganda to be more willing, out of self-interest, to deposit contributions with the NSSF.

Very few commercial banks or even companies of any kind can withstand the level of public scrutiny and bad press that the NSSF endured between 1998 and 2008, and still survive.

This raises the plausible argument that in fragile economies and societies such as Uganda, a certain amount of state protection is vital for the development and strengthening of public institutions. That the NSSF, founded during the depth of a national political and military crisis in late 1985, could weather its own storms and stresses and grow into East Africa’s largest social security fund thirty years later, shows that in the life of a company, a country – or even complicated institutions like marriage – often the long-term view is what counts much more than the day-to-day trials.
Social security, as we now know it, dates back to the late nineteenth century in Germany. This was a time of growing industrialization in Europe but also a time when the realization was growing that many employees in the new factories were working and living under appalling conditions and earned too little in wages to save for their retirement or emergencies. This article looks at the evolution of social security in Uganda.

1946-1966
As it was with laws, the education system and the civil service, the social security systems developed in Europe and the United States were introduced to the British colonies in Africa and elsewhere. The very first such regulatory action in that direction of protecting workers in Uganda came in 1946 when an employer-liability system of insurance was provided to workers in the event of injury at work. In the 1960s, Uganda's immediate post-independence economy was still largely intact. That social security regime served Uganda for the next two decades until the mid-1960s.

1967-1977
In January 1967, the government started to work on plans it had been developing for a new national social security fund. On October 21, 1967, the first law, the Social Security Act creating the system creating a provident fund, was enacted. This new law was described at the time as “An Act to provide for the establishment of a Social Security Fund to provide for its membership, the payment of contributions to, and the payment of benefits out of, the Fund and for other purposes connected therewith.” The Social Security Fund started its operations in March 1968 as a department under the Ministry of Labour, with the registration of employees also starting during that month. The first Director of the Social Security Fund in 1968 was A.K. Jjemba. Among the first government departments to register with the Social Security Fund were the Ministry of Health, the Ministry of Internal Affairs, the Ministry of Works, Communications and Housing, and the Ministry of Planning and Economic Development. Among the first parastatals to register were the Coffee Marketing Board and the Uganda Growers Co-operative. Coffee Marketing Board had over 900 employees with a monthly contribution of 12,000 shillings. Uganda Growers Co-operatives had 600 workers. S.I. Kigenyi, a senior official at the Fund, proposed an amendment of the 1967 social security law. The law was amended in a government decree on March 28, 1972. This amended law authorized, under certain circumstances, for withdrawals to be made long before the retirement age. In April 1976 Kigenyi also proposed that the term of office for employees' and employers' representatives on the Social Security Board of Trustees should be three years at a time, with eligibility for re-appointment at the end of each term of office.

In August 1972, the Uganda government announced the expulsion of the 73,000-strong non-citizen Asian community if they did not take up Ugandan citizenship. In early 1973, the government declared an “Economic War” as a means to cope with the effects of the sudden departure from the country of the highly qualified Asian civil servants, doctors, teachers and business community. This marked the start of a decade of scarcity and economic difficulty that would only begin to ease in 1983. However the 1967 law creating a provident fund for workers had been intended to achieve, this difficult decade essentially rendered social security non-existent.

1978-1985
On January 12, 1978, the Fund held the first documented meeting on its accounts. The meeting was chaired by P.B. Rukuba. The meeting was attended by Robert Ekiru, the Commissioner for the Budget in the Ministry of Finance, James Rwabeire Baira, the Director of the Social Security Fund, E.G. Mugisha, from the Inspectorate of Government, A.K. Kato, the Social Security's Principal Compliance Officer, E.R. Kaizzi, the Principal Accountant of the Social Security Fund, E. B. Kalebbo, the acting Principal Claims Officer of the Fund and M. Bukenya, who was the secretary to the meeting.

The UNLF administration
In October 1978, war broke out between Uganda and Tanzania. Idi Amin's government was ousted from power in April 1979 and was succeeded by the UNLF government headed by Yusufu Lule and Godfrey Binaisa. The UNLF period was one of the most chaotic and most difficult in Ugandan history. The country had been devastated by the war and administrative systems dis-
rupted by the looting that followed the war. Between October 1978 and August 1979, the Social Security Fund had all but ground to a halt. It registered 32.9 million shillings in financial losses. A number of organisations such as the Coffee Marketing Board, the Uganda Hotels Ltd., Lugazi sugar factory, the New Alliance, Uganda Garments Ltd., Uganda Oil Millers and Kakira Sugar Works that had been major contributors to the Fund were no longer sending in their contributions.

The Social Fund was over 100 million shillings in arrears unpaid by various employers, about half of which was supposed to be paid to the Fund by government ministries but which also defaulted. During the looting that followed the fall of Amin's government in April 1979, all office equipment of the Social Security Fund such as chairs, machines, typewriters, fans, bulbs and furniture was looted. Safes and stores were broken into, files containing office records scattered about the floor and some important documents like registers, files and books went missing. Despite this crisis, the Social Security Fund resumed its operations. The total number of registered employers by mid 1979 was 5,268 out of over 700,000 Ugandan employees. The first proposals to make the Social Security Fund an autonomous entity were made on May 1, 1981 during the national Labour Day celebrations. On June 23, 1982, the deputy Minister of Labour Henry Tungwako delivered a draft proposal to the Attorney-General George Masika, who in turn passed it over to the Solicitor-General Francis Ayume. The second Obote government put in place measures to revive the war-torn Ugandan economy, started to recover in 1981 and 1982. By the 1981-1982 financial year, annual contributions to the Social Security Fund had risen to 76.2 million shillings and the Fund realised over 62 million shillings in income from investments. At this time, the Obote government began deliberating over plans to construct a Workers House. The number of registered members in 1981 was 13,836 and in 1984 had increased to 17,448 members.

James M.R. Baira, who headed the Social Security Fund from 1974 to 1988, was the first Managing Director of the new entity called the NSSF in 1985. The first staff of the new NSSF in 1985 were: Baira, a one Pyani, Alice Ssemasingi, Alacu Etengorit, a one Bengo, Henry Kandole, Enid Muhumuza, Hope Rurangga Semanda and Ibrahim Musoke. The first board members of the NSSF (then called Members of the Board of Trustees) were" Alfred S.T. Awuyo, the then Permanent Secretary in the Ministry of Labour and Chairman of the Board. Other Board members were Robert Ekini, Commissioner for the Budget in the Ministry of Finance and also representing the Secretary to the Treasury; John Kiseka, representing the Permanent Secretary in the Ministry of Public Service and Cabinet Affairs; M.K. Mukasa and H. M. Luande, workers' representatives, while M. S. Owor and J.L. Mukasa were employers' representatives. Baira also doubled as the Board Secretary.
“We have automated the way employers pay into the system. Today almost 90 percent of our employers remit their payments electronically. We do not have issues of schedules and cheques getting stale and money not appearing on the statements. We have also introduced a requirement that our members’ statements must be updated within 48 hours”.

Since I joined the Fund, we have consistently grown it by more than 30 percent per annum. What has made us grow significantly is improved compliance amongst our existing employers from about 49 percent in 2009 to almost 80 percent at present.
NSSF is 30 years old, a fully mature organisation in every meaning of the word. Other than the number of years, what else is there to celebrate for your stakeholders?

There is plenty to celebrate. First of all, we are the biggest pension scheme in East Africa by value and the largest financial institution in Uganda. We have got a motivated work force of almost 500 staff and a membership of about 1.6 million members of which 700,000 are active and happy.

We have a Fund that has been growing by an average of 30 percent or 1.2 trillion shillings annually over the last five years, underlined by profitable investments, prudent cost management and better customer care.

We are also very liquid. Pension schemes are based on how quickly they can pay their members. Today if our Fund was to come to an end of its life, we would be able to pay all our members without difficulty because our assets are near-cash or can be converted back into cash quite easily.

There is surely a lot to celebrate both for the Fund as an institution and also for the broader range of our stakeholders.

But one can argue that since NSSF is a mandatory contribution scheme, the size of the Fund was always going to grow as long as the size of the labour force continues growing, irrespective of who is in charge.

That argument could be valid. But NSSF contributions didn't only become mandatory the other day; they have always been mandatory. To understand the impact of good management on the growth of the Fund, you look at the rate of change.

It took the Fund over ten years to grow from 107.8 billion shillings to 1.8 trillion shillings; it has taken us only five years to grow the Fund from two trillion to 5.8 trillion shillings.

Since I joined the Fund, we have consistently grown it by more than 30 percent per annum. The economy of Uganda is growing at an average of between five and six percent but new membership in the NSSF is not growing at 30 percent.

What has made us grow this significantly is improved compliance amongst our existing employers from about 49 percent when I joined to almost 80 percent at present. And compliance has improved because of our aggressiveness and introduction of the relationship management model, which is basically a carrot rather than a stick. However we still pursue the stick, especially for the stubborn employers.

We have also backed that up with the introduction of great customer service through making our channels electronic; our members have easy access to us.

We have automated the way employers pay into the system. Today almost 90 percent of our employers remit their payments electronically. We do not have issues of schedules and cheques getting stale and money not appearing on the statements. We have also introduced a requirement that our members’ statements must be updated within 48 hours.

On the demand side, which is basically about ensuring that our members get paid, we have improved the processes. Our members are happier because now they can get their money faster. It used to take about three months or 105 days for a member to claim and get paid their benefits, but today it takes us between eight to ten days. We feel there is a feel-good factor amongst our members and stakeholders; they believe the Fund is giving them better value and are now putting pressure on their employers to comply.

NSSF has made these achievements in a largely restrictive environment largely characterised by government bureaucracies and interference. For example according to estimates, Pension Towers was supposed to earn NSSF some $10 million a year in rent. Two years down the
road we do not have the building up and have thus lost that income. Do you have an estimate for example if we had flexible regulatory environment, how much more would the fund be better?

I would easily say the Fund would be better by about 20 percent and that is based a lot on the deals/transactions we haven’t been able to close, for example there is a deal that was involving the purchase of bonds in Tanzania which we couldn’t close, there was a transaction involving purchasing of hotels which we could not undertake.

There has been the opportunity lost in the property deals you talked about where we couldn’t build. So if I factor that in, the Fund would probably have another 600 or 700 billion shillings on our balance sheet.

Investments are the life blood of NSSF. They guarantee a steady stream of revenue which in turn translates into revenue and interest to the members, yet they have probably been the single biggest source of NSSF’s image troubles. Where exactly has been the problem and how can these issues be tackled in the on-going reforms?

I think let us first analyse what the problems were in the past. If you recall, a lot of the so-called the scandals that became the big stories at NSSF involved land. Initially you had the Nsimbe scandal and the Temangalo land and others. Those are a very small percentage of our portfolio.

Land is very easy to inflate whereas the other financial instruments we deal with like fixed income and equities are very difficult because they are very well regulated. And there is a very good process control that enables us to deal with that issue. Land was in the periphery of our assets and was prone to abuse but those are really small isolated cases.

Today our land is less than 10 percent of our portfolio, valued at 5.8 trillion shillings.

I understand NSSF has unveiled its ten-year strategic plan (2015-2025), spelling out a new mission, like being a “relevant partner to your members through continuous innovation in the provision of social security.” The tag line is also changing to “a better life” instead of “a better future.” What explains this shift in mission?

Our ten-year strategic plan is to grow this fund to 20 trillion shillings within the next ten years, that is, an average of about 1.7 trillion shillings per year. We have been growing at about 1.2 – 1.3 trillion shillings in the last couple of years.

Therefore the new strategy is about accelerating our performance. Secondly, we want to be the iconic pension provider of choice in this region. We would like to surpass everybody in terms of all measures. At the moment we are the largest in value but we would like to be the largest in terms of our relevance and application to the economy.

