



Our Health  
Our Future



JUNE  
2020

# RWANDA SOCIAL SECURITY BOARD STRATEGIC PLAN

JULY 2020 - JUNE 2025

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## Abbreviations

7YGP:	7-year Government Programme
BNR:	National Bank of Rwanda
CBHI:	Community-Based Health Insurance
CSR:	Caisse Sociale du Rwanda
DDG:	Deputy Director General
DG:	Director General
EH:	EjoHeza
FRW:	Rwandan franc
FY:	Financial Year
GDP:	Gross Domestic Product
GoR:	Government of Rwanda
ILO:	International Labour Organisation
ISSA:	International Social Security Association
KPI:	Key Performance Indicator
LODA:	Local Administrative Entities Development Agency
MINALOC:	Ministry of Local Government
MINECOFIN:	Ministry of Finance and Economic Planning
MOH:	Ministry of Health
MLB:	Maternity Leave Benefit
NCD:	Non-Communicable Disease
NST:	National Strategy for Transformation
OH:	Occupational Hazards
PAYE:	Pay As You Earn
PR:	Public Relations
PRD:	Planning & Research Division
PS:	Pension Scheme
RAMA:	Rwandaise d'Assurance Maladie
RDB:	Rwanda Development Board
RRA:	Rwanda Revenue Authority
RSSB:	Rwanda Social Security Board
SDG:	Sustainable Development Goals
SSFR:	Social Security Fund of Rwanda
WHO:	World Health Organisation

## Statement by Chairman of The Board

On behalf of the Board of Directors, I am very pleased to present the RSSB Strategic Plan 2020-25.

This year, we celebrate our 10th anniversary as an organisation and we look back proudly at what has been achieved since RSSB was established in 2010. We thank our staff for their efforts over this decade and for the contribution that they have made to our success. We thank the Government of Rwanda for the confidence it has placed in RSSB, and in this Board, to deliver on our broad mandate. Most of all, we thank our members for their support, their loyalty, and the trust they place in us to protect their health and promote their well-being.

Today, we count among our family, among our community of members and their families, more than 9 million people, for whom we have the duty and the opportunity to care.

As we look ahead to the next five years, in this Strategic Plan, we see a period of significant transformation, out of which will come a new RSSB, with a “members first” culture deeply embedded in all our plans and actions, with a data-driven and evidence-based approach to all our decision-making, and with the consistent delivery of high performance

established as the very minimum that we expect of ourselves.

This transformation will begin with the achievement of greater autonomy, which will empower us to embark on an organisational restructuring, to support delivery on key objectives, including member-centricity, competitiveness, effectiveness, and efficiency, and to maximise the benefits of IT Modernisation, which will create a common platform for the organisation and for all our schemes.

As well as a period of transition, this is a period of investment for us, not just investment in technology but investment in our people as well. We are committed to strengthening our investment in our staff,



training, motivating, and inspiring them with our vision, so that they feel part of a valued community with our members.

We are trustees of the funds that members contribute to our schemes and we will invest them well, to produce both financial and social returns. We are committed to being not just the biggest investor in Rwanda, but the best, especially for strategy, returns, social impact and innovation.

We will strengthen our organisation against financial loss at the hands of those who do not fully understand the principle of solidarity. We will use better risk assessment to sharpen the focus of enforcement work and deploy strong, intelligent, data-led measures, that become available through IT Modernisation, to detect, and deter fraud, especially against our medical schemes.

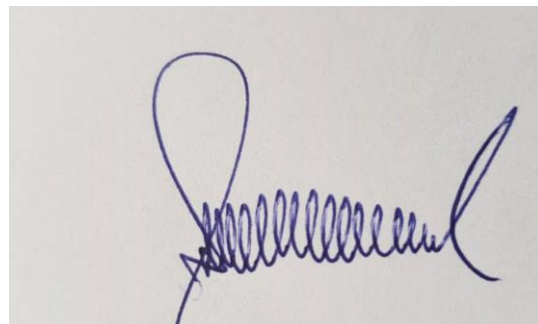
We are committed to all these ambitions, which are set out and specified in this Strategic Plan.

We have a new Director General, Regis Rugemanshuro, who will deliver the Strategic Plan for us, two new Deputy Directors General and a number of new faces in our Senior Management Team. The transformation is in their hands and starts with their vision. We welcome their arrival and the energy, commitment, and experience that they bring to this task.

I pledge my support, and the support of the

entire Board, to them and to the achievement of this Plan, which I commend to you.

Sincerely,



Ephraim Twahirwa  
Chairperson, Board of Directors,  
Rwanda Social Security Board

## Introduction by Director General of RSSB

I am delighted to present this document, agreed by the Board, which sets out the Strategic Plan for the Rwanda Social Security Board (RSSB) for the period 2020-25 (SP25).

In this Plan, we propose to build on the achievements of the last 5 years. As an organisation, we have accomplished a great deal. We have set up new schemes under the RSSB umbrella, like EjoHeza and the Maternity Leave Benefits Scheme and we have taken on new responsibility for existing schemes, like CBHI. We now take care of the health of the vast majority of the people of Rwanda and we have become the largest single provider of long-term and retirement savings schemes.

The assimilation of new activities takes time and sustained effort and requires sharply focused management. I am excited to have been appointed to take responsibility for RSSB at this important time in its development. The period covered by this Strategic Plan will, as this document reveals, be a period of transition. We have ambitious plans to transform RSSB, by 2025, into an organisation that is not just fully committed to delivering for our members but that puts members at the heart of all our planning and all our decision-making.



To serve our members better, we are

- Investing heavily in new information technology, building a common platform for all our schemes, replacing manual processes with automated systems to deliver better service more quickly and easily, strengthening our data processes and analytical capability, so that all our decisions can be evidence-based and data-driven
- Using the opportunity that the expected achievement of autonomous status will provide, to strengthen internal governance, speed up decision-making and recruit new, highly skilled members of staff

who will help to take the organisation forward

- Restructuring RSSB's internal organisation to make us more member-focused and better able to address the challenges inherent in our responsibilities
- Sharpening the focus of our investment activities, balancing the achievement of best-of-market returns with our responsibility towards the people of Rwanda, which we fulfil through our social investment programmes

We shall report regularly on our progress with these changes that are critical to our transformation.

Our vision is for RSSB to use all of its power and energy on behalf of our members: to be best-in-class in serving their interests, as a friend and source of help, as a modern, efficient organisation, with user-friendly, enabling technology; as a source of input to Government thinking; as a national and international thought-leader in social policy; as the leading strategic investor in our chosen markets; and as a prudent but ambitious business partner.

In this document we set out not just what we plan to achieve in the next five years but why and how we plan to do that. We set out how we will monitor our progress and how we can

be held accountable for delivering on our commitments.

These will be important years for RSSB, important years for our members. It is my honour to serve as Director General and to take responsibility for shaping and achieving our strategy for SP25.



Regis Rugemanshuro

Director General,

Rwanda Social Security Board



## Executive summary

RSSB is an optimistic and forward-looking organisation that is planning not only for its own future but for the future financial security and health of all our members. It has a unique place in Rwandan society, a unique role in the system of solidarity and mutual support, on which modern Rwanda is founded. It also has a unique responsibility to ensure that its care for Rwanda's people is the best that can be provided and that its investment strategy does not simply focus on financial returns to the funds entrusted to it, but recognises the importance and value of social returns as well. RSSB is not just an agent of central government but an agent of the Rwandan people. We can all feel that it is our organisation.

Through our different schemes, we can count as our members the vast majority of people who live and work in Rwanda today. When we reach out to our members and their dependants, to those whom we wish to welcome as members, we reach out to the whole of Rwanda.

RSSB is also an organisation in transition, an organisation in the process of very substantial modernisation. Over the next few years, RSSB is likely to become more autonomous and, as a result, we will be able to make more of the important decisions for ourselves. We will have the benefit of a complete modernisation of our IT infrastructure, so that internal functions and contact with members can be more efficient, claims dealt with more quickly and payments made without delay. There will also be an internal restructuring that will put members at the very heart of all our organisation's thinking and planning. The DG and the Board are setting the path down which this transformation will take us.

In Box 1, we explain our "members first" philosophy and set out how we plan to operationalise the commitment to our members that it represents. For us, this is not just a slogan but a new, positive and outward-looking way of working. We believe that the outcome will be transformational.

This Strategic Plan covers the period 2020-25 (SP25). It is being written against a background that was scarcely imaginable six months ago. Rwanda has been fortunate in not being at the centre of the COVID-19 pandemic and we have been blessed by wise leadership that has taken swift and successful action to limit its impact on our people's health, but we have not been able to avoid altogether its negative impact on our economic situation. The danger to our health and to the economy has not yet passed but this Strategic Plan can, nevertheless, look beyond its immediate impact and set out the vision for a future in which citizens are able to resume their lives and their businesses in safety and rebuild their prosperity.

In this document, we set out our ambitions for the next five years. We start, in Section 1, by reflecting on the position of RSSB in the framework of social protection in Rwanda, the role that we have in the delivery of the Government's plans, particularly those incorporated into NST1 and the National Social Protection Sector Strategy of 2018.

In Section 2, we review what we have achieved in the last five years and the starting point it provides for the SP25 period. We look at the successes and the lessons we have learned in those areas where we have not performed as strongly as we hoped we would.

In Section 3, we set out how we have approached the formulation of objectives for SP25 and the challenges, opportunities and risks faced by the organisation as a whole. We examine both the internal and external factors that affect our mission. We set out how we will deal with the transformation of RSSB into a modern, member-centric, data-driven high performing organisation. We explain how our objectives have been prioritised and crystallised into action steps through which we will achieve them. We establish the targets through which we will monitor our own performance and against which our members will rightly hold us accountable.

In Section 4, we review the position of each of our schemes in turn and identify the Top 5 priorities for each of them. We set out the objectives, delivery mechanisms and targets and, in the Monitoring & Evaluation Framework, we allocate responsibility for them across the departments, recognising that collaboration between the departments will deliver the best outcomes for RSSB, for our members and for all our other stakeholders.

In Section 5, we set out the challenges for our Investments Department on which we rely to support the sustainability and financial success of our schemes. We identify their priorities for SP25 and the steps that are necessary to ensure that RSSB is not simply the biggest but the best investor in Rwanda.

### Box 1: Members first

*What is the “members first” vision for RSSB? What does it mean to us? How do we put members first?*

Members are the reason why RSSB exists – the only reason. Member interests are what we are in this organisation to serve. We all know that, but we don’t stop, often enough, to think about what that really means for the way we work. How many times a week do we challenge ourselves by asking, “Is there a better way of helping our members?” How often do we ask our members what we can do better? How often do we make changes based on what they tell us? When we do take on board ideas that they have given us, how good are we at letting them know that what they told us was valuable and led to real change?

We can all be better at this. That’s why we have created the *members first* initiative. We all need to have members and member-interests at the front of our mind in everything that we do.

We also need to recognise that this will be an even bigger issue than usual during the coming years: during IT Modernisation, during our transition to autonomy, during our restructuring. It’s very easy, particularly during a period of significant change, for an organisation and its staff to become quite inwardly focused. Thoughts and actions become dominated by the practicalities of moving from one structure, one system, one approach, to another. Management and staff, inadvertently, lose the sharpness of their focus on the customer, on the member. At RSSB, we are about to go through a period of significant change, and we need to face up to the challenge of putting members first while making this desirable and necessary transition.

The *members first* vision is intended

- to create a permanent state of mind in which all plans, decisions and actions are taken with the interests of members foremost in our thinking; and
- to provide an approach to dealing with the impact on members of the transition that will take place during the next few years.

Our vision involves all of our people who have direct contact with our members, but it does not stop there. It also involves all those whose actions directly or indirectly affect member rights, member perceptions and the sense of community that members feel in their relationship with RSSB.

Putting members first means that we have to know what our members really want, not simply rely on assumptions based on what we think they want. It means that we need to talk to members more and it means, particularly, that we need to listen to members more. When we get a request from a member, we should ask ourselves, our teams, our management, “Why don’t we do that?” rather than simply file it or forget it. We may have to adapt the suggestion to make it work or we may have to adapt our own thinking and preconceptions, or both. But if the goal is worthwhile, we should embrace it and work towards it.

We need to make sure that we don’t accept too readily that the status quo is the best place to be. We need to challenge ourselves on behalf of members. We need to be proactive in finding the best solutions, the best packages, the best arrangements for our members.

The philosophy of *members first* is intended to influence all of our thinking and all of our actions. Whether we work in call centres, branches or other member-facing roles, whether we work in back office support, or in management, we all need to keep it in mind and let it drive what we do. We will use our systems to remind us that this is the way we need to be, to make sure we all recognise that we are part of the same community. There will be no exceptions.

*Members first!*

# 1. Background and situational analysis

In setting out our vision for this next, crucial period in the development of RSSB, we need to ground it firmly in the mandate that we have from the Government and in the expectations that the people of Rwanda have for our contribution to their health, their well-being and their future.

## 1.1 RSSB: our context

It is our 10<sup>th</sup> anniversary. The Rwanda Social Security Board (RSSB) was established in December 2010 through the merger of the Social Security Fund of Rwanda (SSFR) and Rwandaise d'Assurance Maladie (RAMA). With the addition of the Community-Based Health Insurance Scheme, the Maternity Leave Benefit Scheme and EjoHeza, a new scheme for long-term savings, we now have a large and ambitious mandate. Today, we manage six schemes:

1. Pension Scheme (PS)
2. Occupational Hazards Scheme (OH)
3. Maternity Leave Benefit Scheme (MLB)
4. Medical Scheme (commonly still called 'RAMA')
5. Community-Based Health Insurance Scheme (CBHI)
6. EjoHeza (EH)

RSSB's mandate revolves around the collection of contributions from members, the payment of benefits to members and the management of the accumulated funds for funded schemes. Through our investment policy, RSSB ensures the sustainability and adequacy of this fund to protect members' contributions and provide funding for benefits. Our investment strategy recognises our social responsibility to play a strategic role in building key infrastructure in Rwanda.

Looking to the future, we will be playing a key part in Rwandan economic and social development as laid out in the Vision 2050 and the National Strategy for Transformation (NST1). To maximise our potential, we will move from being a government organisation to a state-owned enterprise. This will empower us to take the actions necessary to give life to our strategic ambitions, our 'members first' philosophy and enable us to become an evidence-based and data-driven organisation and a major

### We envision...

A comprehensive social security system that addresses the social security needs of all Rwandans

We serve with empathy, creativity, integrity, and determination as we work towards our vision, and pride ourselves on our **ICARE core principles**:

- Integrity
- Collaboration
- Accountability
- Respect
- Excellence

policy partner in the future of Rwandan social protection and healthcare programmes. Our plan is based on an incremental and strategic resetting of organisational culture as well as key changes to staffing and operational working. The introduction of IT Modernisation reforms in the first two years will also help raise efficiency and data-based strategies of research, monitoring and evaluation.

### *Strategic intent for RSSB, schemes, and service levels*

It is important that our plan reflects the wider national and global context. Rwanda has endorsed the 2030 Agenda for Sustainable Development and agreed to follow and meet the Sustainable Development Goals (SDGs). Among these commitments is the development of social protection systems and measures to achieve substantial coverage of the poor and the vulnerable, a key area of our benefits and health insurance programmes. We are at the cutting edge of social protection for old age with the introduction of EjoHeza in 2018 to cover savings and pension needs for those who are not formally employed and contributing to pensions through their employer. Universal health coverage is another core objective for the SDGs and Rwanda's own development plans. Together, our CBHI and Medical schemes cover more than 80% of the population.

### *Setting of objectives: KPIs for RSSB, schemes, and management*

We are responding, in SP25, to this bigger national and international agenda by fully reflecting the goals and objectives set by NST1 into our own objectives and cascading them down through policy, practice, and performance. The primary objectives for the next five years reflect those goals and objectives but also look back to draw on the lessons learned from the 2015-20 Strategic Plan period. The SP25 objectives will inform Annual Action Plans over the next five years, using performance indicators set out in our Strategic Plan targets.

Our aim is to have a seamless integration of RSSB's organisational goals with the Government of Rwanda's broader strategic objectives. The changes to RSSB since the last plan have widened our mandate, our responsibilities, and our membership. The changes envisaged in the next five years will ensure that the mandate is fully operationalised to optimise outcomes for our membership – our aim is not to have just 'sustainable' schemes, but outstanding schemes that are exemplary in practice and performance.

## **1.2 Delivering our part of the key objectives of NST1 (2017-24)**

In this section, we map the role and functions of RSSB to the national agenda of the Government

of Rwanda and explain how RSSB is organised, how it works with partners across and beyond Government and how it functions in relation to the part of that agenda which relates to social protection.

### *Scope of social protection in 2020*

RSSB operates as one of a range of service providers and funders for the current social protection system. The National Social Protection Sector Strategy (2018) has ambitious aims to expand coverage across various forms of transfers and services. Our schemes of social protection are of two kinds: mandatory contributory transfers and healthcare insurance for those who are in formal employment; and a voluntary, contributory savings and pension scheme, EjoHeza, for the informal sector.

Our responsibility for social protection policy is statutory. We are required to:

- contribute to the elaboration of social security policy'
- advise the Government on matters relating to social security.

Our mandate is clear from the definition of social security:

*“a government program aimed at providing social protection to people living in Rwanda from effects based on lack or reduction of input due to the following reasons: old age, death, disability, occupational hazards, sick leave, maternity leave, treatment, unemployment and provision of family basic necessities. The programme may also provide for shelter, nutrition, education, poverty reduction with an intention of social welfare”.*

RSSB's mandate for this wider sense of social protection is reflected in the expansion of our schemes since 2015 to include populations who are not in formal employment, through CBHI and EjoHeza. We are thus primed and enabled to go beyond the 'contributory social security' approach to attract a wider population into coverage of health insurance and long-term savings/pensions, respectively.

### *Our role in delivering on NST1*

The broad social and economic priorities of the 7-Year Government Programme (7YGP) from 2017-24 have been set out clearly in NST1 and we have reflected into our own objectives the relevant parts of the three-pillar approach:

- Economic transformation

In accordance with the national objective to increase domestic savings and position Rwanda as a hub for financial services, to promote investments, we are using EjoHeza and the Pension Scheme to stimulate and mobilise domestic savings. We invest the funds contributed to our schemes not only in high yielding assets but also in housing and business infrastructure in accordance with the national objective to accelerate sustainable urbanization from 18.4% (2016/17) to 35% by 2024. We are converting the growth in jobs that the Government has targeted - 1,500,000 (214,000 annually) decent and productive jobs - into contributing membership and we invest their contributions in turn to promote more job creation.

- Social transformation

Two key objectives of NST1 are to enhance the demographic dividend, through ensuring access to quality healthcare for all, and to move towards a modern Rwandan household through providing universal access to affordable and adequate infrastructure and services. NST1 prioritises improvement of health indicators, expansion of primary health facilities and hospitals and increases in the ratio of medical professionals (doctors, nurses, and community health workers) to the population. Our CBHI and Medical schemes will be leaders in ensuring that affordable and easy access to healthcare is secured and expanded for as many of our Rwandan people as possible; and that our providers deliver quality services to our members. The Government also actively promotes resilience to shocks and seeks to enhance graduation from poverty and extreme poverty through improving and scaling up core and complementary social protection programmes. It is our responsibility in relation to this agenda, to widen coverage of our contributory schemes and encourage take-up of EjoHeza and other schemes for the informal sector.

- Transformational governance

In line with the government's objective to strengthen capacity, service delivery, and accountability of public institutions as part of SP25 we look to reform our own organisational culture and structures, strengthen transparency, improve services, and become truly member-centric. To increase citizens' participation and engagement in development, we plan to make change a much more consultative process, expand the use of surveys, and demonstrate commitment to acting based on feedback.

NST1 incorporates the Social Protection Strategy to promote income security and wide-ranging protection against economic risks for all Rwandans. RSSB will play a leading part in implementing that Strategy and will coordinate with other partners to ensure that policies are effective and efficient. Provisions for elderly and vulnerable persons will particularly need co-ordination.

### *Our key collaborators*

We recognise, at RSSB, that we do not work alone and that much of our agenda is an agenda shared with our key collaborators. We learn by listening to others, in and beyond government, and by working together for a set of objectives that we have in common. We cannot fulfil our mandate properly and efficiently without our partners.

We have several important relationships with other parts of government. Some of these are formal and supervisory but many of them are focused on policy development, monitoring and operations. We are supervised by the Ministry of Finance and Economic Planning (MINECOFIN) and, in our capacity as a financial institution, regulated by the National Bank of Rwanda (BNR). Our key collaborators and delivery partners are:

- RRA who administer collections on our behalf and ensure compliance and arrears payments.
- RDB who assist in bringing new employers into membership of our schemes and with our investment in enterprises, infrastructure, and social investment.
- MINALOC as custodian of the Social Protection agenda through LODA in the Ubudehe categorisation of members for CBHI and EjoHeza
- MOH as the major partner in provision and policy for CBHI and as regulator and overseer of healthcare and healthcare finance.

We can learn a lot from externally available data that supplements our own administrative data.

We also benefit from and rely on inputs that come directly from our members and from Civil Society groups. It is part of this plan to listen more carefully to the views of our members and to learn from their experience of our services. We can also do more to reach out to Civil Society, in their representative capacity. During the SP25 period, we will embrace them more fully as partners in the development of our organisation and our services.

### *Our organisational framework*

Our internal organisation is also a key aspect of our capacity to deliver on our mandate. RSSB is led by a Board of Directors and the Board will continue to lead us through the 2020-25 period. The



senior executive team is led by our Director General (DG), who has two Deputy Director Generals (DDGs), in charge of benefits and fund management, respectively. Following autonomy, RSSB will undergo a restructuring that will make our organisation more member-centric, strengthen our governance and decision-making processes and empower us, as an organisation, to make full use of the capability that IT Modernisation will deliver for us. Our members will see some changes but we will not lose the human, public face of our organisation that is seen in our 30 district branches and in the hospitals and other large health providers where our staff assist with access to and payment for healthcare.

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## 2. Review of SP20: Our achievements 2015-20

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### Highlights:

- The number of employees contributing to the Pension Scheme and Medical Scheme has increased at an annual rate of 9.5% and 2.1% respectively, over the period of the 2015-20 Strategic Plan
  - Overall employer satisfaction rate with RSSB is 80%
  - Disbursements of FRW 282 billion in benefits made since 1<sup>st</sup> July 2015
  - More than FRW 1 trillion in assets under RSSB management, an increase of 93% from the beginning of the previous Strategic Plan period
- 

In this section, we review, briefly, our achievements during the last five years. Over the 2015-20 Strategic Plan period, we have taken significant steps towards our vision of providing a comprehensive social security system that addresses the needs of all Rwandans.

With the successful integration of the Community-Based Health Insurance Scheme into RSSB at the beginning of the 2015/16 FY, our institution has grown from its origins in the merger of RAMA and CSR (Caisse Sociale du Rwanda) which was intended to address the health insurance and social security needs of Rwandans in formal employment, into a much larger organisation that now serves the needs of the vast majority of Rwandans.

This commitment to serving the entire Rwandan population is further reflected in the introduction of the long-term saving product, EjoHeza, in 2017 which was designed to address low social security coverage for old age across the Rwandan population.

The scope of the social security coverage for public and private sector workers was also increased with the introduction of the MLB Scheme.

RSSB's efficacy in collecting contributions has been such that the funds under our management now exceed FRW 1 trillion - an increase from FRW 518 billion at the beginning of the previous Strategic Plan period – making RSSB the most significant strategic investor, and the largest investment fund in Rwanda (worth in excess of 10% of GDP).

We highlight below the key outcomes from the 2015-20 period.

## Key figures (June 2020)

Figure 1: Total RSSB membership

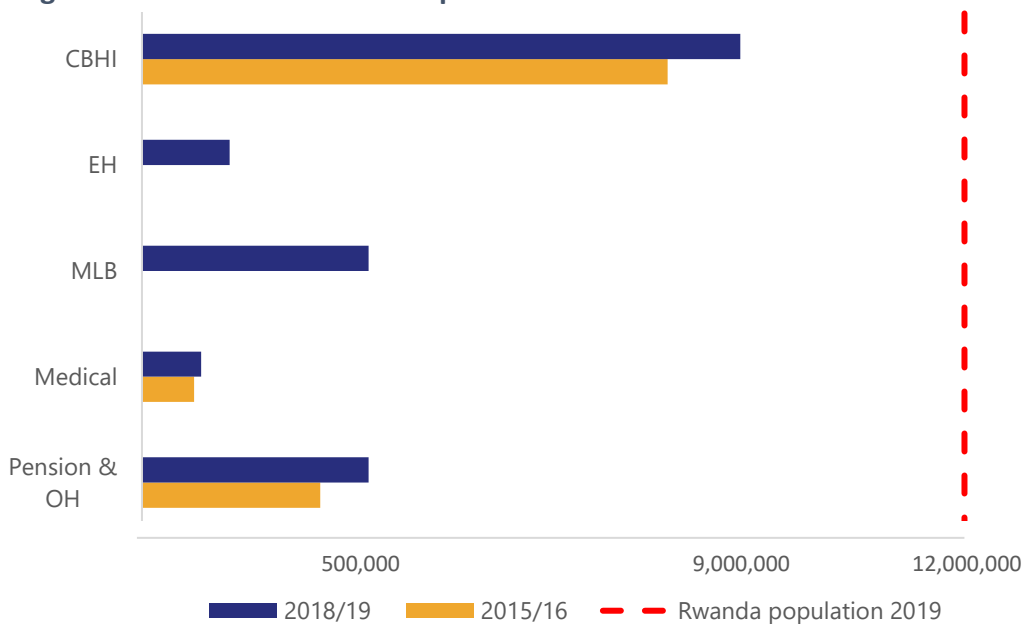


Table 1: Key indicators SP20

	5-year target	Target by 2018/19	2018/19* (year 4)
<b>Membership</b>			
<b>Pension</b>			
New employers registered	8,900	6,900	5,282
New employees registered	451,000	356,000	370,373
<b>Medical</b>			
New employees registered	99,500	74,500	56,391
<b>CBHI</b>			
Coverage rate	99%	85%	77.9%
<b>Contributions</b>			
Pension & OH	365bn	283bn	336bn
Medical	190bn	150bn	167bn
Maternity	27bn	20.9bn	13bn
CBHI	119bn	67.6bn (2017/18)	85bn (3 years only)
<b>Investment income</b>			
Returns	14%	n/a	5.8%

We set ourselves ambitious targets in 2015, for membership growth, for contributions, for investment returns and growth in the fund, for our development as an organisation and for the satisfaction felt by our members and staff. It has been a period of achievement. We have not done everything that we wanted to do but we can report that we have made good progress and laid a solid foundation on which to build in SP25.

**Figure 2: Key membership figures for Pension & Medical schemes**



We have brought 5,282 new employers and 370,373 new members into the Pension Scheme at the date of this document, leading to a substantial net increase in membership over this period. We have introduced 56,391 members into the Medical Scheme. The number of contributing members in the Pension and Medical schemes has increased

by 21% since 2015 and the contributions collected have increased by 49%. We are achieving a 78% coverage rate through CBHI, making it the largest contribution-based scheme in the country.

We have averaged a return of around 6% on the funds under our management over the SP20 period, lower than we had targeted, with some disappointing results so far from some of local equity and real estate investments, but reflecting the positive approach that we have taken towards long-term investment in assets that help to build our nation.

We have made real advances towards the development of an integrated IT platform that will be

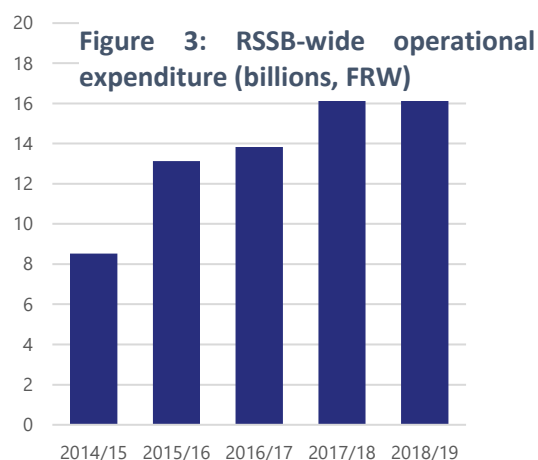
transformational to all our internal processes, reduce our cost base and, most importantly, enable us to serve our members much more efficiently.

We have also taken important steps towards achieving greater autonomy as an organisation, which will, we believe, come to fruition during the first year of SP25. This will be a major step forward in enabling us to serve our members better.

Our most recent customer satisfaction surveys show us reaching around 80%, below our target but reflecting the difficulties that we have had in working with part-automated, part-manual systems. We expect these to improve following IT Modernisation and the roll-out of our plans to put members at the heart of everything we do.

We have integrated CBHI into our organisation and MLB. These have been major achievements that have required significant investments of time and energy. We have started up EjoHeza and plan to integrate it fully into RSSB this year. Its membership, which is entirely voluntary, has already reached almost half a million people. It is poised to make a very substantial contribution to long-term savings by Rwandans engaged in the informal economy and has a substantial membership among formal sector workers.

Despite the notable successes over the SP20 period, of which there have been many, it is through acknowledging and improving in areas in which we performed less strongly, as well as building on earlier successes, that we will be able to fulfil our mandate. Underpinning our objective to learn from the last 5 years, is our commitment to adopting a clear, outward-looking evidence-based approach to future change and performance maximisation, that aligns with national objectives as well as responding to member needs. We outline this approach in the following section.