We would like to take on and benchmark ourselves against some of the best global schemes such as the Central Provident Fund (CPF) of Singapore and the Employees Provident Fund (EPF) of Malaysia.

They were our size a few decades ago but are now enormous. We would like to get into that sort of league. We want to remain the most efficient. If you look at our cost-income ratio it is one of the lowest. At the moment our cost of administration divided by the number of assets we have is 1.3 which
means that we are efficient, but we believe it can be even much better.
For example Singapore’s CPF is 0.5. The target is to get to 0.5. So those are our targets and we would like to achieve them in the ten-year period.
To achieve the above, we have structured our strategy into four pillars.
The first one is obviously financial. It revolves around good investment so that we can get a good return and an above-inflation return every financial year. We think that if we can continue to give them a good return, our members will remain with us.
The second is based around the customer. We want to put the customer at the centre of everything we do, providing them with good services that are easily accessible.
Very soon we are introducing the smart card which will enable them to go to an ATM of any bank and actually check on their balances and make sure that their money is coming through.
The smart card will also give us one more advantage: it will enable them become loyal to us. They will be able to collect loyalty points through contributions, how long they have been with us, and through how much money they contribute with us. Those loyalty points will enable them to get benefits and rewards from other service providers, for example gyms, salons and other recreational services.
The third area is around processes. We want to ensure that our processes are cost-effective and efficient so that the employer does not have to go through the process of sending us the remittances and uploading data manually, but electronically upload their information.

Richard Byarugaba, Managing Director of the NSSF

Interview with the MD

Though in the new regulatory regime we won’t be allowed to maintain all the mandatory contributions, there will be new measures which we believe will be good for the consumer as well as for us and the industry in general.

Richard Byarugaba, Managing Director of the NSSF

Although NSSF is not opposed to liberalisation and the associated reforms, the very basis for initiating these reforms was a cabinet paper that was premised on an assumption that there was a “public perception that the NSSF has not been run on sound governance principles.”
With all the above achievements of the Fund and growing positive reputation is liberalisation as proposed by the government still relevant?

Certainly over the last five years, NSSF has undergone major transformation. All the mismanagement and the inefficiencies are gone. You can’t use that as a basis for liberalisation anymore.
What we have recommended to government is that rather than ask NSSF to surrender its mandatory contributions mandate and compete with the rest of the players, NSSF should remain a national scheme and retain a basic minimum contribution of say 10 percent of the current 15 percent contribution so that a member knows that there is a national scheme that is NSSF where they are assured that their basic pension will be gotten from.

They can then allocate the remaining ten percent or five percent depending on what government leaves us, to private providers of their choice.
We would support that because then the member has an option to balance their risk and leverage their returns, which goes back to the basic tenets of a savings portfolio, that is, in not putting one’s eggs in one basket.
The bottom line is that NSSF is in favour
of reforms that will reduce the cost of managing pensions, increase returns and ease access and most importantly allow savers to get more value from their savings.

Away from making profit and paying higher returns, NSSF especially because of its immense financial reserves has a moral and economic obligation playing a larger role than it is playing at the moment both in the financial markets and the development of the economy, especially the private sector from whence all their savers are. This role at the moment does not seem to be clear. Is NSSF milking a cow they are not feeding?

We do have a plan, especially to deal with private equity. Our challenges has been that a lot of private equity opportunities don’t meet our corporate governance criteria and a lot of the people who are involved with these companies don’t want to be involved with a public institution like ours because of the disclosure requirements that this would bring.

If we were to invest in these companies, the natural exit for us would be through the stock exchange which would then mean that the company has to go through full disclosure but also be able and willing to list on the exchange.

That is why we have found it difficult to find those small and medium enterprises which ready to improve on their corporate governance and are ready to accept our exit through the stock exchange.

Having said that, we are certainly cognisant of our role in the economy. We would like to help the economy by ensuring that we can invest. We have actually put up a private equity fund of about 100 billion shillings which we will be launching for small and medium enterprises.

When you were appointed NSSF Managing Director in August 2010, in your first statement you did say: “My objective is to lead the transformation of the organisation into a transparent, accountable and profitable institution capable of competing in a liberalised pensions market for the benefit of its contributing members in particular and Ugandans in general.” Looking back, to what extent would you say this job has been achieved?

If I were to rate myself, I would say that 65 percent of that job has been achieved. I believe that today if a competitor came into this market they would find it very difficult to dislodge us from here because we have been able to grow our financial strength; we have been able to impress our customer, our acceptance rate is in the 80s percent which is reasonable. We would like that to go to 90 or 95 percent.

We have got a few things to do for it to go to where we want it to be.
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WHY SPLIT NSSF SAVINGS WHEN THE FUND IS PERFORMING WELL? — PRESIDENT MUSEVENI

By Our Reporter

If it is not broken, why fix it?
This is a question President Museveni posed to stakeholders, regarding the ongoing moves to reform pensions sector, that are more hell-bent on breaking up NSSF than anything else.

During a dinner to celebrate 30 years of existence for the National Social Security Fund (NSSF), on 29th December 2015, President Museveni said he was not convinced about the liberalization of the sector, particularly the dispersal of funds across various players.

“There has been a debate about liberalizing the pension sector. I am a good soldier when I am convinced, I can fight wars as you all know, but nobody has really convinced me about why we should liberalize this sector. That is why the war has been going on for a long time because nobody has convinced me,” President Museveni said amidst applause from the hundreds of guests invited to attend the dinner.

The President pointed out that since a single organization like the NSSF could provide funding for capital development then it did not require the sector to be liberalized,

“Unless these people who are pushing for liberalization are saying that NSSF is being mismanaged, they will really have to convince me more.”

Proponents of liberalization have emphasized that if people are offered more options on their pensions, then it would deliver better returns on investment and efficiency. President Museveni disputes that, insisting that if NSSF is efficient, then the sector liberalization is not a strong argument.

“The other debate about whether we should disperse, this concentrated energy, is continuing. But I think if the NSSF does some good work by selecting some of these crucial investment sectors, I think they will be strengthening their argument that concentration is better than dispersal,” he added.

The liberalization had also pitted two ministries against each other. On one hand, there was Mr. Keith Muhakanizi, permanent secretary in the ministry of finance, who was a strong proponent of the liberalization and Mr. Pius Bigirimana, the Permanent Secretary in the Ministry of Labour who together with Trade Unions opposed the bill.

“Me I do not subscribe to this liberalization bill, which was being brought, I am sorry, I don’t because it was missing key ingredients and when the workers were talking, I think we should have listened to them. I hope we shall listen to them,” Bigirimana said at the dinner.

Tabled in 2011, The Retirement Benefits Liberalization Bill had been reviewed several times to cater for some demands from trade unions and the ministry of labor. Several meetings have been and often the arguments were heated. The initial bill had proposed the repealing of the NSSF Act however that was changed in 2014. The current recommendation is to amend the NSSF Act. Some of those amendments include members using at least 50 percent of their 10-year savings as collateral to build a house.

NSSF Management gets thumbs up
Part of the reasoning for the liberalization was the poor management of NSSF at the time. The fund had been through turbulent years including scandals, fraud, bloated expenses and an operating deficit that was eating into the member savings. The reputation of the organization was in the red as members would wait for months to get back their savings.

If it is not broken, why fix it?
This is a question President Museveni posed to stakeholders, regarding the ongoing moves to reform pensions sector, that are more hell-bent on breaking up NSSF than anything else.
In 2010, Byarugaba was appointed Managing Director of fund slowly started reforming the organization. The fund has since grown from Shs1.8 trillion to Shs6 trillion as of December 2015. When his three-year term expired in 2013, then Minister of Finance, Ms. Maria Kiwanuka refused to renew his contract. It took nearly a year for President Museveni to reappoint Byarugaba, mostly because of how he had turned around the fund.

"Recently I renewed his contract and the reasons for renewal were simple. I heard that this man had pushed this fund from Shs1.8 trillion to Shs6 trillion and some people were like agende (Let him go). Why do you say people who have done some good work to go? So I said no, the ekisanja (new term) is renewed. I congratulate the NSSF and the board for the good that they have done," Museveni said.

Byarugaba’s reign included rebranding the organization and reducing the number of days one gets paid from an average of 42 days to at least 8 days. In the last 30 years, NSSF has paid members slightly over Shs1 trillion, the bulk of this has been during the reign of the current management led by Byarugaba. In fact between 2011 and 2015, NSSF has paid out about Shs672b to members. Last year alone, NSSF paid Shs186 billion to over 13,000 members. In the 25 years to 2011, payments to members totalled Shs367b, meaning that annually the payments were Shs14.68b, which represents a monthly average of Shs1.2b, much lower than the current monthly average of Shs15b.

These interest payments have been driven up by investment decisions that have seen income grow to Shs807b as at 2014/15. Even with this income, which was above their target, the NSSF is still looking for investment opportunities, especially in public infrastructure.

Give us more investment opportunities
In celebrating its 30-year existence, Byarugaba urged the government to create more investment opportunities where the fund can generate a return for members. In the next 10 years, the Byarugaba is projecting the fund to grow to Shs20 trillion in terms of assets.

“We would like the government to create necessary investment vehicles, which we can invest in. NSSF has the capacity to finance road projects, oil refinery and dams,” Byarugaba said.

Already, the government using the Public Private Partnership Act is beginning to attract private capital into public projects like roads. The first project under this law will be the Shs800 billion Kampala – Jinja Express-way where various investors have expressed interest. According to the Uganda National Roads Authority (UNRA), it will be a toll road, meaning that investors can get a return on investment unlike all other roads in Uganda at the moment.

“We have been able to achieve tremendous growth because of sound and prudent investment strategy, which has enabled us to continuously increase the interest rate we pay to our members,” Byarugaba added.

In response to Byarugaba’s comments, President Museveni noted that NSSF can invest money in the upcoming 600MW Ayago Power Station and housing projects, to mention but a few.
NSSF celebrates 30 years of creating a better life

On 29th December 2015, NSSF officially celebrated its 30-year anniversary at a colourful ceremony, held at Kampala Serena Hotel. Graced by H.E Yoweri Kaguta Museveni the function, drew together several NSSF stakeholders drawn from government, employers, workers and NSSF current and former staff. Here below, we bring you some highlights from the evening.

H.E Yoweri Kaguta Museveni, poses for a picture with NSSF senior Management

NSSF Managing Director, Richard Byarugaba (L), receives an award for exemplary performance from H.E Yoweri Kaguta Museveni

A model displays a replica of the new NSSF Members Loyalty Card which will be used by members to access their balances and earn rewards from selected NSSF partners.

Uganda Retirement Benefits Regulatory Authority Chairman, Dr. Andrew Kasirye (L) chats with Umeme Deputy Managing Director, Mr. Sam Zimbe

Board Member, Mrs Sarah Walusimbi (L) chats with NSSF Deputy Managing Director, Mrs Geraldine Ssali Busulwa.

NSSF Board of Trustees Chairman Mr. Patrick Byabakama Kaberenge (L) and NSSF MD, Mr. Richard Byarugaba (C) with H.E Yoweri Kaguta Museveni at the dinner.

NSSF Board of Trustees Chairman Mr. Patrick Byabakama Kaberenge, together with Finance Minister, Hon. Matia Kasaijja (2nd L) and NSSF MD, Mr. Richard Byarugaba welcome H.E Yoweri Kaguta Museveni while.
Mr. Steven Mwanje, Head of Sales & Operations (L) speaks to former NSSF MD, Mr. Leonard Mpuuma and a guest during the 30th Anniversary celebrations at Kampala Serena Hotel.

H.E Yoweri Kaguta Museveni, poses for a picture with NSSF Board of Trustees

NSSF former Board Chairman, Vincent Ssekkono & former Corporation Secretary, John Baptist Kakooza.

Mr. Steven Mwanje, Head of Sales & Operations (L) speaks to former NSSF MD, Mr. Leonard Mpuuma and a guest during the 30th Anniversary celebrations at Kampala Serena Hotel.