## 3. RSSB: Moving towards 2025

### 3.1 Formulation of Strategic Plan objectives and target-setting

RSSB's objectives for SP25 and beyond necessarily reflect a range of influences, including national political objectives, the changing demographic, and economic needs of the population and RSSB's own organisational development. We will ensure that future objectives are clarified across these influences and driven by a clear evidence-based approach to maximizing performance. This reflects a fundamental change in the basis of objective setting: moving from an approach intended to ensure 'sustainable' schemes to one that ensures each scheme is working optimally to fully meet customer, member and political expectations in the most efficient and effective way. In formulating objectives for SP25, we are guided by the following core principles:

- Align with national objectives (NST1)

Rwanda's Vision 2050 and NST1 lay ambitious foundations for sustained growth and transformation to achieve high standards of living for all Rwandans. We operate across economic and social elements of national objectives to improve quality and standards of life, develop modern infrastructure and livelihoods, and transform for prosperity. As a key stakeholder for the NST1 'state-building' national objective, it is important that our objectives for SP25 reflect those responsibilities and do so in a way that is evidence-based. The promotion of savings and improved health outcomes and household income security will be foremost in future objectives. RSSB now covers over 80 percent of the Rwandan population and the organisational commitment to '*our health, our future*' must be upgraded and re-specified to be fit for purpose for ambitious social and economic transformation. RSSB is also a major funder of economic and social progress through its large investment programme, the objectives of which will be reset to ensure the optimal balance of gaining the best economic return and funding social provision for Rwanda.

- Respond to needs of customers, members of schemes, and the wider population

RSSB's objectives will not be driven primarily by internally set objectives or internal assessment of operational performance but will look more to externally demonstrated needs of customers and members of schemes and of the wider population - both in terms of coverage of needs and in the quality of service provision to satisfy those needs. We will combine NISR household and

enterprise data with our own administrative data to ensure that we are best placed to understand the drivers of coverage of our schemes, needs for healthcare and economic support to households, and to inform policy and evaluation. Our aim is to go beyond that operational use of data and research to reposition RSSB as the leader on healthcare insurance research and as a leader in social protection research and policy evaluation. The need to finance RSSB's schemes from investments will be re-established on an optimal basis, based on best returns to reflect current and future members' needs for retirement income in old age and coverage of healthcare.

- Inspire our people

RSSB's objective to maximise investment returns extends to our investment in our people as well. Many of RSSB's objectives clarify and coalesce as a result of a change in status to state-owned enterprise but underpinning all change and reform will be a fundamental objective to motivate and inspire our staff, to train them better and make them true advocates and exponents of our values. We will encourage the development of the people who work with us today and, through recruitment of new talent, retention, and investment, we plan to have the best workforce possible for RSSB's future. Our future rests on our staff embracing our new organisational culture, based on evidence and data, on member-centricity and on optimal performance of benefits and investments. Planning for our objectives will flow across and between all levels of staff and be informed by frontline staff who know customers and members best. A highly motivated staff with the best workplace conditions is an investment that will ensure future success. We will make sure that our organisational objectives are clear, fully explained and understood and based on consensus. Through our people, we will bring the focus of our whole organisation to meeting the operational and executive needs of delivering at high standards of quality.

Targets reflect both internal and external appreciation of operational and policy objectives for RSSB. Moving from internally focused concerns to outward-facing targets that match national policy expectations and customer needs and experience, means that our Strategic Plan targets are being framed and set in new ways, to new standards, and in the future, they will be able to be determined on the basis of improved data and evidence. In accordance with the underlying principles of objective formulation, our targets must:

- Challenge RSSB leadership, staff, and the organisation

We will set targets that drive organisational performance as well as the achievement of

transformed organisational goals, to meet sequential changes in organisational restructuring, data modernization, and changes to organisational culture. The communication of objectives and targets during transformation will put additional demands on staff and leadership alongside the instrumental monitoring of performance against targets.

- Ensure performance goals are fair, and linked to incentives and rewards for staff

We recognise that goals and targets that will truly drive performance require clarity and the full agreement of those who must deliver on them. There must be rewards for achievement, especially for out-performance against expectations. We are adopting, in this Strategic Plan, targets with intrinsic value, with buy-in from staff, recognising that, in some areas, there are binding external constraints on our performance such as the performance of healthcare providers.

- Be evidence-based and measurable

Wherever possible, we will adopt measurable and consistently defined quantitative targets that are based on high-quality analysis of on internal administrative data and externally provided labour force data on employment, on health access, and on population data. Actuarial evidence will be used as a core source of targets for scheme design and performance. Not all of this is possible today in the way that we would wish. For SP25, we have balanced the setting of quantitative targets in which we can have confidence with the use of developmental targets that require a step by step approach to reaching the point where meaningful quantitative targets can be set.

- Be subject to impartial review

Review of targets and performance by partner organisations will become central to an impartial assessment of performance. Transparent reporting of achievement against targets will enhance public trust.

## 3.2 Challenges, opportunities, and risks in the Strategic Plan period 2020-25

In this section we provide additional information regarding the context in which RSSB is operating today, the opportunities and challenges that we have and the steps that we are planning to take in SP25 in the areas that we regard as our strategic priorities. Looking ahead towards 2025, we see challenges and risks, but also enormous opportunities. We believe that, with the support of the



government, we are better positioned than ever to deal with all of these.

### *Economy*

Before the outbreak of the virus, COVID-19, Rwanda's economy was on a very positive path, with a trajectory towards consistent year-on-year double-digit growth in GDP. That target will not be met in 2020 and growth in 2021 will also be subdued. The resumption of normal growth rates will be dependent on other governments taking prompt and effective steps to limit the spread of the virus.

The IMF has scaled back its expectation for growth in Rwanda's economy. Their most optimistic projection has been for real GDP growth in 2020 to be halved against a performance of 10.1% in 2019. However, the IMF expects the economy to rebound to 6.7% for 2021, with more to come in future years. We share their optimism. RSSB is not unaffected by the impact of the economic slowdown. We have the cushion of substantial funds already invested across Rwanda but some of our services may not grow as quickly as might otherwise have been possible and many of our members will find themselves less well off than they had hoped. Schemes such as EjoHeza may find that growth of membership and savings is held back by the economic circumstances in 2020 and 2021.

In due course, growth that is job-intensive will bring more members into our contributory schemes, including the Pension Scheme, increasing the cash available for services and investment. This brings some risks for us as well as opportunities. We will need to ensure that the Pension Scheme is sustainable at current levels of contributions and benefits.

Recent wage growth has been fairly flat suggesting that increases in our contribution income may well come largely from higher membership rather than higher wages: average monthly salaries from paid employment grew by just 1% since 2016 (although there are sector specific variations). The sectoral differences in wages are accompanied by structural differences in access to employment, particularly for women who make up 30% of non-agricultural formal employment. The effect of such structural inequalities will inform RSSB's policy on targeting services and membership and on our work with partners in the development of future social protection policy.

### *Demographics*

The demographics in Rwanda continue to be very favourable to us. We have a very young, growing population, with two thirds of the population below the age of 30. The population is expected to increase from 10.5 million in 2012 to approximately 16.3 million by 2032. The new population estimates produced using the upcoming 2022 Census will feed into our assumptions for

membership growth and into the actuarial assessment of our schemes.

The current dependency ratios in our schemes provide a sound base for long-term pension planning. We have the challenge and opportunity of bringing more young people into our scheme; today's young population will benefit from better healthcare, better, safer work environments and their future welfare needs will be best catered for if those in their early years of work can be persuaded of the need to save for their own future. We need to use the opportunity of SP25 to strengthen our appeal and membership among the young people of Rwanda to ensure that we capture all these benefits for them and for the success of our schemes.

At the same time, we have an increasingly strong and healthy older population, with those born today having a life expectancy of close to 70 years. This reflects a wonderful achievement by the Government but poses challenges for us to address in the SP25 period. For the Pension Scheme, we will have more pensioners receiving payments from the scheme and we will see them receiving payments for longer. These factors will influence our planning in SP25 as we consider how best to ensure that the funds available will be sufficient to meet the needs of our pensioners today and in the future, and how to protect pensions that are provided over a longer period, against erosion by inflation. For the Medical Scheme, we need to re-examine how we treat our retired membership and how rights carry over from previous membership into post-retirement benefits. An increase in the number of older people in Rwanda will also affect the number of people requiring care through CBHI.

RSSB will need to equip itself not just to serve but to plan for the service that will be needed, based on these changing demographics. For this reason, a great deal of emphasis is being placed in the SP25 on improving the quality of the information that is available to our people and the quality of the analysis that can be made based on that information.

### *Poverty and inequality*

Our role in helping to address the poverty and inequality that is still prevalent in Rwanda is a crucial issue that influences our thinking for SP25. We see this as a period during which, with better data, we will be able to examine the issues more fully, understand them more clearly and act on what we see. We are aware that our schemes must be affordable and accessible, even to the poorest of Rwandans, if we are to fulfil our mission but we need to go further than that. We need to develop the data and evidence that will help us see the true effect of our schemes on inequalities and poverty and reshape them where necessary. During the period, we will engage in in-depth research to establish best profiling of access and outcomes relating to poverty and inequality in conjunction

with our partners. The impressive reductions in poverty since 2000 (from 77.2% of the population to 55.5% below the poverty line) have slowed in more recent years, especially outside Kigali. There is a real need to promote poverty-reducing growth and our policy of extending membership to those not in formal employment will be especially important in the SP25 period. The planned reform of the Ubudehe system will be another important opportunity to assess how to move forward on issues of affordability and the role of government subsidies to our schemes will need to be reviewed in this context for those on low income, especially larger households who must pay more in CBHI contributions to see all their family covered.

### *Member-centricity*

In this Strategic Plan, we are committing to make RSSB a member-centric organisation, to going far beyond the concept of “customer-focused” and putting members at the very heart of all our thinking, our planning, and our decisions. We have set ourselves clear objectives to serve our members better in SP25, to understand their needs more fully and to communicate effectively and transparently with them. We are putting in place a strong new emphasis on engaging with and listening to our members and then acting on what they suggest.

### *Investment strategies*

We have begun a review of our investment strategies and are bringing in some external support to sharpen our focus on the delivery of higher returns over SP25 without compromising on risk. This is to ensure that we are not just the biggest investor in the Rwandan market but consistently the best: that we are a market leader not a follower, that we can innovate to sharpen both the financial and social returns on the funds we invest and that we can become more active investors in those businesses where we take a substantial stake.

### *Cost inflation*

We are very conscious of the impact that operational costs have on the availability of funds for investment. To this end, while we continue to build, modernise, and renew our organisation, we will strengthen our focus on controlling operational costs. In particular, we will take steps to reduce the impact of medical cost inflation on the services that we can offer to members which typically runs well ahead of CPI inflation. Such steps may include using market power to keep down the growth of medical costs. We will carefully examine any recommendations that our independent actuarial advisers make about the need to provide more fully for the impact of inflation on our schemes, which are vulnerable to inflation in different ways and to different extents. Inflation is a

significant factor for pensions savings given that they are inherently long in nature. For this reason, we have already incorporated some inflation protection for savers in EjoHeza. On the other hand, wage inflation automatically boosts receipts for several of our schemes, though it does push up the returns on investments that are required to maintain the benefits.

### *Service delivery*

We recognise that the challenge of making RSSB a fully member-centric organisation requires action as well as aspiration. This Strategic Plan makes more thorough, member-focused training a fundamental requirement, to ensure our staff provide the quality of services that members deserve and embrace the “members first” approach. We will create an active process through which member concerns can be addressed quickly through remedial action and member satisfaction will be embedded in the planning and targets set for *all* our departments. Member-centricity recognises that full satisfaction with the service we deliver is the best advocate we can have for RSSB membership. We are committed to making measurable improvements in the levels of member satisfaction that we achieve.

### *IT Modernisation*

We face the challenge and opportunity of our IT Modernisation programme, which will be completed during SP25. There will inevitably be some disruption as we build a common platform for all our schemes and replace all remaining manual processes with automated systems but we believe it will provide enormous benefits and transform the way we work, the way we understand the needs of our members and how we can deliver on them. Our branch network will see considerable change during SP25 as many of the face-to-face interactions between members and staff are replaced with faster, more efficient, automated services. We need to seize the opportunities that this provides to reshape the way we work through and use our branches to serve our members better. Fundamentally, IT Modernisation will fully support our objective of becoming an organisation driven by data and evidence and our objective of integrating much more effectively the six schemes that we manage.

### *Staff*

We recognise the need to motivate, enthuse and bring new skills to our staff, to fill some of the gaps in our organisation through new hiring, which will become easier once we have achieved autonomous status. Greater autonomy for RSSB should help us address pay as a factor in staff morale but as part of SP25, we also plan to motivate, encourage and bring new skills to our staff

through training and changes in workplace practices. A large element of our ability to deliver on our SP25 commitments will come through helping our staff to acquire higher levels of skill. We will design and implement tailored training programmes that recognise individual development needs and reinforce mentoring and staff development practices that support learning in the daily work environment. We will give more attention to how we treat each other in our daily interactions, how we show respect, how we adapt to people's needs and challenges and get the best out of them. We plan to implement a gender-neutral but gender-aware approach to ensure that men and women in our teams all enjoy the same support, the same encouragement, the same opportunities and the same chances of higher pay and promotion as a reward for their contribution. We have many assets in RSSB, but our staff are the most valuable among them and we must recognise that in all that we do.

### *Changes in needs, demands, and risks*

We will not allow our focus on our own programme of organisational change to distract us from serving the real needs of our members. Those needs, as well as the demand for our services, will inevitably change during SP25. We will take steps to ensure that we understand and can anticipate those changes. We will improve our risk assessment and build in contingencies. We must also ensure that the quality of our services, our benefit packages and the related costs would allow us to be competitive in a fully liberalised environment.

### *Interface with private sector: demand and provision*

We see the private sector as both a competitor and a collaborator. During SP25, as well as looking for ways of bringing other private sector structures, such as cooperatives, into the RSSB family of schemes, we will continue to partner with private sector firms in our investment strategy and encourage those in which we invest to use their influence to support the membership of their employees and contractors in our voluntary schemes, such as EjoHeza. We will use private medical insurance and other private insurance services as a benchmark for what we offer and look for ways of shaping what we can deliver to better suit the needs, wishes, and pocket of people in the private sector who are not currently using our services.

### *Research and modelling capacity*

In our approach to SP25, we have placed great emphasis on the need to make RSSB into a data-driven and evidence-based organisation, and a national and international thought-leader in social policy. We plan to increase our research capacity and to use effectively the administrative data that

will become more readily accessible due to IT Modernisation. We will produce high-quality research papers and policy papers for Government. We recognise the need to have a strong team of actuaries in the organisation, who will act as key drivers in investment decisions, liability modelling and cash flow modelling. We may initially have to import talented staff from other countries. However, we have committed in SP25 to work with UoR to develop suitable programmes of study that will help to strengthen our local human resource base in the future.

### *Financial challenges*

We have challenges in SP25 in three areas that are critical to our future success and our ability to provide member benefits:

- The funding of our main schemes

As we approach the start of SP25, we acknowledge that there are and will be funding challenges for RSSB. Outcomes of independent actuarial valuations that will cover our two main funds, the Pension Scheme and the Medical Scheme, will determine the actions that we will need to take as an organisation to ensure the future sustainability of those schemes. We will work with MINECOFIN and other parts of Government to ensure a successful outcome. We have already done this for CBHI, following the recent actuarial valuation and agreed an additional package of funding for the scheme with the Government. However, a more sustainable long-term approach is required to match the funding position of CBHI (as well as the Medical Scheme) with the ambition to expand affordable healthcare.

- The level and form of contributions

Contributions are the main form of income for RSSB. The level of contributions affects the sustainability of our schemes. As such, we will keep them under review during SP25. We will utilise the IT Modernisation project to strengthen our work on compliance enforcement to make sure that employers pay their mandatory contributions in full and on time. We will also work with RRA to improve the collection of scheme contributions made by RRA on our behalf. The ability of RRA and of our own teams to monitor compliance is made more complex than it needs to be because the definitions of the wage base for the different schemes vary in law from each other and from those used by RRA for PAYE; and RSSB contributions are due irrespective of wage level, whereas Personal Income Tax (PIT) is only collected through PAYE for those whose wages are over the tax threshold. This raises issues of equity, of policy coherence with MINECOFIN and, on a practical level, it increases the compliance burden on employers and

creates unnecessary risk of salary/benefit manipulation by employers who do not fully understand the concept of solidarity.

During SP25 we will continue to review the framework for contributions for our schemes. We will look particularly at three issues:

- The level of scheme contributions, to ensure they are consistent in the long-term with the sustainability of the schemes and the benefit promises made to members
  - Whether it would be appropriate to adjust the base on which contributions are levied to improve compliance and reduce complexity
  - The progressivity of the contributions framework, based on a sustained and collaborative approach involving MINECOFIN, RRA and ourselves, together with other stakeholders, including the private sector. Our focus will be on whether there are opportunities, at reasonable cost, to rebalance the contributions system. The aim will be to take account of the potential issues of equity that it may cause at both ends of the income scale.
- The diversion of member funding that comes through fraud and non-compliance

The incidence of fraud in relation to RSSB schemes – particularly the Medical Scheme – is unacceptably high. We have identified several measures to understand and tackle fraud, including the commissioning of an external review to help us make a better estimate of the current losses due to fraud and malpractice. We will work with other parts of Government to ensure that we have the best possible legal base from which to defend our funds against this type of action.

### *Collaboration across government and partnerships beyond government*

During SP25, we will work more closely with other parts of the Government, using our voice more effectively in the debates around social protection policy and our growing capacity to access and analyse our rich data sources, to give valuable and valued input to policy development on behalf of our members. We will expand our partnerships outside the framework of government, including with civil society and member-based user groups.

### *Autonomy: benefits and limitations*

We place great emphasis on the achievement of autonomy early in this period, not as an end in itself, but as an enabler without which all of the other ambitions laid out in our Strategic Plan will become very much more difficult to achieve. Autonomy will not solve every problem that RSSB faces but the greater freedom in operational decision-making that will result from it will empower us to make decisions more quickly and reshape the organisation to better serve the interests of our

members. It will also give us the flexibility to offer a competitive remuneration package to people who have the potential to make a substantial improvement to the way in which our organisation works and therefore compete with private sector firms for the best human talent available. Autonomy will not, however, mean that we can simply abandon cost constraints and normal principles of competitive tendering.

For most of our members, their relationship with one or more of our schemes is their relationship with RSSB. At RSSB, we are conscious that, while our schemes are what gives our organisation life and purpose, we are more than the sum of our schemes. We have organisational priorities and objectives that run across all our schemes and that influence how all our people think and act and affect what we can do and how we do it. In the table that follows, we have set out our main Strategic Priorities for SP25: a summary of our Top 10 priorities for the organisation as a whole, and objectives and delivery mechanisms for each of them to help us and our stakeholders to see not just what we want to achieve but how we want to achieve it. We have set ourselves targets against which we intend to monitor our progress towards achieving them and allocated responsibilities for delivery. These are set out in full in the scheme sections of this document and summarised below.



Table 2: RSSB Organisational Top 10 Priorities

Priorities	Objectives	Delivery mechanisms	Targets
1 Demonstrate RSSB’s ability to “punch its weight” in all matters, on behalf of members	<p>Create an organisational culture of empowerment, strengthen positive self-confidence in external engagements, enable visioning and enhance focus on achievement, through new work practices, training, and messaging to maximise the impact of RSSB:</p> <ul style="list-style-type: none"> <li>• as a friend and source of help for members through reaching out more readily with understanding and care</li> <li>• as a modern, efficient organisation, with user-friendly technology to enhance the member experience and streamline internal processes, through successful implementation of the IT Modernisation project</li> <li>• as a source of input to GoR thinking, through the provision of high-quality data and analysis and dynamic, well-informed leadership</li> <li>• as a national and international thought-leader in social policy, through research and publication</li> <li>• as the leading strategic investor in its chosen markets, through more active participation</li> <li>• as a business partner, through focusing on the key elements that build relationships</li> <li>• as a competition-ready force in all its member services, through greater efficiency and better designed packages</li> <li>• as an effective delivery agent of national ambitions and commitments, through strengthening its ability to convert ideas into positive action</li> </ul>	<ul style="list-style-type: none"> <li>• Dynamic leadership</li> <li>• Senior Management to engage with an external facilitator to articulate and develop the structure of messaging for the organisation</li> <li>• Creation of a shared vision among Senior Management, communicated through away-days, meetings, “empowerment and achievement” reminders delivered through RSSB intranet</li> <li>• Commission structured coaching for leadership in key areas: social policy, markets, political economy, engagement with government, innovation</li> <li>• Externally facilitated training for staff to encourage development of new ideas/initiatives, challenge outdated practices, maximise benefits of transition to modern, RSSB-wide IT system</li> <li>• New organisation-wide emphasis on use of data and evidence as gateways and enablers</li> <li>• Discretionary individual/team rewards for exceptional initiatives</li> <li>• New, simplified, and positive branding/slogans, aligned with achievement of autonomy</li> </ul>	<ul style="list-style-type: none"> <li>• Leadership to develop messaging by 30 September 2020</li> <li>• Create programme of internal events (subject to COVID-19) to roll-out leadership vision among senior staff and complete first phase by 31 December 2020</li> <li>• Select external source of leadership coaching by 31 October 2020</li> <li>• Complete leadership coaching by 31 March 2021</li> <li>• Select external facilitator for staff training, develop programme for implementation commencing January 2021</li> <li>• Conduct staff survey to understand (inter alia) attitudes towards incentives for successful innovation/initiatives</li> <li>• Appoint branding advisers to help create an image for RSSB that matches the new management messaging and complete work for roll-out by 31 December 2020</li> <li>• Complete staff training by 30 June 2021</li> </ul>
2 Make RSSB a truly customer-centric organisation	<ul style="list-style-type: none"> <li>• Put members and their interests at the very heart of decision-making and service development</li> <li>• Transform “customer awareness” among staff into a “members first” culture</li> <li>• Ensure that staff are fully motivated and enthusiastic, so that they feel part of a valued community with members</li> </ul>	<ul style="list-style-type: none"> <li>• Increase the frequency and depth of member surveys across all schemes</li> <li>• Research national and international approaches to raising levels of customer satisfaction, with external support where necessary</li> <li>• Use survey evidence about the experience of members with RSSB to drive staff training</li> </ul>	<ul style="list-style-type: none"> <li>• Complete research and agree consistent approach to frequency, style, and depth of surveys across the schemes by 31 March 2021</li> <li>• Determine key indicators and design with external support</li> <li>• Complete initial phase of new surveys to</li> </ul>

Priorities	Objectives	Delivery mechanisms	Targets
3	Complete the transition of RSSB into an autonomous body	<ul style="list-style-type: none"> <li>programmes, sharpen the focus</li> <li>• Review call centre staffing levels</li> <li>• Develop training to enthuse staff with “members first” vision</li> <li>• Implement measures to humanise and simplify members’ interaction with RSSB where there is negative evidence from surveys</li> <li>• Review role of branches as key points for member-contact</li> <li>• Respond to identified need to improve speed and efficiency of dealings with members, especially regarding claims</li> <li>• Monitor outcomes through surveys, feeding back both positive and negative responses</li> <li>• Use management messaging, training, changes in workplace practices, gender policies, to motivate staff and encourage high performance and loyalty, reduce staff turnover inspire better customer service</li> <li>• Carry out staff surveys to monitor effectiveness of changes with a view to becoming the best employer in the country</li> <li>• Parliamentary approval has been given for changes in the Organic Law that affect the status of RSSB. Operationalising the law for RSSB requires agreement with MINECOFIN/GoR. Required actions are to work with MINECOFIN/GoR to achieve agreement on functional and governance aspects etc of RSSB’s change in status</li> <li>• Develop specific proposals for internal changes to respond to the new status, including <ul style="list-style-type: none"> <li>○ Role/powers of the Board</li> <li>○ Delegation from Board</li> <li>○ Staff motivation</li> <li>○ Organisational restructuring</li> <li>○ Investment strategy</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>establish baseline levels of customer appreciation of RSSB and schemes before 30 June 2021</li> <li>• Feed analysis from baseline surveys into staff training programmes by 30 September 2021</li> <li>• Carry out initial training by 31 December 2021</li> <li>• Set year-on-year targets for improvements in satisfaction on key indicators using baseline</li> <li>• Set year-on-year targets for improvement of staff morale/commitment, using survey data</li> <li>• Reach agreement with MINECOFIN and achieve new status by 31 December 2020</li> <li>• Develop and implement all consequential internal changes by 31 December 2021</li> </ul>
	<ul style="list-style-type: none"> <li>• Recognise the importance of autonomy to the achievement of RSSB’s SP25 objectives and its longer-term mission</li> <li>• Prepare the organisation for the challenges of autonomy and ensure that the opportunities and responsibilities are fully understood by management and staff</li> <li>• Ensure that <ul style="list-style-type: none"> <li>○ the legal processes required to enable RSSB to become an autonomous body are successfully completed</li> <li>○ future decision-making and funding protocols are agreed with GoR/MINECOFIN</li> <li>○ the necessary internal measures are adopted to ensure the proper governance and effectiveness of the organisation</li> </ul> </li> </ul>		

Priorities	Objectives	Delivery mechanisms	Targets
4 Transform RSSB into a data-driven and evidence-based organisation	<ul style="list-style-type: none"> <li>Motivate the use of evidence throughout the organisation as a cultural norm and demonstrate its power to deliver solutions and validate outcomes</li> <li>Make data and evidence pre-requisites for organisational decision-making</li> <li>Build an IT system by the end of the SP25 period that enables and facilitates the extraction and analysis of data to                             <ul style="list-style-type: none"> <li>support decision-making</li> <li>inform organisational positions on policy issues</li> <li>allow high-quality research to be undertaken on social protection issues</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Branding</li> <li>Communications</li> <li>Cascade down through the organisation a full appreciation of the implications of autonomy, using management messaging and training opportunities</li> <li>Effect cultural change through management messaging, training and by delivering digital reinforcement through intranet</li> <li>Create a strong research and analysis function at the heart of PRD, with                             <ul style="list-style-type: none"> <li>the skills and technical resources to access and use all administrative data,</li> <li>the capacity to inform RSSB decision-making and</li> <li>the ability to produce research of publishable quality</li> </ul> </li> <li>Establish close user collaboration with IT Unit and external consultants to ensure that data needs at organisational and scheme level are properly specified, incorporated, and tested in the IT Modernisation project</li> <li>Hold regular user group meetings during IT Modernisation roll-out</li> </ul>	<ul style="list-style-type: none"> <li>Integrate messaging/staff training/user groups into timetable for IT Modernisation</li> <li>Create Research &amp; Modernisation Unit as part of restructuring and complete hiring by 31 December 2021</li> </ul>
5 Carry out a successful restructuring of RSSB	<ul style="list-style-type: none"> <li>Reshape the organisational structure of RSSB to support delivery on key objectives, including customer-centricity, competitiveness, effectiveness, and efficiency, and to maximise the benefits of IT Modernisation</li> <li>Ensure that staff are fully trained and skilled to take on their new roles in the restructured organisation</li> </ul>	<ul style="list-style-type: none"> <li>Work with external consultants to develop a new structure that better suits the objectives of an autonomous RSSB</li> <li>Implement the restructuring plan</li> <li>design and implement tailored training programmes that recognise individual development needs in the restructured organisation and address systemic weaknesses</li> <li>reinforce mentoring and staff development practices that support learning in the daily work environment</li> </ul>	<ul style="list-style-type: none"> <li>Complete external review of existing structure and receive proposals for changes. Consider and commence implementation by 30 June 2021</li> <li>Complete restructuring and consequential staff appointments, as well as relevant staff training/development by 31 December 2021</li> </ul>
6 Demonstrate that RSSB is worthy of	<ul style="list-style-type: none"> <li>Reinforce public perceptions that they can rely on RSSB to</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen the PR function through training and</li> </ul>	<ul style="list-style-type: none"> <li>Use opportunity of restructuring to set</li> </ul>

Priorities	Objectives	Delivery mechanisms	Targets
public trust	<ul style="list-style-type: none"> <li>put their interests first</li> <li>Create an image of RSSB as an interconnected community of members rather than simply a custodian of narrow, individual rights</li> <li>Ensure that RSSB is, and is seen to be, fully in touch with civil society and incorporating the views and needs of citizens into the actions that we take</li> <li>Generate confidence in RSSB's financial management skills</li> </ul>	<ul style="list-style-type: none"> <li>selective hiring</li> <li>Create partnership with PR consultants to help develop new, fresh, stronger messaging</li> <li>Develop the "members first" message, with external support</li> <li>Introduce stronger "community of members" theme</li> <li>Strengthen communication and outreach to Rwandan citizens and civil society groups</li> <li>Keep members fully informed about the transition to autonomy, the organisational changes, and IT Modernisation</li> <li>Publicise investment support for social and state-building assets</li> <li>Demonstrate adoption of greater transparency in all matters, including best practice in creating accessible and user-friendly financial reporting</li> </ul>	<ul style="list-style-type: none"> <li>timing of departmental strengthening</li> <li>Complete first phase of developing messages by 31 October 2020</li> <li>Launch new messaging campaign to coincide with announcements of autonomous status and explanations of what it means</li> <li>Following survey work, adopt new financial reporting approach by 31 December 2021</li> </ul>
7 Strengthen the governance arrangements for investment decisions and optimise strategic asset allocation	<ul style="list-style-type: none"> <li>Modernise the governance arrangements in accordance with best practice</li> <li>Protect and promote the interests of all members</li> <li>Ensure that the interests of members of different schemes are dealt with equitably</li> </ul>	<ul style="list-style-type: none"> <li>Review and modernise the governance framework for investment decisions with external support</li> <li>Clarify decision-making processes around allocation of assets to the individual schemes</li> <li>Keep investment strategy under review, with external support, recognising the unique purpose of RSSB and the needs of the individual schemes</li> <li>Negotiate detail of guarantee arrangements with MINECOFIN and reach formal agreement with GoR</li> </ul>	<ul style="list-style-type: none"> <li>Complete review by 30 June 2021 and make changes by 31 December 2021</li> <li>Operationalise conclusions of Investments Department work on asset allocation across RSSB by 31 December 2021</li> <li>Sign agreement with MINECOFIN on guarantees by 31 December 2020 and/or incorporate into relevant laws</li> </ul>
8 Establish a common base and strengthen equity in the contribution framework	<ul style="list-style-type: none"> <li>Establish a common base across all schemes for calculating contributions to simplify and strengthen compliance</li> <li>Address impact of contribution framework on fairness and private sector formalisation</li> </ul>	<ul style="list-style-type: none"> <li>Review the legislation that governs the base for scheme contributions and propose changes</li> <li>Agree changes with MINECOFIN and GoR</li> <li>Liaise with RRA to revise MoU and ensure benefits are maximised</li> <li>Review progressivity of contributions system as a response to the economic and social drivers behind MINECOFIN's approach on PAYE reform.</li> </ul>	<ul style="list-style-type: none"> <li>Open discussions with MINECOFIN and complete review/negotiations on base by 31 December 2020</li> <li>Implement agreed changes by 30 June 2021</li> <li>Complete review of progressivity by 31 December 2021</li> </ul>