H.E Yoweri Kaguta Museveni (R) hands over an award to NSSF’s first Managing Director Mr. James Marcus Rwabeire- Baira

Workers Representatives, Mr Kahirita of COFTU (L) and Mr. Usher Wilson Owere of NOTU make remarks at the event.
NSSF: Facts behind Figures

The NSSF, as it marks its 30th anniversary, is regarded as one of Uganda’s corporate success stories. It was not always so and the current model of success has been put in place over the last four years. This article takes a look at the Fund department by department and explains the facts behind the figures, the work plans and organisational structure that have brought this success about:

**Finance Department**

The Budget Manager, Strategy Manager and Financial Controller report to the Chief Finance Officer, who in turn reports to the Managing Director.

The drawing up of the annual budget, keeping track of the performance of the Fund’s assets and investments, updating the status of members’ contributions, contributing to the strategic plan and working with the regulatory authorities are some of the key roles of this department.

The balance sheet of NSSF speaks of a parastatal that has performed to the public’s expectations as well as its own expectations: Year to date realized net income at 176 billion shillings as of September 2015; balance sheet of 5.94 trillion shillings and investments of 5.87 trillion shillings.

**Human Resources and Administration department**

This is the department that handles the personnel of the Fund. The head of department reports to the Deputy Managing Director.

According to the Managing Director, for the Fund to meet the targets it sets for itself, it must have a workforce that is motivated, well-paid and well-treated.

An internal report by the HR department says in the last three years [since 2012] the department has “Changed the culture – made the Fund a delightful place to work – health and wellness programs, SPF, SACCO, E-Learning, Lunch for staff, professional certifications, Living our values.”

It has also “introduced the Balanced Scorecard System which directly measures performance against set targets” as well as “introduced a performance based reward and recognition system.”

The statistics for the 492 staff at NSSF seem to point to an overall positive view of the Fund: staff satisfaction was 51 percent in 2010 and significantly up to 85 percent in 2015. Among the general public is an impression of the NSSF as one of the most desirable entities to work at in Uganda.
Internal Audit Department

The Internal Audit department acts as the quality control arm of the NSSF. In Uganda where weak systems of accountability have historically led to waste of resources and materials, this is an important unit.

Among other roles, the NSSF’s Internal Audit department assesses “the soundness of the Fund’s internal control systems/processes and make recommendations for improvement” and “appraises the economy, efficiency and effectiveness with which resources are employed and identify means for improvement.” About 85 percent of the Internal Audit staff are certified professional auditors and all in this department are members of the Institute of Internal Auditors.

Investment Department

The reason the NSSF came starkly into the public and media limelight over the last decade or so had mainly to do with its investments in public companies and real estate. Many of these investments (or the announcements of an intention by the Fund to undertake these investments), made front page national news and inevitably became politicised. Away from the media and political glare though, the NSSF over the years made profitable investments in such companies as Tanzania Breweries, Umeme, Kenya Commercial Bank, Uganda Clays, Housing Finance Bank, Serena Hotels, Equity Bank, DFCU bank, Bank of Kigali, the New Vision and Stanbic Bank. The latest investments in the pipeline include a striking Pension Towers and upscale estate at Lubowa on the outskirts of Kampala.

Legal and Board Affairs Department

The Legal department provides the counsel and advice to the Fund across the board in matters of law. It deals with litigation brought against the Fund, works to see that the Fund complies with the law, draws up contracts with suppliers and contracts with companies enlisted to carry out the Fund’s investment projects. Its most significant achievement to-date has been the ruling by Uganda’s Supreme Court in the case brought by the construction company Alcon over breach of contract when the Fund cancelled the 1994 contract to build Workers’ House. The Corporation Secretary heads the Legal department.
Marketing and Communications Department

The Marketing and Communication department is charged with spearheading the development and implementation of Strategic Marketing, Product Development, Public Relations, Communication and brand building strategies geared to promote NSSF's brand and support the delivery of business objectives. In an era where the social security needs of the customers are changing the department will increasingly focus on providing social security benefits that are relevant across the customer's life span. On a day to day basis the department executes integrated Marketing communications campaigns, sponsorships, media engagements both main stream and on social media platforms, publications, research, product development, branding and corporate social responsibility.

The department's greatest challenges have been faced over the last seven years during a period of adverse public and media debate on NSSF's role in Ugandan Public life. The department has done a great job in improving the Fund's brand and today the Fund is one of the most- respected public corporations and was voted Super brand in 2014 and 2015.

Risk Department

If the Audit department deals with the day-to-day quality and other checks and controls, the Risk department takes a broader, more long-term look at the overall investment climate and opportunities. In military terms, it would be the equivalent to an early warning air defence radar and missile system; it could also be regarded as the Fund's intelligence unit, monitoring threats and alerting the Fund well before it is exposed to them. Risks in the form of unwise or unprofitable investments, Internet technology and computer fraud, turbulent market conditions, political uncertainty and instability would all fall under this department. This department was created in 2008, the year that saw the NSSF face its most severe management and public relations crisis. That the perception of a crisis-ridden institution has largely faded away is testimony to the role played by the department since 2008. The head of risk reports to the Deputy Managing Director.

Procurement & Disposal Department

If the Audit department deals with the day-to-day quality and other checks and controls, the Risk department takes a broader, more long-term look at the overall investment climate and opportunities. In military terms, it would be the equivalent to an early warning air defence radar and missile system; it could also be regarded as the Fund's intelligence unit, monitoring threats and alerting the Fund well before it is exposed to them. Risks in the form of unwise or unprofitable investments, Internet technology and computer fraud, turbulent market conditions, political uncertainty and instability would all fall under this department. This department was created in 2008, the year that saw the NSSF face its most severe management and public relations crisis. That the perception of a crisis-ridden institution has largely faded away is testimony to the role played by the department since 2008. The head of risk reports to the Deputy Managing Director.
CONGRATULATIONS

The Parliament of Uganda congratulates the National Social Security Fund (NSSF) on attaining 30 years of success. During the 30 years NSSF has achieved tremendous growth and built goodwill within Uganda.

The Parliament of Uganda recognizes NSSF as a partner in the development of Ugandan economy. We wish NSSF more growth and even better profitability, and encourage the organization to invest even more in the Uganda economy as it works towards attaining 50 years of service.

Jane L. Kibirige (Mrs.)
CLERK TO PARLIAMENT

VISION OF THE PARLIAMENT OF UGANDA
To be a vibrant, independent and people-centered Parliament

MISSION OF THE PARLIAMENT OF UGANDA
To achieve improved accountability, rule of law and national development within a multi-party democracy system in Uganda.
Social Security Act of 1967 is repealed and replaced by NSSF Act (1985) Chapter 222 thus transforming the scheme from a section in the Labour Ministry to a fully-fledged autonomous body covering all employees in private sector from the age of 16 to 54 years, working in private sector enterprises with five or more workers.

A currency devaluation exercise by government- affecting the shilling to 1/100th of its face value, the Fund’s savings of sh1.8billion were reduced to just 34million. Members who had contributed to the Fund for 20 years at the rate of sh80 per month found themselves with only sh154 on their accounts.

NSSF entered into a contract with M/s Alcon International Limited, of Enterprise Road, Industrial Area, P. O. Box 47160 Nairobi, Kenya, for the erection of Workers House, which was then a partially constructed structure.
May 1, 2001
President Yoweri Museveni commissions Workers House-completed by Roko Construction following the termination of the Alcon contract. At completion, Workers House is the tallest building in Kampala.

October 2003
NSSF purchases 565 acres of land on Plot 1058, Block 269 in Lubowa, Wakiso district from Uganda Company Holdings Limited, National Housing and Construction Corporation and Peter Emusugut, a private citizen. The Fund is planning to construct about 3,000 housing units- to cost US$ 400m over a 10 year period and will be one of the most upmarket housing estates in Uganda. In April 2015, Lubowa Housing Project design master plan won the Environmental Sustainability Award at the First East Africa Green Building Conference (EAGBC) held in Arusha, Tanzania.

September 2004
President Museveni ordered that the NSSF be transferred from the Ministry of Gender, Labour and Social Development to the Ministry of Finance.
February 2007
NSSF’s assets (monetary value) crosses the one trillion shilling mark, cementing NSSF’s position as Uganda’s largest financial institution, a position still held today.

April 1, 2008
Contract for the first phase of the Pension Towers project on Lumumba Avenue in Nakasero is signed on between Roko and NSSF and work kicked off with ground breaking in 2009. The towers are located on land covering 16 acres on plots 15A, 15B and 17 along Lumumba Avenue. Following a number of structural and design changes, once complete, Pension Towers will be an ultra-modern ‘intelligent’ tri-tower complex. The Central tower comprises of 25 floors while the other two side towers are each ten storeys. The three towers sit on four basement floors, one ground floor, one mezzanine floor and one podium floor, making a total of 32 floors for the taller tower and 17 floors for the short towers, ultimately making the building the biggest and tallest in Kampala with a surface area is 75,000 m² has 20,000 m² of net lettable office area and 10,000 m² of net lettable retail area. Net parking area is 10,000 m² and can accommodate up to 500 cars. The building is bigger than Workers House, Communications House and Crested Towers combined.
2012
The Fund re-branded launching with a new promise- and a new corporate identity that was accentuated with a refreshed blue and green logo as well as a new tag-line – A Better Future. According to NSSF Managing Director, Richard Byarugaba, the new logo symbolised the fund’s renewed commitment to be even more relevant to its members after over 28 years as the lone social security provider in the pension sector. “We are not merely changing our look and feel, but rather, the change of our visual identity symbolises my commitment, your commitment and our commitment to deliver a better future for our growing membership,” he noted.

2012
NSSF announced the very first annual Customer Connect Week in which the Fund would, going forward, interface with its members. On May 19, 2015, NSSF kicked off its third annual Customer Connect Week during which it announced free financial literacy to members who have received benefits in the recent past. The 2015 Customer Connect week (May 18 to May 22, 2015) included a number of community support activities in different parts of the country, which is also part of the Fund’s CSR. The Fund set aside sh230m for CSR this year (2015), which includes providing the necessities of comfortable living to the elderly across the country by donating items like solar power units, mattresses, beddings, treated mosquito nets, and repair of protected water sources such as boreholes. Some of the projects supported include: Torch Awards (UGX80m), NSSF-KAVC International Volleyball Championship, NSSF-Rotary Dental camp, Blood donation drives in partnership with Ministry of Health and Uganda Blood Transfusion Services as well as support to cancer treatment.

February 8, 2013
The Supreme Court in Kampala on February 8, 2013, saved $16m (over sh58.4b) workers’ savings in accumulated interest after it delivered a landmark ruling cancelling compensation awarded to Alcon International Limited, a Kenyan firm, over termination of a contract for building Workers House in Kampala in 1998. The panel of five justices headed by the Chief Justice, Benjamin Odoki, ruled unanimously that the transaction to award the compensation was tainted with fraud and dishonesty. Other members of the bar were justices John Wilson Tsekoooko, Bart Katureebe, Christine Kitumba and Esther Kisaakye. The judgement was delivered by the court’s assistant registrar, Godfrey Opifeni, ending a 14-year-old dispute.
March 19, 2013
After 27 years of existence, NSSF held its first annual members’ meeting on March 19, 2013, at Serena Hotel in Kampala. The meeting brought together hundreds of NSSF contributors, employers, workers unions’ representatives, government representatives and members of the public. The second meeting, which was a follow up of the first assembly was on October 27, 2014.

May 13, 2013
The National Social Security Fund (NSSF) gets license to continue operations as a Retirement Benefits Scheme, in accordance with the Uganda Retirement Benefits Regulatory Authority Act of 2011. Managing Director Richard Byarugaba received the license from the Uganda Retirement Benefits Regulatory Authority (URBRA) Board of Directors Chairman, Andrew Kasirye at URBRA offices in Kampala. Andrew Kasirye, the URBRA Board Chairman said that they are working with NSSF to ensure that the Fund transitions smoothly into the new environment as per the URBRA Act.