Priorities	Objectives	Delivery mechanisms	Targets
9	Ensure proper control and allocation of operational expenses (OpEx)	<p>Recognise the need to support those on low incomes and encourage creation of secure, formal sector jobs; and consider scope for reform</p> <ul style="list-style-type: none"> <li>Use external support to help identify key areas for cost control and best practice methodology, drawing on private sector and international experience of benchmarked institutions</li> <li>Develop and roll-out a programme of training to create an organisational ethos that OpEx should be kept to a minimum</li> <li>Establish the cost base for which scheme management are responsible and develop sharply focused annual departmental targets against which to measure performance</li> <li>Identify opportunities to increase efficiency and make savings by reducing duplication of work across schemes and implement changes</li> <li>Review organisation-wide key for allocation of costs and ensure that it is robust and fair, with external support</li> </ul>	<ul style="list-style-type: none"> <li>Complete OpEx review with consultant support by 31 December 2020</li> <li>Design training and complete initial implementation by 31 March 2021</li> <li>Set zero growth assumption for OpEx in current round of annual departmental budgets</li> <li>Put in place a restructuring contingency budget that allows divergence from the zero-growth assumption for mission-critical spending (e.g. hiring of special skills), with Leadership sign-off</li> <li>Determine short-term, current state allocation key by 31 December 2020; review to reflect impact of Restructuring and IT Modernisation</li> </ul>
10	Tackle financial losses due to non-compliance and fraud	<ul style="list-style-type: none"> <li>Review MoU with RRA and agree new methodology for audit of collections</li> <li>Increase RSSB-led compliance and enforcement effort across mandatory schemes</li> <li>Review and strengthen the work of the Fraud Management Committee on current mechanisms for fighting fraud</li> <li>Commission external review to provide baseline estimate of losses through compliance and fraud and make recommendations</li> <li>Review and update Fraud Policy</li> <li>Introduce a new Fraud Register</li> <li>Enhance audit and risk assessment through Restructuring</li> <li>Tighten the focus of exception reporting for</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen the financial position of RSSB schemes through more effective management of compliance and arrears</li> <li>Use better risk assessment to sharpen focus of enforcement work</li> <li>Deploy strong, intelligent, data-led measures that become available through IT Modernisation to detect, and deter fraud</li> </ul> <ul style="list-style-type: none"> <li>Agree MoU changes following conclusion of discussions with MINECOFIN on base, by 30 June 2021</li> <li>Complete review to establish baseline for losses by 31 December 2021 and set targets</li> <li>Complete internal work on policies, fraud register, risk assessment, following restructuring of risk management</li> <li>Complete development of fraud-related exception reporting following IT Modernisation</li> <li>Complete review of current legal base for prosecutions/penalty regime before</li> </ul>

Priorities

Objectives

Delivery mechanisms

Targets

- possible fraud using the data becoming available through the IT Modernisation programme
- Review legal base for prosecuting fraud as part of current review of scheme laws
  - Work with GoR to ensure that there are appropriate penalties in the law for offenders
  - Review prosecutions policy to minimise costs and maximise chances of successful prosecution
  - Shame and prosecute offenders, as appropriate

finalisation of scheme law review

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## 4. RSSB schemes: Priorities, objectives, and targets for SP25

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In this section we turn our attention to the six schemes under the management of RSSB. We look at the challenges and objectives for each of the schemes in turn, in recognition of the fact that each of our schemes is different. Each has its own funding position, issues related to membership and contributions, and challenges. We identify the priorities and document how the objectives will be met during SP25. We also set targets for the purposes of monitoring and evaluating our progress towards the objectives we have set ourselves.

### 5.1 Pension and Occupational Hazards schemes

The Pension and Occupational Hazards schemes were initially administered by the CSR, established under the Decree Law of 22 August 1974 governing the organisation of social security. The schemes are defined benefit, funded schemes which provide pension and lump sum benefits to our members or their survivors, conditional on their years of active contribution and salary at the time of the benefit award.

The Pension and Occupational Hazards schemes are mandatory for all employees, both those in the private sector and public sector workers. Enrolment of all civil servants in the country is automatic. For the Pension Scheme, contributions are set at 6% of gross salary of an employee minus transport allowances, with the employer and the employee each contributing 3%. The Occupational Hazards Scheme mandates a contribution of 2% of salary paid by the employer. The Pension Scheme has expanded its membership base through the offer of voluntary insurance to individuals not subjected to social security by the law, including the self-employed, and members of cooperatives, etc. At present, the Occupational Hazards Scheme remains open only to formal sector employment. Thus, while there is a significant overlap in membership for the two schemes, the beneficiaries are not identical.

We have identified the following as priorities for these two schemes during SP25:

- Updating the actuarial valuations

We are currently in the process of updating the actuarial valuation for the Pension and Occupational Hazards schemes. We expect that the results of the valuation will drive changes in investment strategy and in other aspects of the scheme.

Several findings from the previous actuarial valuation along with the accompanying recommendations have been adopted in the formulation of this Strategic Plan. It is notable that the Pension Scheme experienced relatively low levels of qualification for pension compared with entitlement only to lump sum benefit, which had a major (positive) impact on the last actuarial valuation. This was particularly the case because the Pension Scheme provides a high replacement rate for those retiring from long period of qualifying service. The minimum period for qualification for a pension is 15 years, at which point the pension benefit is set as 30% of pre-retirement income, based on average of last 5 years' income. Thereafter, the pension benefit increases by an additional 2% for each qualifying year over 15 years. This pension income is not subject to tax. The relative generosity of the scheme benefits, together with the relatively modest level of contributions, creates a structural, financial imbalance in the Pension Scheme.

The current actuarial valuation will take place after the Strategic Plan has been published. In the future, the timing will be brought into line with the Strategic Plan process, so that SP30 can be informed by updated insights from a valuation.

- Addressing the issue of sustainability

The Pension and Occupational Hazards schemes are funded schemes, financed through contributions made by employees, employers, and voluntary members and the returns on investments made through the annual cash surpluses that arise at this early stage of the scheme's life. The total net assets of the Pension Scheme and Occupational Hazards Scheme stood at FRW 575 billion as of the last actuarial valuation.

The funding positions of the two schemes are dissimilar. While concerns were raised about the long-term solvency on the Pension Scheme based on estimates that the scheme might face insolvency by 2062, the Occupational Hazards Scheme was found to be operating with a significant, sustained surplus due to the pattern of projected benefit payments. The Pension Scheme's funding position stood at 41.1% in comparison to the 1,100.9% recorded by the Occupational Hazards Scheme. The combined funding position of the two schemes stood at 54.1%.

The recommendations made in the 2016 valuation that inform SP25 include:

- Formal separation of the Pension and Occupational Hazards funds.
- Raising of Pension Scheme contributions within the 8% contributions made towards both schemes: specifically, switching half of the Occupational Hazards contributions to the Pension Scheme.



- Raising overall contribution rates for the schemes.

The previous valuation found that both raising the contribution rate for the schemes to 10% from 6%; and reallocating half (1%) of the Occupational Hazards Scheme contribution to the Pension Scheme without increasing rates had a positive impact on the funding ratio for the Pension Scheme without significantly affecting the funding ratio of the Occupational Hazards Scheme.

For SP25, in view of the upcoming valuation, we have set ourselves the target of completing a reassessment of the scheme and the steps necessary to address the issue of sustainability by the end of 2020. Sustainability issues will have an important influence on the Annual Action Plans that are prepared during the SP25 period.

- Understanding and acting on the issues affecting membership growth

There are a number of areas in which we need to improve our understanding of the impact of the patterns of membership growth that we are seeing in the scheme and the implications of those patterns for the future of the scheme.

At present, the scheme's dependency ratio is very low, but this will undoubtedly change over time as the population of Rwanda ages and the scheme matures. We need to understand better, how that will happen, particularly if there is significant employment growth in the formal sector which pushes up our membership numbers, and what the impact will be on the Pension and OH schemes. At the time of the last actuarial valuation, there were approximately 35,000 beneficiary members, i.e. retirees receiving their benefit payments, in comparison with the 450,000 active members, i.e. members that are currently contributing to the schemes (including 200 voluntary members). This low dependency ratio creates a very positive position for the scheme in the short-term, potentially allowing us to build up large cash surpluses that can be invested for the long-term. The challenge of developing the investment policy is discussed in the next section, relating to the work of the Investments Department.

Based on RRA registration and number of employees in an enterprise, approximately 6.7% of Rwanda's workforce, largely public and private sector salaried employees, are currently eligible for cover by the mandatory Pension and Occupational Hazards schemes. Rwanda's large informal and rural labour force may, in principle, be eligible for the voluntary Pension Scheme, but this relies largely on the presence of an identifiable 'employer' or the ability to pay the entire 6% contribution rate out of pocket. There is an issue about how far

additional members should be encouraged to join the scheme under present terms and conditions.

Membership growth was targeted in SP20 and very positive growth was achieved. For SP25, we are adopting a more nuanced approach. Membership growth will certainly increase short-term cash surpluses but, before committing to explicit growth targets in SP25, we will await the outcome of this year's actuarial valuation. Without a change in benefits, contribution rates or investment returns, a significant growth in Pension Scheme membership is likely to push up long-term liabilities, adversely affecting the funding ratio. We will complete our initial work on this by the end of 2020 and discuss our conclusions with MINECOFIN during the first half of 2021.

An important objective highlighted for SP25 is assessing the impact of the introduction of EjoHeza on the Pension Scheme, in consultation with MINECOFIN. Viewing EjoHeza as a complementary channel for future pensions may be instrumental in managing the long-term sustainability of the Pension Scheme. On a practical and immediate level, we see opportunities for cost reduction by consolidating membership drives across the two schemes.

- Improving the collection of contributions

The contributions for Pension and Occupational Hazards, as noted above, are 8% in total of the employee's remuneration (his/her gross salary minus transport allowances, retirement terminal benefits and other allowances with refund character). RRA collects the contributions on our behalf, but compliance monitoring is made more difficult both for them and for us by the fact that contributions across the schemes we operate are calculated on different bases. This also leads to unnecessary complexities in administration for employers.

SP25 identifies key areas that we will study, with MINECOFIN, to evaluate contribution rates and efficiencies in collection. We will review the base for contributions to see whether some simplification can be achieved. We will review contribution rates in the context of the package of benefits provided and aim to increase the buy-in of potential members among employers. We will seek to develop and agree with Government and the private sector, a formulaic approach to reviewing and modifying contribution rates in the future that will make any adjustments that are required because of scheme solvency issues or economic conditions, more or less automatic. We will also review the scope for making contributions

more progressive, to help those on lower earnings.

- Raising the standard of communication with PS and OH members

We have committed to becoming a fully member-centric organisation. In coordination with the PR Unit, the Pensions and Pre-retirement Department regularly organises public awareness campaigns through broadcasting media, including television and radio, and digital media. In addition, print media, including leaflets, booklets, banners, and magazine articles are also used to advertise and enlist more members. Workshops catered to targeted groups of the informal sector are conducted to promote voluntary membership and compliance by employers. As part of the shift in organisational culture foreseen in the “members first” initiative, we expect to change the emphasis and form of communications and outreach both to members and prospective members. We plan to adopt a much more listening approach and increase the use of surveys and other forms of communication to obtain feedback on our performance.

In addition, the Pensions and Pre-retirement Department aims to strengthen transparency and reporting over the SP25 period in line with international standards set by International Social Security Association (ISSA). We anticipate that IT Modernisation will enable enhanced reporting.

- Studying the impact of private sector pension growth and shaping pension reform

Recent reforms in the pension sector have allowed the entry of voluntary pension schemes and licensing of pension scheme service providers. RSSB’s membership criteria and the fact that it was, until recently, the only pension service provider in the country, saw a majority of the self-employed, informal sector and SME employees effectively excluded from the Pension Scheme. We envisage that, over time, there will be further reforms in pension provision in Rwanda. We expect, ultimately, that the private sector will provide both competition and complementarity in long-term and retirement savings. Throughout SP25, we intend to build on the public trust placed in RSSB, but we also expect to have to earn that additional trust in a more competitive environment.

- Developing the evidence-base for our strategy and strengthening RSSB’s policy voice

As Rwanda’s leading provider in the long-term and retirement savings area, through the Pension Scheme and EjoHeza, RSSB should have a significant voice in all policy discussions about the future of pension provision in Rwanda. IT Modernisation will enable us to have

much easier access to scheme data and allow us to research a range of issues that will inform and facilitate decision-making. We have identified the primary research needs for the SP25 period as:

- Conducting a study of the current structure and overall scale of member benefits
- Ascertaining trends in the average pensionable service and enhancing our understanding of why it has been falling over time as suggested by the 2016 actuarial valuation
- Conducting a cost-benefit analysis of an extension of both schemes to more categories of workers, particularly, extending the schemes to certain categories of informal workers, including those in cooperatives
- Establishing whether, as the largest burden on the OH Scheme, covering traffic accidents on the way to and from work as occupational hazards is in keeping with the ILO (International Labour Organisation) definition, and if not, the impact on our financial position of including traffic accidents as occupational hazards
- Studying the implications of an expansion of the OH Scheme (either through legal reform or an updated of the NSSP) to include an element of minimizing risk, and considering the possible impact on projected claims
- Identifying high risk employment types and studying the implications of a policy change to make it mandatory for employers to provide additional insurance in such cases
- Carrying out a review of the impact of inflation on pensioners' benefits and contributions using EjoHeza experience with inflation adjustments

While not strictly within RSSB's jurisdiction, we feel that an update on the NSSP 2009 would be valuable and we plan to encourage this.

During the SP25 period, initial discussions are likely to take place regarding the modernisation of the approach to pensions in Rwanda. A significantly improved research function on pension and long-term savings issues in RSSB, informed by good data and by links to valuable international experience, will allow the organisation to take leadership in those discussions.

Our Top 5 priority areas for SP25 are set out in the accompanying table, with the objectives, delivery mechanisms and related targets.

**Table 3: Pension Scheme Top 5 Priorities**

	Priorities	Objectives	Delivery Mechanisms	Targets
1	Address the long-term solvency of the Pension Scheme given current membership and benefit promises	<ul style="list-style-type: none"> <li>• Ensure that, following the new actuarial valuation                             <ul style="list-style-type: none"> <li>○ Scheme funds/investments</li> <li>○ Membership rules</li> <li>○ Contribution rates</li> <li>○ Recruitment of new members</li> </ul> </li> </ul> <p>are re-evaluated with a focus on the sustainability of the scheme</p>	<ul style="list-style-type: none"> <li>• Work with the scheme’s independent actuaries to                             <ul style="list-style-type: none"> <li>○ Review the balance between contribution levels and benefits in the context of the age profile of the membership and the current funding ratio</li> <li>○ Calculate the level of new contributions necessary to achieve sustainability under normal assumptions</li> <li>○ Evaluate the social, political, and business impact of an increase in contribution rates</li> <li>○ Review a possible approach to a differential contributions package targeted at employees with particularly harsh and strenuous working conditions</li> <li>○ Consider the scope for modifications to the scheme to help address directly and indirectly caused gender imbalances and their social impact</li> <li>○ Review inflation impacts of the scheme rules in the light of the actuarial valuation</li> </ul> </li> </ul>	<p>Complete work with actuaries by 31 December 2020</p> <p>In conjunction with actuarial review, develop alternative packages of possible modifications to the scheme by 31 December 2020</p> <p>Review packages with MINECOFIN and agree action by 30 June 2021</p>
2	Review implications of growth in scheme membership	<ul style="list-style-type: none"> <li>• Optimise the membership of the scheme</li> <li>• Ensure that future growth will not damage long-term member interests</li> </ul>	<ul style="list-style-type: none"> <li>• Use 30 June 2020 membership numbers and the new actuarial valuation to understand the implications of growth in member numbers</li> <li>• Consider targets including the option of targeting zero growth</li> <li>• Review rules and framework for voluntary membership and set appropriate targets</li> </ul>	<p>Complete evaluation work by 31 December 2020 and set new targets for membership numbers</p> <p>Determine policy/targets for voluntary membership by 31 December 2020</p>
3	Develop policy for workers within cooperatives	<ul style="list-style-type: none"> <li>• Assess the benefits and risks of extending scheme membership to workers in cooperatives</li> <li>• Consider the mechanisms through which this might be achieved</li> </ul>	<ul style="list-style-type: none"> <li>• Review current international practice and recent experience regarding membership of contributory pension schemes through cooperatives</li> <li>• Determine scope to formalise a policy framework to encourage greater participation through such organisations.</li> <li>• Assess suitability of the PS as a vehicle for long-term</li> </ul>	<p>Complete research and policy development by 31 December 2021</p> <p>Reach agreement with MINECOFIN/GoR by 30 June 2022</p>

Priorities	Objectives	Delivery Mechanisms	Targets
4	Review process for making decisions about changes in member contributions	<ul style="list-style-type: none"> <li>pension provision for such workers and prepare options for consideration</li> <li>Agree policy position with MINECOFIN/GoR and implement as appropriate</li> <li>Develop a model for a formulaic approach to adjustments in contribution rates to simplify decision-making</li> <li>Review international experience</li> <li>Liaise with line ministry and other relevant stakeholders to build consensus on the formulaic approach</li> <li>Implement agreed changes</li> </ul>	<p>Complete work on a model, including related research, by 30 June 2021</p> <p>Complete discussion/reach agreement with MINECOFIN by 31 December 2021</p>
5	Equip and empower RSSB to provide leadership in discussions about the framework for long-term savings and pension provision in Rwanda	<ul style="list-style-type: none"> <li>Create a research centre on pension provision within RSSB, drawing on its data and experience with the Pension Scheme and EjoHeza, to give the organisation a stronger, more authoritative voice on the development of future pension policy in Rwanda</li> <li>Motivate the research team                             <ul style="list-style-type: none"> <li>to work with local academics and international organisations to produce publishable papers</li> <li>to produce policy-relevant papers for interaction with GoR</li> </ul> </li> <li>to enable RSSB to engage with GoR as the principal delivery channel for pensions in Rwanda</li> <li>Commence preparation for a major review of needs, existing provision, and levels of take-up, within and outside RSSB, for pensions, pension saving vehicles and other long-term saving mechanisms</li> <li>Review progress to date with PS and EH</li> <li>Collect and analyse available data for all providers, including private sector</li> <li>Consider the interaction with traditional, embedded transfer and support mechanisms within families and communities and role for a social pension</li> <li>Review relevant international experience</li> <li>Consider likely long-term pension needs across Rwanda and role for RSSB in addressing the needs identified</li> </ul>	<p>Team to be in place and operational by end of calendar year 2021</p> <p>Commence research/preparatory work by 30 June 2022, complete by end of calendar year 2023</p> <p>Set targets for volume of publishable/policy papers after Restructuring and appointment of team (31 December 2021)</p>

Table 4: Occupational Hazards Scheme Top 5 Priorities

Priorities	Objectives	Delivery Mechanism	Targets
1 Complete the financial and functional separation of the OH and Pension schemes	<ul style="list-style-type: none"> <li>Implement fully the decision to separate the OH and Pension schemes</li> </ul>	<ul style="list-style-type: none"> <li>Co-ordinate between the Pension and OH branches and finalise legal and governance framework for a fully standalone OH Scheme</li> <li>Use the new actuarial valuation to guide the division of assets between the funds</li> <li>Make any adjustments necessary for the sustainability of both schemes</li> <li>Coordinate with the IT Unit and Finance &amp; Contributions Department to set up the necessary accounting mechanisms to ensure that:                             <ul style="list-style-type: none"> <li>Contributions are correctly allocated between the two schemes</li> <li>The allocation of costs and investment income between the two schemes is correct</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Finalise the legal, governance and accounting framework for OH by 31 December 2021</li> <li>Ensure that consequential changes in assets held in the fund are completed by 31 December 2022</li> </ul>
2 Review existing benefits package	<ul style="list-style-type: none"> <li>Address causes of concern, including the significant increases in claims over the last five years</li> <li>Consider whether there is scope to improve the package for existing members</li> </ul>	<ul style="list-style-type: none"> <li>Review trends in claims within limitations of existing data</li> <li>Strengthen risk-based audit approach to claims</li> <li>Establish close collaboration with Risk Management to improve understanding and mitigation of scheme risks</li> <li>Coordinate with the IT Unit, as part of the IT Modernisation project to improve data collection, exception reporting and analysis and strengthen projections of likely claims</li> <li>Review international best practice for coverage of similar schemes</li> <li>Work with GoR to achieve satisfactory resolution of travel accident claims issue</li> <li>Commission an independent survey of employer/member views and experience of scheme</li> <li>Review and consider possible options for changes in the benefits package</li> <li>Implement the new list of Occupational Diseases and Rwanda Disability Rating Scale</li> <li>Review potential benefits of a process of regular revisions of the Occupational Diseases list by a permanent independent committee</li> </ul>	<ul style="list-style-type: none"> <li>Develop targets for                             <ul style="list-style-type: none"> <li>Successful audit challenges of claims</li> <li>Variance between projected/actual claims</li> <li>Complete international review by 30 June 2021</li> </ul> </li> <li>Implement list of Occupational Diseases by 31 December 2021 following the adoption of the OH law by 30 June 2021</li> <li>Make proposals for changes to package by 30 June 2021</li> <li>Decide on possible committee structures by 31 December 2021</li> </ul>

Priorities	Objectives	Delivery Mechanism	Targets
3 Consider the costs/benefits of extending coverage to a broader group of members	<ul style="list-style-type: none"> <li>Ensure that the scheme design optimises the balance between providing cover for at-risk workers and protecting RSSB from avoidable financial risks, including fraud and malpractice</li> </ul>	<ul style="list-style-type: none"> <li>Form an independent medical appeal committee of medical experts. The team may include non-medical experts who at times require access to confidential medical information to carry out their tasks of improving health environment and safety management in the workplace. This will result in an extension of the principles of medical confidentiality and ethical behaviour beyond the medical team itself into the multidisciplinary occupational health and safety network</li> <li>Review possible extension of scheme to cover workers/sectors not covered today, where risks and social consequences of injuries are high</li> <li>Conduct survey of potential members of the scheme including voluntary Pension Scheme members to understand potential demand for extended coverage of OH outside the current scheme</li> <li>Research international experience</li> <li>Discuss and agree likely priorities with GoR, including agriculture and key cooperatives (e.g. carpentry, tailoring, pottery)</li> <li>Commission a cost-benefit analysis of extending coverage in agreed priority areas and assess financial impact through coordination with Risk Management and Finance Department</li> <li>Develop/finalise possible options, including an option for new coverage to be provided through a legally separate scheme within RSSB</li> <li>Agree, propose, and implement</li> </ul>	<ul style="list-style-type: none"> <li>Complete review, survey, and research work by 31 December 2021</li> <li>Complete discussions with GoR by 30 June 2022</li> <li>Target implementation date 31 December 2024</li> </ul>
4 Improve worker health	<ul style="list-style-type: none"> <li>Strengthen RSSB role in reducing incidence of workplace accidents and avoidable work-related diseases</li> </ul>	<ul style="list-style-type: none"> <li>Review international best practice and develop proposals for changes in the law, with appropriate penalties for non-compliance. The revisions should include provisions for companies/agencies to bear the risk of compensating the injured employee rather than RSSB</li> <li>Research international experience of applying differential rates of contributions for some sectors of workers with high risks</li> <li>Survey/research effectiveness of workplace committee framework and legislation</li> </ul>	<ul style="list-style-type: none"> <li>Complete research/survey work by 30 June 2021</li> <li>Complete review of differential rate options by 31 December 2021</li> <li>Set annual review date to update/improve technical information</li> <li>Develop proposals for better</li> </ul>



Priorities	Objectives	Delivery Mechanism	Targets
5 Strengthen “competitiveness” of OH in a captive market	<ul style="list-style-type: none"> <li>Ensure OH Scheme is market comparable in terms of coverage, contribution rates and cost control</li> </ul>	<p>enforcement by 31 December 2021</p> <ul style="list-style-type: none"> <li>Strengthen the Occupational Hazards Prevention Unit                             <ul style="list-style-type: none"> <li>by elevating unit to a higher level of reporting to management and decision-making. This will put the unit at an administrative level where it can make its own decisions using instruments at hand or some autonomous weight vested at division level</li> <li>by creating specialized prevention units with correspondingly specialized staff. One unit should focus on biological and environmental monitoring as well as prevention of diseases; (silicosis, musculoskeletal disorders, and cancer, etc that require specialists). The second unit should focus on prevention of accidents and incidents and the promotion of workers’ welfare in terms of good health and nutrition.</li> </ul> </li> <li>Improve provision of information and advice on technical matters to employers and workers, and on compliance with the legal requirements. Appropriate compliance enforcement laws should be drafted and approved by the relevant authorities</li> <li>Provide education to employers about workplace safety through site visits, training programmes and media channels</li> <li>Collaborate with line ministry and other relevant agencies to develop agenda and achieve consensus and support</li> <li>Review national market for similar insurance cover</li> <li>Benchmark OH Scheme against market criteria</li> <li>Research cost-effectiveness of having long-term disability claims underwritten to simplify financial position of scheme</li> <li>Develop an appropriate formulaic approach to setting contribution rates to simplify the process of implementing changes necessary to provide long-term financial stability for the scheme; work with GoR to legislate and implement</li> </ul>	<ul style="list-style-type: none"> <li>Use survey evidence and own data to set targets for:                             <ul style="list-style-type: none"> <li>Scheme OpEx per member</li> <li>Average pay-out per claim</li> <li>Claims experience per 1,000 members</li> <li>Average time to</li> </ul> </li> </ul>

Priorities

Objectives

Delivery Mechanism

Targets

- settlement of claims
- Average employer contribution in cash terms at top and bottom quintile and median income levels
- Review underwriting option by 30 June 2021
- Develop formulaic approach by 30 June 2021

## 5.2 Maternity Leave Benefit Scheme

The MLB Scheme was established by Ministerial Order N° 007/16/10/TC of 28/10/2016 (Official Gazette n°44 of 31/10/2016) to compensate all female employees absent from employment because of pregnancy, giving birth, and subsequently caring for the new-born child. The establishment of this new social security scheme is one of the achievements of SP20 and ensures that women now receive 12 weeks of fully paid leave (6 paid by the employer, and 6 by RSSB). This builds on earlier legislation and reflects the Government's ongoing commitment to gender equality.

MLB is a compulsory scheme, operating alongside the Pension Scheme and Occupational Hazards Scheme. It requires contributions of 0.6% of gross salary (minus transport expenses), to be paid (0.3% each) by employers and employees (both men and women). As of May 2020, 691,756 employees were contributing to the scheme. Since its initiation, we have reimbursed employers for payments made to 9,975 women and we have exceeded our target for contributions collected in every year. We believe that the scheme is financially strong in advance of its first actuarial valuation, to be conducted in 2021. We currently have cash reserves of FRW 8.1 billion.

We are beginning to have good data about the functioning and impact of the scheme and to have a better understanding of how it works and could be improved. During the SP25 period there will be a significant growth in available data, and we will use this analytically to better inform our decision-making. In accordance with the wider RSSB commitment to becoming a data-driven institution, we will look to generate high-quality research on all the key issues related to the MLB Scheme.

To build on our initial successes, we have identified the following as priorities for SP25:

- Addressing funding and sustainability issues

We will ensure that we are in a financial position to provide maternity leave benefits that are as generous as affordable, to as many women as possible. We intend to make the first actuarial valuation of the scheme following the end of the 2020-21 FY/by December 31<sup>st</sup> 2021. We will take the opportunity this provides to assess the feasibility of changes to the MLB benefit package, including a possible lengthening and/or broadening of the scheme. We will also look at whether it would be possible to introduce a system of more graduated contributions, to help low income workers. We will work to strengthen employer compliance to ensure that all contributions are paid promptly and in full.

- Reviewing scheme scope and benefits

During SP25, we will review the adequacy of the MLB Scheme with several issues in mind:

- Expansion of benefits

In the light of the scheme's funding position, we will examine whether there is scope to lengthen the period of maternity leave benefits by at least 2 weeks to 14 weeks as per the ILO convention in Maternity Protection. The funding arrangements for this proposal will be developed in consultation with our employer members as we strive towards the common goal of safeguarding new mothers and their children.

We will also examine the possibility of broadening the group of eligible beneficiaries beyond the current 6.7% of the workforce. There are several options, some more challenging and ambitious than others. These include

- opening the scheme to some form of voluntary membership among informal workers
- extending coverage to wives of male formal sector employees who contribute to the scheme
- creating an ambitious framework that provides for a flat rate universal benefit, paid in the event of childbirth, in which MLB can be a top-up for formal sector employees.

The extension of the scheme as per the second and third of the points would also help to overcome the possibility that a woman and/or her husband could contribute to the scheme for a number of years but not benefit if the woman is no longer in formal employment during her pregnancy.