September 30, 2014
A compliance periodic audit established that employers of about 67,000 workers countrywide failed to remit their employees’ contributions worth sh28b to NSSF. The defaulting employers were mainly schools and vocational institutions across the country and had never remitted workers’ contributions since their registration.
24th June, 2015

NSSF completes acquisition of a 2.44% stake in Equity Group Holdings Limited (Equity Group) previously owned by Helios EB Investors II, Ltd at a consideration of UGX 145 billion.

June 2015

NSSF assets hit UGX5, 569,863,439,000- up by 27% from the UGX4,402,946,079,000 registered as of June 2014. Total Members Funds & reserves (accumulated members' funds, reserve account & accumulated surplus), grew by 27% from UGX4,367,696,351,000 to UGX5,529,790,313,000. The fund announced 13% interest- the 2nd highest ever in the history of the fund.

September 3, 2015

NSSF enters a memorandum of understanding with the Uganda Registration Services Bureau (URSB) in which the two entities agreed to share information about registered companies. The move is aimed at enabling the Fund access information about registered companies to avoid defaulting by employers.
Paying NSSF dues for your staff just got easier

Finance Trust Bank is now a partner bank with NSSF. With our network of 36 branches countrywide (11 in Kampala), NSSF services are now much closer to you.

Visit any of our branches nearest to you to pay the NSSF benefits of your staff members.
BANK OF UGANDA

Working to foster Price Stability and a sound financial system in Uganda

The Bank of Uganda, Uganda’s central bank, is responsible for the country’s monetary policy as well as the regulation and supervision of the banking system.

The Bank has been among the pioneers in the African region in implementing reforms to monetary policy and bank supervision. It adopted a forward looking framework of inflation targeting for monetary policy in 2011, which has successfully anchored inflation around a core inflation target of 5 percent over the medium term. Similarly, risk based regulation and supervision of commercial banks, credit, and micro-deposit taking financial institutions coupled with macro-prudential surveillance, have entrenched financial stability.

Transcending the national aspirations that influenced its founding in August 1966, the Bank of Uganda currently works with regional central banks on a progressive agenda to implement the common market in the East African Community and to lay the ground for the introduction of a monetary union in the EAC.

Characterized by a spirit of pragmatism and attention to the twists and turns of fast changing and increasingly integrated economies, the Bank of Uganda looks forward to its Golden Jubilee in 2016 with steadfast commitment to economic stability.
How has Bank of Uganda contributed to the growth of the Fund over the years?
Bank of Uganda has contributed to the growth of NSSF over the years in two ways.
First, on December 31, 2004 the Minister of Finance, Planning and Economic Development appointed the Bank of Uganda (BOU) as interim regulator and technical advisor to the Minister on NSSF pending the establishment of the Social Security and Pension Sector Regulator.
Thereafter, the BOU conducted off-site and on-site surveillance of NSSF, utilizing its technical capacity and expertise as regulator of deposit taking financial institutions. The annual on-site examinations focused on assessing risk management and corporate governance practices, among others, and advising the institution on how to improve these critical areas. Reports of examination including recommendations to address identified weaknesses were submitted to the Minister for further action.
Secondly, the NSSF is the most important single Ugandan investor in long-term financial securities. As an agent of the Government, the BOU has taken the lead in developing the market for long-term securities in Uganda, both through the issuance of Government bonds and market development initiatives, such as the promotion of secondary market trading, the establishment of the primary dealer system and the publication of market yield curves.

The Fund is a long-term investor by virtue of its mandate (provision of social security services). Is the Bank of Uganda considering issuing long-term instruments the Fund can invest in, for say, a period of ten years?
No, the BOU itself does not issue financial instruments because it has no need for long-term borrowing to finance its own activities. However, the BOU issues long-term Government bonds in the market – the regular monthly bond auctions – on behalf of Government. The announcement of the bond auctions, with amounts to be issued and their...
Issuing of Government infrastructure bonds is one of the instruments the Fund has mentioned it would be interested in for future growth, and the issue has been a subject of public debate. What is your comment on that?

I do not believe that infrastructure bonds offer any tangible advantages which cannot be obtained by issuing long-term Government bonds. Infrastructure projects can just as easily be financed with normal long-term Government bonds as with infrastructure bonds. Furthermore, it is not optimal to fragment the bond market by issuing different kinds of Government bonds. For these reasons I think it is best to focus on strengthening the market for the existing long-term bonds rather than issuing infrastructure bonds.

What would you say has been Bank of Uganda’s greatest contribution to the growth of NSSF over the years? How about in say over the next ten years?

Like all investors in long-term financial assets, NSSF benefits from macroeconomic stability and especially low inflation, because inflation erodes the real value of nominal assets. Therefore, the most important contribution which the BOU has made to the growth of the NSSF for more than two decades is to control inflation. It is imperative that the BOU continues to prioritise the control of inflation over the next ten years.

Going forward, what would Bank of Uganda like to see the Fund do that has not been done?

The NSSF is a financial institution. It should focus on making investments in financial assets, where such assets best meet its requirements for risk, return and maturity. It should not diversify into areas in which it does not have expertise, such as developing its own real estate projects.
It started off in 1990. That was the year that Uganda fully liberalized the trading in foreign currency for the first time in its history. Redfox Bureau de Change along Kampala Road, founded not long after by Sudhir Ruparelia, was one of the very first foreign exchange trading firms in Uganda.

Later Mr. Ruparelia added Crane Forex Bureau.

Crane Bank, a commercial bank, was the logical outcome of the forex bureaus. It was started in 1995 and by 2015 had taken on a national character with 50 branches in Kampala and almost all major towns of Uganda.

What is notable about the Crane Bank branches is the uniform design – cream-coloured walls, the dark green roof and gold-plated corporate name.

At a time when most banks closed at 2:00 p.m., Crane Bank was one of the first to extend its official business hours up to 5:00 p.m., something that proved to be convenient for the Kampala business community where delays in transactions, government processing of payments and such interruptions as power cuts made it difficult to complete financial matters before the closing time of 2:00 p.m. for most banks.

Into the 2000s, there came a diverse number of businesses, most of them acquisitions. These included hotels such as Tourist Hotel, Speke Hotel, Kabira Country Club and Speke Resort Munyonyo, and the first private radio station in Uganda, 88.2 Sanyu FM, acquired in 2000.

Branching out into education, the Group founded Kabira International School (later renamed Kampala International School), acquired Kampala Parents School and more recently started Victoria University in Kampala City centre.

Another feature of the Group is the property arm, responsible for the acquisition and renovation of various commercial properties in Kampala City, or the construction of new properties altogether.

Parts of Kampala Road and Market Street are now dominated by these properties.

A business grouping such as this obviously becomes one of the largest taxpayers in Uganda as well as one of the largest employers.

The Ruparelia Group is one of the leading contributors to the NSSF by virtue of the number of employees on its payroll and NSSF also a depositor with Crane Bank.
The Directors, Management and all staff of the Madhvani Group congratulate National Social Security Fund (NSSF) on its 30th Anniversary.

The Madhvani Group is committed to building a greater Uganda for the benefit of all Ugandans by expanding our partnership with NSSF.
The overlooked benefits of equity funding

Raising capital through listing a company on the securities exchange is a well-known but little understood part of Uganda’s financial landscape. The CEO of Capital Markets Authority, Keith Kalyegira, discusses the role of equity funding in the business sector.

What is your mandate as the Capital Markets Authority?
Our mandate is to promote, regulate and develop all aspects of the capital markets with the overall objective of investor protection. To date, a total of 874 billion shillings has been raised in the debt and equity capital market through the work of the intermediaries we license and inspect. Of this, 293 billion shillings has been corporate debt (bonds) and 584 billion shillings has been equity. This has been through Initial Public Offerings which raised 290 billion shillings: rights issues where companies have turned to the capital markets to raise additional funding have raised 45 billion shillings and additional offers have raised 249 billion shillings. These figures are small. At least three trillion shillings in equity and debt should be raised over the next four to five years. So, progress has been reasonably good but not adequate.

What are some of the major challenges you face in executing your mandate?
The capital markets remain misunderstood and relatively small despite their immense financing or refinancing opportunities. Businesses that generate more than 40 billion shillings annually should consider refinancing their bank debt with equity through selling a small portion to international and local investors through the capital markets if they want to expand into new markets, increase their capacity and grow rapidly. Bank of Uganda has only about 3,000 Ugandan investors in their government securities depository yet banks continue to pay less than three percent as interest on savings accounts and usually about ten percent for fixed deposits. And yet government securities pay interest rates of about 15 percent on average, depending on tenure – and are much safer investments than fixed deposits.

Many Ugandan businesses have failed to take off owing to limited access to capital, despite the fact that we have a fully-fledged capital market. Where is the gap?
There are many sources of capital but most entrepreneurs prefer the traditional ones, that is, bank financing and personal and family savings. Bank financing is short term in nature and not suited to finance long term growth. It also tends to be limited to the collateral that can be provided. NSSF and CMA-licensed fund managers today have over six trillion shillings to invest, up to 25 percent of which can be invested in equity. So generally, contractual savings are increasing but for local businesses to access these funds, they must come to the market. It is therefore not surprising that the NSSF has sometimes opted to invest outside Uganda, despite the fact that local businesses need this money.

Capital markets are considered a more demanding form of accessing capital compared to bank finance. Why then should an entrepreneur consider this option?
It takes about the same effort and time to get approval for a public offer of securities as it takes to get a sizeable bank loan approved. Accessing the market is therefore not as rigorous as it seems; entrepreneurs just need to be prepared and ready to disclose the details about their businesses. To achieve this, they should aim at having a long-term vision for their companies and work with licensed advisors and accountants to ensure that the process is simpler and faster. CMA is currently reaching out to business owners on a one-on-one basis to make them more aware of the benefits of equity financing, be it private or public. Potential capital raisers should view the cost as an investment.

Raising capital from the stock market means one has to give up control of their company. Is this realistic?
You will only lose substantial control if your sell more than 50 percent of your company and yet you can even sell as low as 20 percent and retain control. However, there are other benefits that accrue to listing, like good governance, the immeasurable public relations value and the ability to raise more capital whenever the business requires expanding. Equity is essentially a permanent loan to a business, repaid through dividends as and when the business makes enough money. This gives an entrepreneur the breathing space to undertake growth and expansion projects without worrying too much about what happens if they are unable to repay bank interest and principal taken for expansion. Businesses owners also have the option of creating a class of shares that ensures that they are never diluted regardless of what proportion of their companies they sell to new shareholders.
The Board, Management and staff of Housing Finance Bank would like to congratulate National Social Security Fund and its members on their Pearl Anniversary Celebrations.

We at Housing Finance Bank are proud to be your partners and pledge our continued support as we provide efficient, innovative, convenient, and market-led financial services, especially housing to all, so as to maximize stakeholder value.
For five years running, NSSF has received unqualified opinions from the office of the Auditor General, meaning that NSSF’s accounting operations were “satisfactory”, and “proper books of accounts” have been kept.

The Auditor - General John Muwanga presents the latest unqualified opinion on NSSF’s accounts at the just ended Annual Members Meeting (AMM)
30 YEARS ON: REGULATORS’ BULLISH VIEW OF THE NSSF

By John Njoroge

Despite numerous challenges, Uganda’s Ministry of Finance has described the National Social Security Fund (NSSF) as exemplary and loyal to its contributors. The Auditor General John Muwanga has commended the Fund for maintaining clear books of account for five years in a row.

In his October 2014 communication to Uganda’s parliament Speaker Rebecca Kadaga, the Auditor General said the Fund’s balance sheet and income statement “were in agreement with the books of account”.

For five years running, NSSF has received unqualified opinions from the office of the Auditor General, meaning that NSSF’s accounting operations were “satisfactory”, and “proper books of account” have been kept.

As the Fund celebrates its 30th anniversary, more and more Ugandans are beginning to appreciate the Fund’s commitment to providing good returns to its contributors despite the numerous hurdles it has faced over the years.

NSSF has, on numerous occasions maintained a clear lead in providing quality service and returns to its contributors. Statistically, pensions contribution in Uganda is a little below 1 percent of the total working population. In terms of contributions, NSSF has over the years improved in collections and the regulatory framework that has seen the Fund work closely with companies to ensure that they remit savings for their employees without the need for enforce-
interest rate, the Finance Minister Matia Kasaijja congratulated the NSSF team, describing their efforts as commendable.

“A breakdown shows that the 13 percent interest rate translates into Uganda shillings 514 billion that will be credited to members accounts compared to Uganda shillings 366 billion that was paid out last year. In effect, NSSF members will earn Ushs 148 billion more compared to the previous year,” Mr Kasaijja noted.

“By all accounts, this is a tremendous performance by the Fund and I would like to congratulate you Richard [Byarugaba, the Managing Director] and your team for a job well done, and for living up to your promise to deliver a competitive returns to your members,” he said.

The Secretary to the Treasury Keith Muhakanizi also noted that NSSF’s achievements were as a result of good leadership.

“This is commendable and it is a result of good leadership and prudent investment strategies that the Fund has put in place,” Mr Muhakanizi said.

“We are ready to provide you with the necessary policy support to ensure that those investments contribute to the long term economic development of our country,” he added.

“I have noted the plans to grow the Fund’s size to 20 trillion by 2025 which is quite commendable. As government we shall continue to maintain interest in the Fund. We are keen on seeing the Fund, the country’s national scheme and largest financial institution, continue to remain a major player in the sector and play an even bigger role in the economic development of the country,” Muhakanizi said.

The Finance Ministry’s Senior Public Relations Officer Jim Mugunga said the ministry is pleased with the operations of the Fund and its current administration.

Mr. Mugunga noted that despite the frequent outcry from parliament, most investment decisions made by the Fund were in accordance with the Finance Ministry regulations and were profitable.

“As a matter of fact, the recent financial position of NSSF shows clearly the huge returns/earnings they made from the Umeme investment,” Mr. Mugunga said.

“The investments were approved,” he clarified.

As pension sector reforms continue to take shape, Mr. Mugunga said the Finance Ministry will not disband NSSF.

“NSSF has not been disbanded nor does the draft bill recommend its disbandment,” Mr. Mugunga said.

According to its financial statements for the year ending 30 June 2014, NSSF had 2.65 trillion shillings in government treasury bonds (with yields ranging from 10.25 to 14.35 percent); 682.1 billion shillings in deposits with commercial banks; and 251.3 billion shillings in equity investments at fair value through profit or loss (EPL).

The NSSF also had 250.2 billion shillings in capital work-in-progress, 193.7 billion shillings in investment proper-
I would like to congratulate you Richard [Byarugaba, the Managing Director] and your team for a job well done, and for living up to your promise to deliver competitive returns to your members,”
Finance Minister Matia Kasaijja

ties; 143.2 billion shillings in corporate bonds (with yields ranging from 11.03 to 17.00 percent); 73.3 billion shillings in equity securities held-for-trading by fund managers; and 14.6 billion shillings in cash and bank balances.

By 2016, the Ministry of Finance will have relinquished control of the pension sector under a new law that has seen the formation of the Uganda Retirement Benefits Regulatory Authority (URBRA).

Under this new law, NSSF and its operations will be supervised by the URBRA. However, the NSSF Act and the URBRA Act are yet to be harmonized although URBRA’s Chief Executive Officer Mr. David Nyakundi says URBRA’s mandate includes the NSSF Act.

In terms of NSSF’s performance, Mr. Nyakundi noted that URBRA had completed an initial full scope on-site inspection of NSSF and noted that its performance was satisfactory.

“We identified areas which require improvement and which the Fund is currently addressing. But in overall [terms] the Fund’s level of compliance was commendable and we expect it to continue improving in the coming months to even higher levels,” Mr. Nyakundi said.

With 30 years of uninterrupted experience in Uganda’s private pensions sector, NSSF says it is ready to introduce new components to the Pension Sector and if need be, take up part of the public pensions portfolio. With good books of accounts and good relations with contributors, NSSF’s potential is limitless and only requires support to thrive even further.
Human Resource Managers praise the NSSF, call for broader Product Range

Florence Mawejje,
Centenary Bank

There has been an improvement in service delivery by the NSSF, according to former employees who have left the bank. They say they get their money on time. In addition the increase in the percentage of the interest excites many people. There have been no complaints coming from our side because now our employees are able to keep track of their savings through electronic statements.

On a scale of one to ten, I would give NSSF a score of nine in terms of their evolution over the years. Not only have they ventured into e-solutions but they have also improved on the claims’ turnaround time and increased interest rates.

What NSSF needs to do going forward is to have clarity on their areas of investment. The Fund needs to diversify their portfolio despite the fact that they are confined to the regional markets. Investments in infrastructure would be a good area because it contributes to development and earns members good returns.

Moses Mbubi,
Stanbic

We have seen great improvements in their turnaround times in processing member benefits. The Fund has also greatly improved its communication to the various stakeholders and embraced technology such as digital platforms for accessing member statements.

By and large they are more responsive to the changing needs of their members. Over the past decade there has been a transformational change. We have experienced an agile, vibrant and responsive NSSF in last three years ready to engage, listen and change to the new dynamics of this decade.

In future we would like to see the Fund continue to innovate with new products, for example health insurance. They should also push for more pension reforms as market leaders and contribute to national development by tackling real challenges like housing, poverty eradication and so on.
Florence Senabulya,
Federation of Uganda Employers

I have a very long history with NSSF. I began working with them since they were a department in the Ministry of Labour and before they became a semi-autonomous organisation. Since then so much has changed in the way the Fund does business. Payment of claims has improved dramatically. Back then it would take months for beneficiaries to get their money. Today that period has been made much shorter. I am also proud of the fact that in the past five years there have not been reports of scandal, which means the management is now better. There have been complaints from some of my members especially those with a large workforce on how long it takes to get their statements, but I believe the Fund is working on it. Employers also complain of having to pay too much money to the Fund once it does audits and finds their records are not coherent. In the future I think the Fund should be more innovative and reach out to more workers, especially those who are self-employed. It should include benefits for medical cover on its portfolio without increasing the percentage of contributions. I believe the current 15% contributions is enough and it has not even been maximized to give value to customers’ money.

Michael Sekadde,
MTN Uganda

NSSF has made improvements like online processing which has made them very accessible. Customers are able to call the Fund’s relationship managers and voice their complaints. The only complaint is over their policies. Some of the MTN staff are expatriates, which means once they leave MTN their contributions should be remitted to the company.

In my opinion the NSSF of ten years ago was non-performing but now we have a Fund with a vision. As a member I can see year-on-year growth in performance. I would give them a seven out of ten rating. In future I would like to see turnaround time reduced, value for money and competitive investments that give customers good returns.
The Board of Directors, Management and Staff of National Water and Sewerage Corporation wish to congratulate the Management and Staff of NSSF on making it to 30 years in service to the people of Uganda.

Our Promises
The National Water and Sewerage Corporation (NWSC) mandate as defined in the NWSC Act Section 5(1) is to operate and provide Water and Sewerage services in areas entrusted to it on a sound, commercial and viable basis. The NWSC services stretch to 110 towns across the country as at June 2015.

Our Vision is
“To be the Leading Customer Centered Water Utility in the World”.

Our Corporate Mission is
“To sustainably and equitably provide cost effective quality water and sewerage services to the delight of all stakeholders while conserving the environment”.

For a second year in a row, National Water and Sewerage Corporation was recognized as the African Water Utility of the Year 2014/2015 during the African Utility Week in Cape Town South Africa 11th – 15th May 2015. The Managing Director NWSC, Dr. Eng. Silver Mugisha (center with award) led a team of top managers including Member of the NWSC Board of Directors Ms. Ziria Ndifuna Aliza (2nd Left) to receive the award.

Our Promises:
1. **100% service coverage** – We will reach everyone with clean safe water within a radius of 200 meters in all the towns and urban centers entrusted to us. We are currently at 78% service coverage. We are committed to reaching the milestone of 100%.

2. **Geographical expansion** - We will expand and reach every corner of the country. We were in 27 towns in June 2013 but we reached 110 towns by June 2015.

3. **Innovative Managerial Solutions** – We will innovate and manage our business prudently on a sound, commercial and viable basis to the delight of our Customers. In all this we shall be guided by our service delivery model and plough back surpluses to expand the network and serve our customers better.

4. **Deeper Stakeholder engagement** – Our commitment to serve our people is total. We work with our customers and local communities through the NWSC Water Community Communications Clubs (WACOCO). We also publicly account to them through the Water Baraza’s where we share with them what we have done and what we plan to do every six months. School Water and Sanitation Clubs (SWAS) are our latest frontier in engaging young school going children.
5. **Infrastructure Service Delivery Plans** - We will expand our service delivery network. In the six months January – June 2014 we extended 460kms of piped water across the country. Between July 2014 and June 2015 we have extended 1300kms of piped water. This is phenomenal considering that we used to extend only 80kms every year.

6. **Our People** – Creative and innovative staff – Our people are our biggest asset. We are fully committed to a workforce that is productive, creative, engaged and delivers service delivery solutions to our customers.

7. **Our Customer** - The Customer is the reason we exist. We do everything to the delight of our customer.

8. **Quality Statement** - NWSC is committed to providing water of good quality. Water Quality is at the heart of what we do as evidenced by our Quality Statement 2012 – 2015:

   “National Water and Sewerage Corporation is Committed and Shall Endeavour to Provide Quality Water and Sewerage Services to Her Esteemed Customers in Collaboration with Other Stakeholders in An Efficient and Cost-Effective Manner, Ensuring Utmost Customer Delight and Continuous Service Improvement in An Environmentally Friendly Manner”.

9. **Water Supply Reliability** - As we expand to cover more towns and extend the piped water network, we are committed to water service reliability. We will move from the current 10hrs of water supply to 18hrs per day by 2018.

10. **Big Projects** - We will close the water supply gaps and move ahead of the demand curve by implementing large infrastructure service delivery projects. We are expanding the capacity of Ggaba water works to deliver an additional 50 million liters of water per day to the Kampala Water Supply Area. We are also building the largest sewerage treatment plant in East and Central Africa in Bugolobi. We shall build a 240 million liter capacity water treatment plant to the east of Kampala and undertaking other large projects in Arua, Mbale, Gulu and Mbarara.

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MD Dr. Silver Mugisha launching the School Water and Sanitation (SWAS) Clubs in Mt. St. Mary’s Namagunga Secondary School.

The NWSC resource centre has four floors of space that accommodate;
- A conference hall with a 350 person sitting capacity
- Video Conferencing Facilities
- A high tech computer laboratory
- A business centre
- Spacious parking for over 100 cars
- Lecture rooms
- Exhibition gardens
- Canteen Area
NSSF BRANCH MANAGERs
SHARE EXPERIENCES FROM ACROSS THE COUNTRY

The National Social Security Fund (NSSF) has 19 branches across the country. As the Fund turns 30, we bring you views from some of the managers who keep NSSF’s branch operations going.

Penina Kabagambe - Entebbe
The NSSF Entebbe Branch was opened in 2012. Under the supervision of Penina Kabagambe, the branch employs nine people and has a total of 390 employers registered who actively contribute to the Fund. Kabagambe has been with the Fund for 10 years, one of which she has served as the Entebbe branch manager. “It has been a pleasure working with NSSF and being part of the growth. Over the years we have been able to manage our collections data and restored customer confidence. In my time here I have seen customer satisfaction grow to 94 percent. We have achieved this through team work. Everyone has played their rightful part in helping the branch grow,” she says.