- Labour market discrimination

A high-level objective of the MLB Scheme is to protect expectant and nursing mothers from losing their job during late pregnancy or the period after giving birth. The labour law dictates that an employer cannot give a female employee who has given birth a notice of dismissal which is included in her maternity leave. We are also concerned to establish whether women experience wage discrimination in practice as a result of becoming pregnant or taking maternity leave. As part of our commitment to the women who benefit from the scheme, during the SP25 period, we will place greater emphasis on analysing the actual labour market conditions faced by expectant women and new mothers. We will conduct detailed surveys with women who have experienced pregnancy within the MLB Scheme and with employers to understand whether there is discrimination.

- Postpartum complications

It is our responsibility to ensure that women who suffer complications after birth and postpartum depression receive sufficient additional support so that they are not faced with choosing between job security and their health, and/or the health of their baby. Drawing on international best practice and in conjunction with medical advisors, we will review whether, in the case of complications, the scheme is sufficiently flexible in safeguarding the physical and mental health of expectant and nursing mothers, and their new babies, and propose appropriate revisions if necessary.

- Abuse of the system

We are aware that the design of the scheme could potentially give rise to abuse. In particular, we are concerned that the requirement for members to have contributed to the scheme for only one month prior to claiming benefits, together with the basing of the level of benefits paid on the beneficiary's last month of salary, may incentivise collusion between employers and employees.

- Giving due importance to member-centricity and out-of-pocket payments

We recognise the importance of embodying the RSSB ethos of member-centricity in all our contacts with members and employers and in all our planning. During SP25 we will actively seek to maximise member satisfaction. We see a particular opportunity and need to do this with respect to the out of pocket payments made by employers. The existing process for maternity benefit payment is for employers to pay their employee for the 12 weeks of maternity leave and then claim reimbursement from RSSB for the last 6 weeks of maternity leave. It typically takes between 30 and 60 days to reimburse employers. The length of this process affects the satisfaction of our members and employer attitudes to the scheme, an issue we intend to address during SP25. The IT Modernisation system should enable us to increase the speed at which we are able to reimburse employers. Faster reimbursement and higher levels of satisfaction will increase the likelihood that women receive the benefit to which they are entitled and mitigate the risk of employer non-compliance. We will work with members and employers to identify other areas in which we can improve the scheme.

- Ensuring employer and employee awareness

To fulfil our mandate to provide maternity benefits to our members, we must ensure that all women eligible for maternity leave are aware of the existence of the scheme, their own

eligibility for the scheme, and understand how to access benefits. To establish the awareness and understanding of the scheme amongst eligible women, as well employers, we will undertake a survey to assess baseline levels of knowledge and understanding of the MLB Scheme as a result of the campaigns undertaken. This includes but is not limited to 350 sensitization campaigns by the PR Unit and workshops with new RSSB staff, as well as labour inspectors, public commission service staff, the Association of Rwanda Nurses and Midwives, an additional 180 employers, and regular campaigns by branch staff in their jurisdiction. To address issues of low awareness and understanding that may be identified from the survey, we will work in conjunction with the PR Unit on strategies to strengthen the effectiveness of communication. Requiring employees and employers to declare the return to work date via the new IT system will also be a useful tool for establishing women's understanding of the period of maternity leave to which they are entitled. Patterns of women returning to work in less than 12 weeks could point to low levels of knowledge and may also speak to discrimination issues.

Our Top 5 priority areas for SP25 are set out in the accompanying table, with the objectives, delivery mechanisms and related targets.

Table 5: Maternity Leave Benefit Top 5 Priorities

Priorities	Objectives	Delivery mechanisms	Targets
1 Review funding position of the scheme	<ul style="list-style-type: none"> <li>Ensure financial sustainability of the scheme and assess “headroom” for innovation</li> <li>Strengthen progressivity of contributions</li> <li>Assess feasibility of the broadening/deepening/lengthening of maternity benefits</li> </ul>	<ul style="list-style-type: none"> <li>Make actuarial valuation</li> <li>Undertake review of rate of contributions</li> <li>Conduct survey of employer attitudes to the scheme, based on different funding scenarios</li> </ul>	<ul style="list-style-type: none"> <li>Completion of actuarial valuation by 31 December 2021 (to allow for additional year of financials, and procurement process for external support)</li> </ul>
2 Assess the overall adequacy of the scheme	<ul style="list-style-type: none"> <li>Ensure that GoR remains focused on providing maternity benefits in line with international best practice</li> <li>Extend maternity leave benefit, if possible, to provide benefit for 14-18 weeks and to women who are unable to work as a result of pregnancy/childbirth, as per ILO convention on maternity protection</li> <li>Establish whether legislative framework is robust in protecting women from employer discrimination</li> <li>Ensure women who suffer complications after birth and postpartum depression receive sufficient additional support</li> </ul>	<ul style="list-style-type: none"> <li>Analyse international best practice on providing maternity benefit to women in informal sector/who are self-employed/migrant workers</li> <li>Provide medically supported and sufficiently costed evidence base for increasing length and breadth of maternity leave benefits</li> <li>Analyse labour market conditions faced by beneficiaries i.e. whether job losses occur as a result of women taking full period maternity leave</li> <li>Regular monitoring and reporting on number of MLB extensions</li> </ul>	<ul style="list-style-type: none"> <li>By end of SP25 period:                             <ul style="list-style-type: none"> <li>Additional number of eligible beneficiaries</li> <li>Higher proportion of eligible beneficiaries actually getting full benefits</li> <li>Increased duration of benefit by at least 2 weeks</li> <li>Reduced reported job/welfare losses owing to postpartum complications</li> </ul> </li> </ul>
3 Invoke and utilise research in relation to Maternity Leave Benefit issues	<ul style="list-style-type: none"> <li>Establish whether there has been an attitudinal shift in willingness of employers to hire women of childbearing age</li> <li>Minimise scope for abuse of the system</li> </ul>	<ul style="list-style-type: none"> <li>Research trends in labour market since the introduction of MLB</li> <li>Embed data on employment history into MLB claim process as part of IT Modernisation project to be able to monitor abuse of the system</li> </ul>	<ul style="list-style-type: none"> <li>Proportion of beneficiaries who have worked for their employer for less than a year prior to claiming benefit(?)</li> </ul>
4 Ensure awareness amongst eligible women	<ul style="list-style-type: none"> <li>Ensure all women eligible for MLB are fully aware of the scheme, their entitlement to benefits, the responsibilities of their employer, and understand how to access benefits</li> </ul>	<ul style="list-style-type: none"> <li>Research and monitor patterns of women returning to work prior to the end of the period of maternity leave to which they are legally entitled</li> <li>Survey to assess employer and beneficiary awareness and knowledge of the scheme</li> <li>PR strategies to strengthen effectiveness of communication (which potentially differs between employers, the current stock of female employees of childbearing age, new formal employees, and informal workers if added to the scheme)</li> </ul>	<ul style="list-style-type: none"> <li>Use baseline survey to establish and monitor progress on:                             <ul style="list-style-type: none"> <li>Awareness level of eligible members</li> <li>Knowledge level of eligible members</li> <li>Level of employer understanding</li> </ul> </li> </ul>

Priorities	Objectives	Delivery mechanisms	Targets
5 Investigate levels of employer satisfaction in relation to OOP payments	<ul style="list-style-type: none"> <li>To maximise 'customer' satisfaction</li> <li>To embody RSSB ethos of customer-centricity</li> <li>To mitigate risk of employer non-compliance owing to dissatisfaction with RSSB internal processes, thus mitigating the risk of eligible women not receiving MLB</li> </ul>	<ul style="list-style-type: none"> <li>Integration of a channel to enable employers to inform RSSB about employee eligibility in the first six weeks of a woman receiving maternity pay, using platforms provided by IT Modernisation</li> <li>Incorporate question about OOP payment into upcoming satisfaction survey</li> </ul>	<ul style="list-style-type: none"> <li>Use baseline survey to establish and monitor progress on:                             <ul style="list-style-type: none"> <li>Average days taken to process reimbursement of MLB payment</li> <li>Employer satisfaction with MLB reimbursement time/process</li> </ul> </li> </ul>



## 5.3 Medical Scheme

The Medical Scheme has been in place since 2001. Membership is automatic for all public employees; the private sector can join the scheme if there is a payroll of 7 or more employees. Pensioner affiliates can join if receiving RSSB pension and previously contributed to the scheme. Contributions are a total of 15% of employee's basic salary (i.e. salary not including travel and housing allowance) and are shared equally between employee and employer (7.5% each). Coverage of the scheme extends to spouses and children of affiliates. Overall coverage reflects those in formal waged employment in Rwanda (and approximately 6% of all households (DHS 2017).

We have identified the following priorities for SP25:

- Strengthening the evidence base for the strategy

An evidence-based strategy to improve the design, performance, and delivery of the Medical Scheme will drive reform. This will include improving cost controls and incentive structures for healthcare provider payment and strengthening risk profiling to protect against overpayment and fraud. This research will feed directly into a more comprehensive risk register and the development of a fraud register. It will also support improvements in CBHI. Research will be undertaken on private healthcare insurance to improve understanding of competitiveness issues for the Medical Scheme. Management information and membership data on affiliates and dependants will inform changing recruitment approaches and the possible development of varied benefit packages to help support increases in membership.

- Updating the actuarial valuation

A new actuarial valuation of the scheme will take place and will be designed to cover emerging issues such as the increase to 10% of the mandatory levy to fund CBHI; changes to coverage and composition of affiliates (and dependants); employer selection criteria and workforce characteristics. Options for changes in the benefits package will flow from these.

- Responding to recommendations in earlier actuarial reports

Earlier Actuarial Reports remain pertinent and recommendations still valid, subject to updated assessment. Potential changes in the benefits package will be reviewed and consideration of cost control measures assessed. Voluntary membership and adverse selection issues will be clarified, and consideration given to issues of minimum payments, beneficiary declaration, co-insurance options and a minimum salary level for contributors. Incentives to join the scheme for high-salaried workers and other issues of competitiveness will be assessed. Splitting

scheme funds into pensioner and employed sub-funds also remains to be considered.

- Addressing the membership challenges

Our top priority for membership is to review, reconsider and potentially reform the membership rules for retirees and their dependants and to ensure that the scheme is not adversely affected by adverse selection. Pensioner affiliates are a small but rapidly growing population– doubling in size since 2012/13 from 1,800 to 3,900 and from 1.5% to 2.6%. Pensioners have their personal contributions supplemented from scheme funds and are more likely to selectively enter membership when they have ill-health. We have asked that these trends be explored in the actuarial evaluation and new recommendations made. The cost of providing medical services to our retired members needs to be better understood – something that should be achieved more easily once IT Modernisation has been completed.

Future growth in employed affiliates will reflect expanding private sector employment and reflect the characteristics of this growing workforce. Recent growth in membership suggests a growing ratio of dependants – mostly children - to affiliates. Active contributors have grown over the 2012/13 to 2018/19 period by 26.5% but dependants have grown almost twice as much, 50.6%.

- Completing the shift to digital

IT Modernisation will lead to more efficient payment and claim processing (with reduced operational costs), improved capacity to identify fraud and non-compliance and the ability to use data to model changes to the scheme’s operation (such as cost containment) and scheme design. These will be key wins in the SP25 period, and we will work to maximise the benefit from the changes.

- Trialling and implementing new approaches to provider payment

Paying private health providers for services is the most pressing of all current operational problems: it has high administration costs and is the source of concerns about overbilling – both fraudulent and other. New systems will be set up to prevent and combat overbilling and to prosecute fraud cases. A risk analysis will be undertaken as soon as is practicable to identify the main risks of general and fraudulent overbilling, based on both incidence and value. We will draw on best international practice in making changes to our approach. We will look to trial and then adopt solutions that reduce transaction costs, distinguishing, wherever possible, between “trustworthy” providers and others. We will not hesitate to make information public

that supports our approach to providers with both good and bad records.

- Implementing improvements in cost controls

Cost control initiatives already suggested in the 2016 Actuarial Report will be incorporated into a wider set of initiatives for the SP25 period. Packages of cost control policy modifications will be designed, based on cost-benefit analysis. We will create a high-quality evidence base to inform the design of these measures. The focus will be on operational practices, legislation and policy as well as changing the organisational incentives of health providers. We envisage this including:

- Employing existing MOH Protocols and Guidelines to introduce ranking and prioritisation of healthcare facilities
- Adopting ‘gatekeeper’ diagnostic referral to specialist services
- Prioritising and ranking healthcare service partners according to their geographical coverage and scheme needs and amending Contract Committee agreements to match.
- Reviewing tariffs for services and drugs.

- Strengthening relationships with service providers

We need to ensure that we have positive and productive relationships with healthcare providers. The reputation of RSSB and private healthcare providers is a key concern that affects both parties. We recognise the need for clear and regular communication to keep providers aware of our plans, policy changes and progress on IT Modernisation. A communication strategy and consultation forum will be formed and a clear strategy to improve relationships with providers developed.

- Delivering top quality service in the context of member-centricity

The scheme will play a major part in delivering on RSSB-wide objectives of member-centricity, research-based and data-driven policies and operations. The new emphasis on member-centric service delivery in the Medical Scheme will be designed to ensure member feedback measurement approaches for the scheme, and for their healthcare experience with providers as well as improved customer interfaces. Member focus will be a key element of all our decision-making.

- Developing our relationship with the private sector

We will improve the representation of our interests in relation to private healthcare insurers. Both competition and co-operation are clear areas for detailed consideration and communication. We are aware of the areas of our mutual dependence. We will “work smarter”

to benefit from the examples of leverage and efficiency that the private sector provides and will seek to learn how to strengthen our relationships with all parts of the private sector.

Our Top 5 priority areas for SP25 are set out in the accompanying table, with the objectives, delivery mechanisms and related targets.