Horace Rwakabureete - Mbale
The Mbale branch has been in operation since 1974. According to Horace Rwakabureete the branch manager, in the one year he has been at the helm, there has been growth in terms of membership and collections. This has been achieved through understanding the needs of the customers. “When I first came in we were getting a lot of walk-in customers averaging between 35 and 40 per day. Today the Fund’s electronic channels have allowed us to serve our customers better. In addition we have held radio talk shows as well as set up outreach centres in Kapchorwa and Tororo. These have been to encourage the use of electronic platforms and I am proud to say the number of walk-in customers has reduced,” he says. The branch has eight employees who serve 490 employers and between 7,000 and 7,500 contributors. “Over time we have earned the respect of our beneficiaries whose claims have been paid within 15 days. We hope this period will reduce over the next few years to allow customers access their money on time,” he says.
Daniel Batekereza - Jinja

It is one of the oldest NSSF branches, established in the early 1990s. It currently employs 14 staff and has 800 employers registered.

Daniel Batekereza has just been transferred to Jinja although he has been at the Fund for seven years. According to him the experience has been exceptional since it has given him a platform to interact with customers, identify and meet their needs. “Early in May of this year we had our customer connect week themed ‘Making a Difference’. We were able to meet our top employers, sensitise them, and give them a platform to air their issues. We were happy to sit with them and listen to their experiences and it was good to know they were happy about the improvements the Fund has made over the years,” he says. Batekereza notes that although the perception by beneficiaries that the Fund does not pay has reduced, there is need to fast track the process. “We have done a lot recently as a Fund but I believe we need to do more to become more relevant to our members and make the lives of the customers better.”

Moses Muhozi - Masindi

Established in 1984 before the transformation from Social Security Fund (SSF) to NSSF, the Masindi branch is currently under the supervision of Moses Muhozi who has been there for just over a year. It employs eight staff, has 255 companies registered, and over 6,000 contributors. According to Muhozi, members seem to be appreciating the institution following the business model geared towards customer-centred policies and turnaround time. “The efficiency, innovation, convenience of our systems and customer-centred staff provide a good trading platform as well as sell the institution to the public. My proudest moment is when a beneficiary is able to access his or her money within the set turnaround time. This means we have performed beyond their expectations. I appreciate the leadership and congratulate them upon their many milestones,” he says. Muhozi notes, going forward, that the Fund's leadership should continue championing customer satisfaction by reducing turnaround time from the current 15 days to hours.

John Aheebwa - Gulu

The Gulu branch is one of NSSF’s best performing operational units, coming in second in the last financial year. It has 392 registered employers and 7,844 active contributors. John Aheebwa has been the branch manager for a year and four months. “Everyone dreads to work in Gulu because previously it was not performing well. However, when I came in, I turned things around by engaging my team. This has motivated me to work even harder to meet my key performance indicators,” he says. Aheebwa says that empowering his team will continue to improve performance. He believes every Ugandan needs to understand that social security is a basic human right that everyone should have. “As a Fund we have a long way to go to streamlining our data management systems. We need to be more innovative and do as many automations as possible to ease the processes for our customers,” he adds.
Phillips Oling - City Branch
Located in the heart of Kampala, the city branch was established in 2008 and is housed at Workers House. It employs 22 staff with about 2,222 contributors under the supervision of Phillips Oling who has been branch manager for a year and a half. The branch contributes between 43 percent and 45 percent to the Fund’s monthly contributions. In October 2015, it registered Ushs 29 billion in collections against a target of Ushs 30.68 billion. “The joy of working in this branch is I get to meet and interact with different people, experience diversity and create new connections. I have some of the biggest clients who include Bank of Uganda, Stanbic and MTN. As a Fund we have improved as we constantly adjust to meet customers’ expectations across the grid and remain accountable,” Oling explains. He says being accountable protects the Fund’s image, making it easier to work.

David Mwesigwa - Mbarara
The Mbarara Branch is over 20 years old and currently employs 13 staff under the leadership of David Mwesigwa who has been branch manager for a year and three months. It has 920 employers registered employers and an average of Ushs 1.2 billion in contributions every month. According to Mwesigwa the positive perception of the Fund by the customers has helped them collect more. His proudest moments at the Fund include being promoted from Operations Supervisor to Branch Manager in 2008. He also emerged best performing branch manager in 2013/2014. He is also proud of the fact that he has never lost a member of staff due to underperformance. Mwesigwa believes the future of the institution lies in addressing the current needs of members. “Circumstances have changed compared to what they were in 1985. Social needs have evolved and for this reason so should our product offering. Medical Insurance, unemployment benefits and so on should be on our portfolio.” He urges members to take charge over their savings by constantly keeping track of their statements. This will create a sense of ownership by helping them hold the fund accountable.

“The efficiency, innovation and convenience of our systems and customer-centred staff provide a good trading platform as well as sell the institution to the public. My proudest moment is when a beneficiary is able to access his or her money within the set turnaround time.”

Moses Muhozi - NSSF Branch Manager, Masindi
Uganda Clays Limited, the leading manufacturer of quality baked clay building products, congratulates the National Social Security Fund (NSSF), its largest shareholder and longtime strategic partner, upon attaining 30 years of excellent service to its members.

Uganda Clays Limited takes pride in associating with NSSF, the leading pension fund investment and equity managers in Uganda.

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- Ntinda, next to Ndere centre
  - Tel: 256 392 266 963
- Natete, near the taxi park
  - Tel: 256 485 660 027

Email: kajansi@ugandaclays.co.ug
Website: www.ugandaclays.co.ug.
The beneficiaries

The following are testimonies by Ugandans who processed their NSSF benefits, got them, and have put them to important personal use. The common pattern is that of initial scepticism about the process and reluctant payment of their monthly contributions. On retirement or on turning 55, they then processed their benefits and to their surprise, found that what much earlier in their careers had seemed like a form of tax was now a welcome windfall.

The couple decided to start a school in Gulu in 1997 as their part in trying to rectify the damage done by the 11 year-old civil war. Starting off with their own modest income, the real boost came when they retired and started to draw on the benefits of their NSSF savings.

“The school project really was running by the time we retired. The two of us come from a Catholic background and during the period of the war we saw the suffering of our children in this region and collectively as a family we decided that the project must be a school,” says Jackson Opwonya.

She started contributing to NSSF in 1994 after leaving government service and joining the National Environment Management Authority (NEMA). She retired finally in 2006 and got her NSSF benefits the same year.

It was critical because I got involved from the very beginning. We said this is a lump sum of money we are getting. We should use it to build this project which we have started. NSSF funds came in handy. My contribution specifically went into construction of the main hall.

Jackson Opwonya, for his part, started making his NSSF contributions while working as the Finance and Administration Manager at Chillington Tools in Jinja. He twice retired from the firm, first in 2005 and later after being re-hired on contract, in 2008.

“I liked the way the whole thing [the NSSF payments] was processed, I continued to contribute and I got a second benefit payment later on in 2008, he says. There were fears among workers in the early 1990s that inflation, rampant at the time, would erode the value of their sayings. However, Jackson Opwonya says the economy is now stable, inflation generally controlled and most important of all, the NSSF’s interest stays above the inflation level, which means the value of the deposits remains consistent over the years.
Jane Kabahukya (Kyenjojo)

Kabahukya started out with the Ministry of Defence, moved on to the Ministry of Gender, Labour and Social Development, and left in 2005.

She joined a school working as a secretary and a bursar. In 2011 she left the school and returned to Fort Portal where she is currently working. In 2006 while working in Isingiro she officially registered with NSSF.

“I intend to retire at 60. I clocked 55 in July [2015] then after some few months I started processing my NSSF benefits. It didn’t take me a long time. When I approached the National Social Security Fund with my intentions, I was given forms to fill and was told what to do and when I finished I and submitted, I think they told me within two weeks,” she says.

It took two to three weeks to get her benefits.

Before she went to National Social Security Fund to apply for her benefits, she first discussed the matter with her children, informing them that she had saved some money with the National Social Security Fund which she could get after service when she retired or which she could get after 55.

She adds: “So I started processing the money and the moment I got it, I went ahead and got materials. I had deposited some money on iron sheets and had a balance to clear so I bought all the iron sheets I needed. I have bought all the metals, everything that I’ll need to complete up to the roofing; even the timber is there. Basically I have bought everything that will help me roof the house.”

Reverend Christopher Tugumahabwe (Kabale)

The clergyman did eventually get his NSSF benefits, but not without losing many years of earnings from the Fund because a former employer who did not remit the workers’ contributions.

He started working in Nyaruhanga High School in 1990 but like many Ugandans, was contributing reluctantly under the impression that money remitted to NSSF was a kind of loss to the employees.

He went back to working with the church and later, to Kisizi Hospital. The hospital did not make any contribution to NSSF.

“Unfortunately for the ten years I don’t have any contributions from the hospital though I was working and deserved to have got,” he says with a tone of regret. “Then when I moved from Kisizi Hospital to Kabale in the diocese, I was appointed as a field officer AEE [African Evangelistic Enterprises] for childcare and AEE started contributing for me.

That’s when I got a big chunk of contributions. Then from that, I also worked for Bishop Balaam University in 2005. From 2005 majorly the university was contributing handsomely for me up to now.”
Vincent Kabuye started his working life as a turn boy with Uganda Breweries in Kampala in the 1980s. Quick to observe, he gradually learnt how to drive lorries and later became a driver himself.

When the requirements of deducting contributions was brought to the attention of the company’s employees, suspicion and scepticism was the prevalent view.

The 1970s and 1980s had eroded Ugandans’ belief in anything to do with government. There had been violent changes of government, looting of government ministries and political instability.

The concept of deductions from one’s wages deposited into a government agency, to benefit the employee much later in life, seemed foreign to so many Ugandans at the time.

Recalls Kabuye: “At Uganda Breweries they used to take off our social security contributions and told us that they had to remove money for the NSSF and this NSSF money you will get in your old age.

That’s what they would tell us. If God favoured us and we live a long life, we would get that money in our old age. The first employees initially protested these deductions, wondering whether we would ever get the money that was being deducted from us.”

Despite their reservations, it had now become compulsory to contribute to the NSSF.

Kabuye later got a job at the courier company DHL, still as a driver, and his contributions were deducted as they had been at Uganda Breweries.

After a period of overworking that culminated one day in a breakdown and a black out at the steering wheel, Kabuye spent six months undergoing treatment.

It was at this point that he decided to retire from work for health reasons and withdrew all his NSSF savings; which he says have helped him a lot.
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In the few months you have been at the Daily Monitor, the publication has made a number of significant and positive turnarounds. Take our readers through some of these.

We have brought back pride in both the brand and products. I do not want to say it was lacking in the beginning, but it was definitely waning particularly in some areas. There is a lot of passion in our editorial department but a lot of that passion had moved on to agendas which the company did not want to achieve.

We have aligned everyone to move in the same direction as we redefined our Vision, Mission and Values. That is probably the single most important thing we have done. Our vision is to be the content provider of choice for the people of Uganda and the world. We don’t want to run just as a newspaper but we want to provide the best content in any medium for people of this country, and for the people who want the most credible and objective information on Uganda.

We are also addressing the perception of what we have always been seen and known for as an opposition newspaper, to one of a balanced and independent source for Uganda and the world. As we gear up for elections, our goal is to be the one stop centre of credible, balanced and independent reporting on both analogue and digital media for Uganda and the world.

We also strive to make an impact in the community. For example, in October we ran a cancer campaign, we turned the paper pink and didn’t do that to make money. We approached eleven partners offering free breast cancer screening and cervical screening. No one was charged any money. It was done for the good of our community.

In terms of numbers, readership and advertising how has the situation improved?

In regard to advertising, we are far ahead of last year and that is the key, before our term we had a very ambitious Managing Director and we are levelling with his ambitions. To us budget is not the key word; at the end of everything it is all about how we have performed and grown from last year or the year before. That’s the key issue. Those fundamentals are good: we are growing year by year with our costs reducing and our profitability substantially going up on all our products.

What we have also done, is to come up with a campaign dubbed “Be in the know, Be inspired, Go further” intended to restore the pride and brand that...
Monitor Publications Limited was once celebrated for. Success is not a destination, it’s a journey. We are in an environment that is changing.

Social media has come up and digital media is growing so we are in a state that is no longer static but rather dynamic. And so we have product developments, think tanks and the like to enable us go further.

Social Security is a poorly understood concept in Uganda. What should be the media’s role in educating the public?

Let me say something about pensions. The contribution of NSSF towards this country is 10 percent from the company and five percent from the individual. Many people retire from work and go to do their own businesses or business they have ran for so many years, so the NSSF contribution will be the cash flow they need.

We honestly believe in the NSSF set up, that forced contribution is taking care of a lot of people later in their lives which they wouldn't do otherwise.

I have paid more in NSSF here than what I paid as my pensions in South Africa because in South Africa you pay for anything. NSSF is a very good institution and it is something that should remain in place. Company contribution which is at the expense of the company is good for society.

In brief, our relationship with NSSF is superb; in fact it's more like a marriage. We have had run-ins with our editorial and when we believe we are right, we stick to our guns but when we are shown that we are wrong, we are quick to apologize.

Is NSSF investing in publication?

In terms of advertising on MPL products they do. The may have shares in the Nation Media Group, I don’t know what the NSSF stock-market portfolio is.

But they as well have Nation Media Group shares, our major shareholder is the Aga Khan and the Aga Khan is investing heavily in Uganda.

We are now heading towards elections. What preparations do you have, what do you have in store for these upcoming elections and what do you think an independent media house like yours should be doing during this whole process?

By law we can only publish results as they are given to us by the Electoral Commission. There is little we can do in terms of that because we are only “an information dissemination centre” who is primarily tasked to inform the public, so we shall always work to the best of our abilities to keep the public informed of all relevant information.

However, we will provide 24-hour coverage from the middle of December during the second month of the candidate’s presence in the field. It will have a full voting information centre which will be live on radio, websites, Facebook and via Twitter so you will get daily 24-hour updates and know what exactly is happening around you and the entire country. We have our digital presence and it is the biggest in this country.

So in terms of notification we have the greatest impact online for all web and social media combined. We are restructuring our operation so we can have the best grip on that process. We are confident that we will have the information and be able to make good analysis in the Daily Monitor on the impact of the results on the readers and Uganda at large.

We have another planning team that is planning beyond the elections, because once the elections are done, we don't want to be seem like an elections newspaper, so this team will work on what the paper is going to deliver in the post-elections era.

In terms of staff welfare, what has changed?

We endeavour to pay our staff on time and we have paid all our staff benefits including NSSF on time. We are loyal tax payers and we ensure that by the 28th of every month both the Uganda Revenue Authority and our staff have money on their accounts.

We have formalized a lot of our processes to make people very secure so when they come to work, they know they have a future at Monitor Publications Limited and they equally know that Monitor is contributing towards their future. We have also looked into funeral coverage insurance, for example when a family or staff member dies, this insurance can kick in.

We have also cleaned up our offices and branded them, washed off the wall sand, our offices are tidy with dust bins everywhere and the eating environment resembles a restaurant not a parking lot.

Those small things mean a lot. We have also tremendously improved on our internal communication and we keep the whole staff up to date with any development within the company through their mail, screen savers, SMS blasts and a newly developed intranet.

Every year we do our self-assessment/engagement and we track our progress. Our progress from last year to this year is about 85 percent.

What kind of feedback are you getting from your customers?

We set up a system and everybody who communicates with us and sends an email to editorial@ug.nationmedia.com or any of our email addresses, gets an automatic response that states “In order to help us better our services, please take few minutes and complete a quick questionnaire then help us improve ourselves”.

Every week we receive a massive amount of people writing to us and we gather the information, analyse it and if we can improve or address what we are doing wrong, we do that. It is also an important yardstick to measure ourselves by.

Our customer experience is not yet 100 percent, however every day we try to improve and the feedback gets better every day.
With 30 years as the lone social security provider for workers outside the public service pension scheme, NSSF has witnessed great success. Following the rebranding in 2012, the Fund has seen monthly contributions increase from 24.5 billion shillings to 60 billion shillings while member balances have grown by 70 percent from 1.8 trillion shillings to 5.8 trillion shillings.

The impressive growth of the Fund’s asset base to almost 6 trillion shillings in 2015 has been attributed to improved customer relationship management, adoption of faster and cheaper delivery channels and better technology. In addition, its diversified investment portfolio in fixed income, equities and real estate have continued to contribute greatly to Uganda’s economy. Since the rebrand, NSSF has been voted Super Brand in 2013/14 and 2014/15. This has been attributed to among others, improved staff competence through professional courses, increasing staff morale, maintaining a motivated workforce and keeping up to staff expectations.

According to Geraldine Ssali, the NSSF Deputy Managing Director, this success is a result of strategically planned initiatives. Various activities focusing on business development and brand management have been adopted to better engage with the Fund’s stakeholders.

“What 27 years of existence, NSSF held its first annual members’ meeting on 19th March 2013 at the Kampala Serena Hotel. The meeting brought togethers hundreds of NSSF contributors, employers, workers’ union representatives, government representatives and members of the public. These meetings which have become an annual event have allowed us to better engage with our members and address their issues,” she says.

Through its Corporate Social Responsibility (CSR) programs, NSSF has helped community projects, vulnerable persons and been involved in sports activities.

In 2012, the Fund introduced the Customer Connect Week, through which it interfaces with its members and offers free financial literacy to members who have received benefits in the recent past. It also allows customers to ask for information regarding their savings, scrutinise and hold the Fund accountable.

In 2015, the Customer Connect week (18th to 22nd May) included a number of community support activities in different parts of the country. “We set aside 230 million shillings for CSR this year. This has provided necessities for comfortable living to the elderly across the country. We donated items like solar power units, mattress-
Building the NSSF Brand

Building the NSSF Brand

In 2012 we launched the NSSF Torch Awards to recognize and support project individuals and institutions that are making a positive contribution to communities in Education, Health, Youth and other Disadvantaged Groups. Through this program in 2015 we gave Ushs 80 million to five community projects,” the Deputy Managing Director adds.

40 Days Over 40 Smiles Foundation (40-40) emerged the National Winner, with financial support worth Ushs 20 million. Other winners included Kyamuleera Women Handicraft Association from Hoima (Western Region), Rachele Comprehensive (Northern Region), Pearl Foundation for Children and Widows (Eastern Region) and Child Care and Rescue Program for Central Region. All regional winners were awarded Ushs 15 million to implement their community projects.

In sports the Fund sponsored the Kampala Amateur Volley Ball Club with 70 million shillings in August 2015 in a tournament that took place at the MTN Arena (Lugogo Indoor stadium). The package included 45 million shillings to organise the tournament while the rest was for publicity. The cash prize for both men and women winners was increased to $1,000 from $500 that was given out in 2014. NSSF has sponsored the National Volleyball League and the national team – the National Volleyball Cranes since 2008.

“Another initiative the Fund has been part of is a partnership with the Rotary Club of Kampala North where NSSF supports an annual ‘Dental Camp’ at Mulago Dental School. The overall objective is to provide free quality dental care and oral health promotion services to the disadvantaged peri-urban communities of Kampala. In 2012, over 1,000 disadvantaged members of the community around Kampala received free dental treatment, oral health education and were encouraged to become agents of good oral hygiene in their communities,” Ssali notes.

In addition every year, the Fund in partnership with Ministry of Health and Uganda Blood Transfusion Services organises blood donation drives in response to the annual blood donation appeals by government. In 2014 for instance, the Fund organized two blood donation drives in which over 1,000 units of safe blood were collected. Participants in the donation drives include staff and members of the communities in and around Kampala.

“We are also involved in supporting of community initiatives aimed at treatment and care of cancer patients. We have an existing partnership with Hospice Africa Uganda and Rotary Club to extend financial support for the treatment and care of cancer patients. In 2012 we extended financial support of Ushs 10million to Hospice Africa Uganda towards provision of appropriate palliative care services to patients with Cancer and/or HIV/AIDS and their families as well as to promote advocacy and education.

We also gave an additional 10 million shillings to the Rotary Club to help in construction of a Cancer Ward at Nsambya Hospital in Kampala,” Ssali says.

On 3rd September 2015, NSSF entered a Memorandum of Understanding with the Uganda Registration Services Bureau (URSB) in which the two entities agreed to share information about registered companies. The move is aimed at enabling the Fund access information about registered companies to avoid defaulting by employers and improve compliance.

All these initiatives have been key contributors to the company’s exponential growth and made it stand out over the years.

Congratulations NSSF on your wonderful journey of 30 years of service. We wish you the best as you continue to scale new heights in the coming years.

"Be In Demand, Be ACCA"
Tell me about yourself. What do you do at the Fund?
I am a fellow of the Association of Chartered Accountants and an associate member of the Institute of Chartered Secretaries and Administrators. I am also a member of the Institute of Certified Public Accountants (ICPAU) and I hold a Masters in Business Administration from Heriot-Watt University’s Edinburgh Business School in the UK. I have been with NSSF for the last 30 years. Currently I am the Manager Revenue Assurance in charge of the Fund’s revenues. My job entails ensuring the right investments are made at the right rates. I also have to monitor and ensure the said investments are properly booked and that the interest accrued is properly reflected in our accounts. At the end of it all we have to provide a report on the Fund’s three branches of investment which include fixed income, real estate and equity.

How did you get the job?
During those days we used to go to Ministry of Labour. They were the ones charged with employing people and so they would attach you to your relevant field. I was sent to Ministry of Finance who then gave me a position at the Social Security Fund which is what NSSF was called back then. I was placed there after being seconded as a higher Executive Officer in accounts.

How have you been able to hold this job for all these years and what has been your motivation?
I got this job because of the competencies I had. I had been an administrator at the Institute of Chartered Secretaries and by that time very few Ugandans held professional courses. Later on I
acquired the Association of Chartered Accountants (ACCA) certification. I have held this job through improving myself professionally and academically. During my stay here my salary has kept increasing and I was also empowered to study and acquire more skills. I am able to lead and train others and people working under my supervision are happy. We have been working together as a team with no infighting and no office politics. I have been more interested in shining through my work. The culture here is living and working with people in a harmonious way.

How have you evolved over the years in terms of your career at the Fund?
I joined the Fund at a time when it was transforming from Social Security Fund to NSSF. Through that period they gave us the option to revert to our ministries of origin or to reapply for positions. I reapplied and was employed as an accountant in 1988. I was later promoted to senior accountant in charge of casual fees, payments, collections, employer accounts and so on. I am proud to say it was I who started the investments department whose portfolio has evolved to what it is today. I also started the internal audit department alone but later I was joined by a young man. My main responsibilities here have been centered on investments.

What are your proudest moments?
It has to be watching the Fund grow. It was small when I joined. By then we were recording hundreds of thousands of shillings per year but I have seen it grow and develop into trillions. Back then members were contributing forty shillings while employers also contributed forty shillings and it was not for all workers but for junior employees. It has now grown to the current 15 percent contribution. More competitive people have come in, the work environment changed, we got better offices, computerisation came in which allowed members to get feedback on their contributions through statements and so on. We have emphasised partnerships where a task force was formed. This enabled us to go out and interact with employers and contributors.

What challenges have you faced in your career?
As an accountant, the currency reform [of 1987] was the first challenge I faced. Government converted currency because inflation was high and the money had no value. They had to cut off two zeroes and the 30 percent conversion tax. This meant if an employee had saved 10,000 shillings, two zeroes were taken off and they were left with one hundred shillings. This affected how people saved with the Fund. There was also a challenge of record-keeping with the manual system of keeping books proving hectic. Change of leadership at the Fund also came with its own challenges. People coming in with new ideas would not last long enough to implement them. Every new CEO began afresh with his own ideas instead of picking up where the last one left off. Labour turnover has also been bad over the years with frequent restructuring and staff changes almost every three years. I believe it is better to encourage employees to improve on their skills instead of changing them frequently and employing new ones.

It is interesting that you started the investment department and have stuck with it throughout despite the frequent criticism the Fund has had to take over the same. How have you dealt with this?
The Fund has a lot of limitations in terms of where to invest. The Ugandan economy also has its limitations. Currently fixed income is doing very well and some of that is coming from government bonds which are also limited because there are other players in the market. Investing in bonds is through competitive bidding. Equity is another area but again you just cannot invest there unless a company lists on the stock exchange. Real estate is where NSSF has taken the most criticism but we can only do our best with what we have.

How would you say the Fund has evolved over the years?
The transformation of Social Security Fund to NSSF allowed the Fund to become self-accounting. It was empowered to handle its own accounts whereas previously they were operating as a department under the Ministry of Labour. Back then there was no transport for the compliance department, they would walk to work. Later they acquired cars and then motorcycles to improve on collections. We lost three members of staff who died fighting thieves who wanted to snatch the motorcycles. Later the Fund acquired cars, computers came in and we were able to manage accounts much better. We started generating statements for members, got into advertising and got good audits which built confidence in the Fund.

What in your opinion needs to be done to achieve the Fund’s ambitious goal of reaching an asset base of twenty trillion shillings by 2020?
Liberalisation of the pension sector will bring in competition which is good. NSSF will have to educate its workers more and engage more with the public in order to remain relevant. Currently with computerisation there has been improvement on the time it takes to pay contributions. Allowing members access to NSSF services through their mobile phones has also built confidence which will also go a long way in achieving our goals.

What legacy do you want to leave behind at the Fund?
I want to leave it a happy place. No one wants to leave a bad name anywhere. I want to see a better appreciated staff because this boosts performance. Contributors should also learn to appreciate the Fund instead of looking for weaknesses. I have never seen savers’ money being stolen. Where there has been fraud it has never touched contributors.

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PENSION REFORMS: EVERY COUNTRY NEEDS A LARGE POOL OF NATIONAL SAVINGS

BY Usher Wilson Owere

When the ‘fathers’ of social security in Uganda created The Social Security Act of 1967, their vision was to have an all-encompassing scheme that takes care of both public and private sector workers. By the time the act was replaced by the NSSF Act of December 1, 1985 Chapter 222- transforming the scheme from a section in the Labour Ministry to a fully-fledged autonomous body, the then Social Security Fund had 17,448 members and over UGX146 billion (old currency).

Following the above reforms, what has transpired is the proverbial tale of two cities. While the private sector focused and contributory NSSF has continued to prosper, becoming both the largest pool of domestic savings an biggest financial institution in the country- valued at UGX5.8 trillion (June 2015) and growing at an average 30% annually, the non-contributory public service scheme is in dire straits and virtually financially insolvent.

Other than being eternally indebted, the public service scheme only covers less than 300,000 Ugandans which is just about 10% of the estimated 3 million Ugandans who are in formal employment. Even then, the NSSF, successful as it has been, out of a total of 458,106 formal and informal businesses, NSSF covers only 10,911 of formal businesses which is just 2.4%.

In light of the above, it is critical that the ongoing pensions sector reforms, which are long overdue should focus on fixing these gaps. Uganda urgently needs reforms that will create universal or near-universal coverage for both the already saving members as well as those Ugandans who are not yet saving for their future.

That said, I wish to draw my attention to the ongoing and or proposed reforms as contained in the various bills before parliament. For starters, in every good reform process, the reasons that drive that reform must be well intentioned, factual and must serve to improve the existing status-quo for the common good and not the reverse.

The ongoing reforms were based on a cabinet paper that had been premised on one major erroneous foundation-bad governance at NSSF. The paper stated that: “There has been a public perception that the NSSF has not been run on sound governance principles…. It is therefore imperative that immediate action be taken to enact a law to reform and liberalize the retirement sector in order to avert the collateral damage that has been caused to the retirement savings of employees from the private sector and the retirement benefits sector as a whole.”
But as we all know, given the good performance of NSSF over the last 5 years - it is doubtful that bad governance at NSSF alone can and should be good reason enough to drive meaningful social security reforms. We cannot have reforms that are merely focused on breaking down NSSF.

Opening up the sector should be mindful of the fact that every nation needs a pool of long term local savings that are centrally managed, that can be tapped into to finance growth. The higher the quality of the management and decision making and how efficient these resources are deployed, will also greatly influence the quality and the speed of the development.

Kenya, Tanzania, Rwanda all have this pool of savings in their respective local national pension schemes, in which mandatory contributions are made. This pool of funding is being used to drive national development: for example, Tanzania NSSF has funded Dodoma University, Chalize Dual Carriage way, and Mkurungga Power plant. Kenya NSSF has funded the construction of the Thika Highway and Nyayo/Embakasi Housing development (largest housing development in Kenya).

The advantages offered by economies of scale when funds are pooled together will be lost when these very funds are dispersed into smaller chunks held by different entities. Why disperse the Funds in NSSF, Uganda's only local pool of long term savings?

We must not take away the advantages of a country having a centralized national mandatory pension scheme - it is important that a mandatory national scheme, geared towards enhancing social security and expanding coverage should be maintained. In order to guarantee a minimum adequate level of benefits, a substantial portion of mandatory contributions - at least 10% of the total 15% should be committed to fund the basic retirement benefit provided for in the bill, while the other 5% can be competed for; and this can be reviewed with time. This will guarantee a basic benefit protection to members should anything wrong happen with the private schemes. It is also important to note that whatever reforms are made, it should be not to dismantle the current gains or rather re-forming for its own sake. We should aim at preserving what is working and getting rid of what is not working. For example, whereas the current NSSF Act protects members from scheme losses by guaranteeing that members should be paid a minimum 2.5% interest every year, The Retirement Benefits Sector Liberalisation Bill, 2011 in its current form does not guarantee the individual scheme savers any form of interest.

While the bill does not guarantee the members any form of fall-back position, should their scheme make losses, it guarantees the fund managers revenue in form of administration fees, regardless...
of the fact that it is their decisions that could have led to the losses; in other words the fund managers will not bear the risks associated with losses arising out of their investment decisions.

The bill does not stop there. Other than giving the fund managers a cushion, it also has gone ahead to secure them straight business in that every pension scheme is obligated to outsource all their fund management roles, even for asset classes that schemes have an internal ability and skills to manage. Whereas seen from the top this may appear like a good thing, the cost implication can be massive. For example, if NSSF outsourced its entire portfolio of UGX5.8 trillion, say at 1% fund management fee, the cost would translate to UGX 58 billion! This cost would be incurred, without any reduction of the investment risk.

Today, this same portfolio at NSSF, according to the NSSF Managing Director, is managed by an investment department that costs us only UGX 1.6 billion to run. It is important to realize that any fees paid to fund managers will eat into interest that can be credited to members. Therefore, I appeal to the legislators and the creators of this bill to exempt those investments where external Fund Managers do not add specific value e.g. investing in Government Treasury bills and Bonds, from mandatory fund management; these should be managed in-house.

We believe that both in-house and external fund managers should be allowed as is the practice in Nigeria, Tanzania, Malaysia, Singapore, Canada and USA – this is because there is no significant and proven risk reduction through outsourcing to fund managers and also because in Uganda today, we do not have fund managers with adequate exposure to handle various portfolios.

Is it sensible, then, to incur such a high cost, for a skill that you do not need, and without a reduction of investment risk?

Now that we have good governance at NSSF, legislators should also look into for example, getting rid of the bureaucratic investment approval processes, allowing the Fund to deliver more to its members. The amendments should also allow NSSF to reach out to the informal sector and employers with less than 5 employees as well as provide additional benefits to members that complement the current limited scoped of products.

That said, there are some good proposals that have been made in the bill, such as a proposal to allow midterm access to 30% of one’s savings for purposes of securing a loan or a mortgage; however this is not adequate for that purpose and should be increased to 50%- Kenya permits 60%. Increasing the percentage of this provision will promote the growth of the housing credit and the real estate industry but also allow the members to live a better life, for the greater part of their active lives.

The writer is Chairman General of National Organisation of Trade Unions (NOTU)
SSENTOOGO & PARTNERS

Wishes to take this opportunity to congratulate warmly the National Social Security Fund on the historic occasion of their Thirtieth Anniversary.

We are honoured and proud to be associated with some of their important projects.
For your medical insurance needs, IAA Association partnership gives you access to a network of over 700 hospitals and clinics across in Uganda, East Africa, and internationally. Over 110,000 members trust us to fulfill their health insurance needs. Here's what you can expect from us:

<table>
<thead>
<tr>
<th>Feature</th>
<th>IAA Association</th>
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<tbody>
<tr>
<td>Hospital Access - International Network</td>
<td>✅</td>
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<tr>
<td>Access to hospitals and clinics in Uganda, Kenya, Tanzania, and Sudan.</td>
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<tr>
<td>Hospital Network Access</td>
<td>✅</td>
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<tr>
<td>Access to hospitals and clinics even after the age of 65.</td>
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<tr>
<td>Company Health Insurance</td>
<td>✅</td>
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<tr>
<td>Access to your IAA Association membership benefits (Company overview).</td>
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<tr>
<td>Employee Coverage</td>
<td>✅</td>
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<td>Top-up policy can replace employee or obtain a credit on (Company overview).</td>
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<tr>
<td>24/7 Worldwide Care Authorization</td>
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<td>Agreed treatment or death in remote facility if treatment is not available nearby.</td>
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<tr>
<td>Comprehensive Hospital Plans</td>
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<td>Where treatment is not available locally, salary for costs of treatment and travel in type.</td>
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<td>Emphasis on local, ensuring care of an accompanying family member or colleague.</td>
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<tr>
<td>24/7 Member Services</td>
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<td>We provide 24/7 member services for direct access to services and protection of member benefits.</td>
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<td>24/7 Member Services</td>
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<tr>
<td>24/7 Member Services for emergencies when a member is traveling internationally.</td>
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Contact Us

For more information, visit:

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Email: info@iaahealthcare.org
Website: www.iaahealthcare.org
### Premium Package - Individual

<table>
<thead>
<tr>
<th>Service Description</th>
<th>Cost</th>
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<tbody>
<tr>
<td>4. Medical insurance</td>
<td>UGX 958,235</td>
</tr>
<tr>
<td>4. Dental insurance</td>
<td>UGX 1,210,820</td>
</tr>
</tbody>
</table>

**Note:**
- Additional services available for purchase
- Prices subject to change

### Premium Package - Corporate

<table>
<thead>
<tr>
<th>Service Description</th>
<th>Cost</th>
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<tbody>
<tr>
<td>4. CEO's health insurance</td>
<td>UGX 92,228</td>
</tr>
</tbody>
</table>

**Note:**
- Additional services available for purchase
- Prices subject to change

### General Information

- **Inclusions:**
  - Primary care consultations
  - Dental checkups
  - Optical and optical frame
- **Exclusions:**
  - Prescription lenses
  - Cosmetic lenses

**Additional Services:***
- **Electrocardiogram (EKG)**
- **Phlebotomy**
- **Mammography**
- **Ultrasound**

**Contact Information:**
- For more information, please contact:
  - Phone: 123-456-7890
  - Email: info@premiumhealth.com
  - Website: www.premiumhealth.com
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