Table 6: Medical Scheme Top 5 Priorities

Priorities	Objectives	Delivery mechanisms	Targets
1 Develop a healthcare insurance product that meets the needs for healthcare from the formal sector workforce and that can compete effectively against private insurance.	<ul style="list-style-type: none"> <li>Review the benefit package to improve quality, coverage, and financial performance of the scheme</li> <li>Better understand the healthcare needs of formally employed populations</li> <li>Improve understanding of the Rwandan healthcare insurance market to identify key areas of competitive difference and advantage</li> <li>Undertake review of healthcare provision with poor returns and on underdeveloped areas of healthcare that could improve preventative healthcare</li> <li>Develop reform proposal for the medical benefits package to reflect evidence on needs and market provision</li> <li>Assess current problems in benefit packages and membership that threaten actuarial robustness, in particular benefits for pensioner members</li> </ul>	<ul style="list-style-type: none"> <li>Undertake a review of existing benefit package to assess how existing coverage can be improved, review pensioner entitlement and explore new products for non-employed populations such as students and professional self-employed</li> <li>Carry out market research to identify needs for healthcare and preference for medical services in employees in the formal sector and their employers</li> <li>Undertake review and assessment of private healthcare insurance provision for the target population and understand how selection of risk divides across private and Medical Scheme provision</li> <li>Develop options for reform using actuarial and other evidence to assess how options for revised benefit packages would affect scheme provision and finances</li> <li>Develop a focused reform for pensioner members.</li> <li>Consult scheme members, interested public and policy makers on options for reform</li> <li>Review legal framework to reflect desired changes in benefits and coverage</li> <li>Finalise a set of reforms to present to the Board (and to legislators as appropriate), based on proposed changes and scheme’s actuarial position</li> <li>Develop communication products for the reforms to ensure member and public awareness and to promote take-up of the scheme</li> </ul>	<ol style="list-style-type: none"> <li>Review of Medical Scheme law. Year 1</li> <li>Formulation of a policy on benefit package for all groups (public sector, private sector, retiree, and any other group). Year 1-2</li> <li>Formulation of a procedure manual on benefit package: process, instruments, and monitoring tools. Year 1-2</li> <li>Revised package for acts and procedures: content, instructions, and modalities of access. Regular update. Year 1-5</li> <li>Revised package for medicines and consumables; content, instructions, and modalities of access. Regular update. Year 1-5</li> <li>Research &amp; Modernisation Unit to schedule research programme in consultation with scheme management.</li> <li>PRD to schedule review of actuarial and scheme returns</li> </ol>
2 Put in place optimal cost control measures for expenditure on healthcare services.	<ul style="list-style-type: none"> <li>Improve cost control measures across the range of provider purchasing activity</li> <li>Improve pricing policy for purchasing healthcare services through tariffs and generic drug policies</li> </ul>	<ul style="list-style-type: none"> <li>Research best practice in cost control mechanisms                             <ul style="list-style-type: none"> <li>Develop and model options for cost control measures and assess their potential using cost-benefit analysis and other approaches</li> <li>Using MOH protocols &amp; guidelines and introduce ranking of facilities</li> </ul> </li> </ul>	<ol style="list-style-type: none"> <li>Assessment and formulation of cost containment strategy. Year 1</li> <li>Dissemination and use of standards of practice: clinical protocols, guidelines etc. Year 1</li> </ol>

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|  | <ul style="list-style-type: none"> <li>○ Adoption of 'gatekeeper' diagnostic referral to specialist services)</li> <li>○ Ranking service partners according to geographical coverage and scheme need and changing contract committee agreements to match             <ul style="list-style-type: none"> <li>○ Review tariffs for services and drugs.</li> <li>○ Influence national drug pricing and procurement strategy to ensure adequate supply of generic drugs and efficient pricing</li> </ul> </li> <li>● Assess effects on scheme expenditure and actuarial position. put in place medium-term planning across 2020-25 for             <ul style="list-style-type: none"> <li>○ Improved risk assessment for overclaiming and fraud</li> <li>○ Improved overclaiming repayment and fraud prosecution effectiveness</li> </ul> </li> <li>● Communicate with members and providers of services to understand potential user and customer attitudes and preferences to cost control options.</li> <li>● Develop implementation plan for introducing cost control package</li> <li>● Work with PR and other partners to ensure effective implementation</li> </ul> | <ul style="list-style-type: none"> <li>○ Adoption of 'gatekeeper' diagnostic referral to specialist services)</li> <li>○ Ranking service partners according to geographical coverage and scheme need and changing contract committee agreements to match             <ul style="list-style-type: none"> <li>○ Review tariffs for services and drugs.</li> <li>○ Influence national drug pricing and procurement strategy to ensure adequate supply of generic drugs and efficient pricing</li> </ul> </li> <li>● Assess effects on scheme expenditure and actuarial position. put in place medium-term planning across 2020-25 for             <ul style="list-style-type: none"> <li>○ Improved risk assessment for overclaiming and fraud</li> <li>○ Improved overclaiming repayment and fraud prosecution effectiveness</li> </ul> </li> <li>● Communicate with members and providers of services to understand potential user and customer attitudes and preferences to cost control options.</li> <li>● Develop implementation plan for introducing cost control package</li> <li>● Work with PR and other partners to ensure effective implementation</li> </ul> | <ol style="list-style-type: none"> <li>3. Ranking of services providers and review of modalities of access (referral, gatekeeper etc.)</li> <li>4. Mapping of services providers and review of contract management. Year 2</li> <li>5. Designing of a counter-fraud strategy: regulation, tools, and monitoring. Year 1</li> <li>6. Monitoring of expenditures: reporting, assessment, and actions. Year 1-5</li> <li>7. Research on cost controls mechanisms. Year 2-5</li> <li>8. Advocate for a regulation on tariff /price settings: process, tools, instruments, resources, and monitoring, Year 1-2</li> <li>9. Revising the tariff for acts. Year 1-2.</li> <li>10. Revise tariff for medicines. Twice a year</li> </ol> |
| <p>3 Become a member-centric and responsive health insurance scheme with high public trust</p> | <ul style="list-style-type: none"> <li>● Create a public image as the health insurer of choice for those in formal employment</li> <li>● Have member and customer interests as a major factor in determining delivery and policy options</li> <li>● Have customer and member feedback as a core measure of scheme's operational performance</li> </ul>   | <ul style="list-style-type: none"> <li>● Review PR and public communication products on the scheme and draw up a communications strategy</li> <li>● Put in place regular and specific consultation as needed for employers, members, and prospective members and for healthcare providers</li> <li>● Develop a collaboration framework with provider partners for compliance to cost controls measures and incentive structures</li> <li>● In line with RSSB-wide customer centricity approach, develop customer feedback measurement approaches for scheme, and, customer rankings for listing of providers</li> <li>● Train all staff in customer centricity aspects of the scheme and of needs of members with health and other needs</li> </ul>  | <ol style="list-style-type: none"> <li>1. Produce a communication strategy. Year 1</li> <li>2. Set up scheme forum and technical group/committee or advisory board. Year 2</li> <li>3. Initiate regular meeting/ consultations with services providers. Years 1-5</li> <li>4. Introduce training of RSSB staff, stakeholders, and providers. Year 1-5</li> </ol>  |

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|---|--|---|--|
| <p>4 Achieve increased membership of the scheme to deliver best service for members</p> | <ul style="list-style-type: none"> <li>• Co-ordinate membership objectives with review of benefit packages</li> <li>• Ensure that membership does not reflect ‘adverse selection’: in private sectors of employment and in pensioner membership</li> <li>• Ensure that active membership is high and inactive membership levels are low</li> <li>• Ensure scheme is attracting new members that will contribute to scheme financial success</li> </ul> | <ul style="list-style-type: none"> <li>• Link customer centricity to automation rules for claims and membership and ensure IT Modernisation reflect customer interfaces and feedback</li> </ul>   | <p>5. PR Unit and Planning &amp; Research Division (PRD) to produce measures for member feedback for monitoring scheme</p>   |
|   |  | <ul style="list-style-type: none"> <li>• Undertake analysis of past membership trends to assess dependent ratios, age-related and other factors for health risk</li> <li>• Develop profiles of membership priorities from administrative data and from Labour Force Survey and other external sources</li> <li>• Assess ‘payroll size of 7 persons’ as an assumption to continue – put in place reform options if not</li> <li>• Set profiles to produce selective targets for increasing membership in key sectors (retail, transport, finance, manufacturing etc. and by firm size</li> <li>• Set clear policies for admission into membership and communicate these to employers and other partners</li> <li>• Continue analysis of competitive membership profiles with private providers</li> <li>• Set clear definitions of ‘active’ and ‘inactive’ membership and report on a regular basis</li> </ul> | <ul style="list-style-type: none"> <li>• Year 2 2021 baseline</li> <li>• Year 2 set target for member monitoring for 2025</li> <li>• Years 3-5, Annual reporting on measures</li> </ul> <p>Set key numerical targets for 2025</p> <ul style="list-style-type: none"> <li>○ Baseline for 2020 <ul style="list-style-type: none"> <li>▪ Active</li> <li>▪ Inactive</li> </ul> </li> <li>○ 2025 <ul style="list-style-type: none"> <li>▪ Active</li> <li>▪ Inactive</li> </ul> </li> <li>○ Produce regular profiles of new members by sector and size of enterprise and by ‘new benefit package’ members</li> </ul> |
| <p>5 Become a high-quality source of data and research on healthcare insurance</p>      | <ul style="list-style-type: none"> <li>• Improve administrative data and its associated evidence base (as per IGC report)</li> <li>• Improve research capacity in quantitative analysis of external data – for example from NISR surveys that are relevant to membership and healthcare</li> <li>• Improve capacity to commission and undertake customer and member-based research on service delivery and appreciation</li> </ul>                     | <ul style="list-style-type: none"> <li>• Set framework for regular reporting and ‘dashboard’ for operational indicators</li> <li>• Develop scheme level analytical skills to report issue-based analysis and research using administrative data</li> <li>• Develop key annual indicators for annual reports</li> <li>• Develop clear analytical plan for high priority policy reform decisions for the scheme such as pensioner claims and others</li> <li>• With PRD, develop a scheme level annual research plan and allocate budget to deliver externally sourced research</li> <li>• Develop research-based communication products to provide public appreciation of scheme’s provision and performance</li> </ul>  | <ul style="list-style-type: none"> <li>• Establish a claims management system</li> <li>• Put in place advanced data analytics tools and develop skills</li> <li>• Develop culture of evidence-based decisions</li> </ul>   |

- Improve capacity to commission internal and external specialist research from medical, health economics and others
- Implement training of key staff on spreadsheet, data, analysis, and other basic research competencies needed to undertake scheme level reporting and basic research



## 5.4 Community-Based Health Insurance

Community-Based Health Insurance (CBHI) was established in 2007 after eight years of piloting. It is Rwanda's largest healthcare financing scheme and ensures healthcare coverage for the majority of the population who live and work in the informal sector. Contributions are paid by individuals and are set at an annual fixed level to allow all individuals to access healthcare and avoid catastrophic health expenditures. The Government pays the contributions due on Ubudehe Category 1 households. RSSB's role in CBHI largely consists of responsibilities for registering CBHI contributors, collecting contributions and paying health providers. We have had this role since July 2015. Our strategic plan reflects the Ministerial level plans for Health Provision and for Health Financing and the ambitious goals for healthcare coverage and services in NST1 and Vision 2050.

- Developing the data and evidence base for planning and execution

We will use the scheme's strategic role in Rwandan healthcare to advance an ambitious research agenda. CBHI will play a leading role in RSSB's move to become an evidence-based and data-driven organisation and establish RSSB as a leader in healthcare research both nationally and in the region. We will make use of the data for both policy and operational research and, wherever possible, integrate our research with that of the Medical Scheme, to make sure that we have the most comprehensive data available in Rwanda.

- Dealing with the funding issues

The period of 2015 to 2019 has seen a growing deficit in the CBHI Scheme. Revenues have increased by 23% from 26.8 to 33.2 billion FRW, but expenditure over the period started higher and grew faster, by 45%, from 39.7 to 57.7 billion FRW. The need to allocate more general tax-funded revenue to CBHI is recognised and various options are in place to assist funding over the SP25 period. Underlying reforms to the scheme are also being developed and considered and will report early in the planning period from the forthcoming '*Community-Based Health Insurance (CBHI) sustainability plan*' informed by technical support from the World Health Organisation (WHO).

There are many drivers of increased expense. Policy on members' contributions has changed to remove co-payments from Ubudehe Category 1 members, to remove waiting periods between annual contribution and treatment access and other areas, making the scheme more 'generous' particularly to those with lowest socio-economic status. Healthcare provision is expanding with more health posts and health centres being built to reach all communities and

ensure higher and more equitable access, and provisional hospitals have grown in number. These and other changes mean that utilisation rates have grown from 1.72 in 2015 to 2.17 in 2018, and average spending per member has grown from 4,323 FRW in 2016 to 5,090 FRW in 2018 per annum. Medical care costs are also rising, which means that, in total, expenditure is currently growing at a rate of over 10% per year. At the same time, member contribution rates have remained constant in nominal terms over the period – ensuring affordability but contributing to the funding gap. Overall, CBHI’s deficit has nearly doubled over the 2015-2019 period from 12.9 billion FRW to 24.5 billion FRW.

CBHI funding reflects the fact that it is covering a large majority of the population for expanding healthcare provision. RSSB registers members and collects their contributions, and then pays healthcare providers – health posts, health centres, hospitals, and specialist services. RSSB’s role as a ‘purchaser’ of healthcare is thus largely reflective of health provision and demand and its policy role in balancing ‘purchaser-provider’ interests is largely restricted to instrumental issues of operational and scheme efficiency rather than on the large financial policy issues underlying the scheme. Recent reports by the International Growth Centre and others have questioned this limited role and the SP25 period will see RSSB taking its place as a strategic policy maker alongside other partners, as we believe it should.

Increasing membership and coverage is an important aim for the SP25 period. Increasing coverage is a necessary action but not enough by itself to reduce the underlying funding deficit. We prioritise the need for research and evidence needed to profile current non-members and understand the reasons they do not join CBHI.

We are committed to contributing to deficit reduction by controlling costs – both in terms of cost control for healthcare provider payments and lower operational costs. The scheme will be able to reduce costs in the change from paper to electronic payments under the IT Modernisation project over the first two years of the planning period. Provider payment on a ‘fee for service’ approach has inherently high transaction costs across a large range of medical services from primary healthcare consultations with low unit costs (89% of all utilisation) to highly expensive intensive hospital-based treatments by specialists. Reform of ‘fee for service’ financial approaches will be part of the review of health financing feeding into the planning period 2020-25 and could significantly reduce transaction costs across primary and acute services.

- Strengthening the process of collecting contributions

Our scheme administration relies on up to date Ubudehe database produced by local governments that identifies both the Ubudehe status of all households and all their members. The development of an electronic database has helped to increase efficiency in data sharing but verification by RSSB and review by local database administrators still provides an underlying level of administrative complexity and information sharing needs. Collecting contributions is thus a reflection of large and complex databases with households providing information to multiple parties that inherently requires verification across the agencies involved. The transaction costs and other overall administrative costs are borne across agencies. We will identify and quantify those costs and assess reforms that can make administration of registration and collection more cost-effective. This evidence will be part of reviews into both Ubudehe categorisation and RSSB's operational costs for the scheme during the planning period.

- Completing the shift to digital

Recent years have seen the shift of key areas of CBHI operations to digital processes. However, provider purchasing through 'fee for payment' remains a paper-based system at the beginning of the SP25 period. IT Modernisation will digitise these processes in the first years of this period. Such digitised processing will provide the opportunity to review operational and validation procedures and achieve considerable efficiency gains.

Our major investment for SP25 is to digitise the provider payment system. The move to digital systems will also allow treatment costs and diagnostics to be identified at the member level rather than at the provider level as currently. Management information systems across RSSB and MOH HMIS databases should also be reviewed for data sharing, linking and analysis. The research gains from such linked and shared databases should be considerable alongside any operational efficiency gains. The move to digitisation will allow greater levels of strategic research and planning using data.

- Developing stronger cost controls

The commitment to expand healthcare access and raise quality means that expenditure will continue to increase due to underlying changes in supply, from staffing increases and new and improved healthcare facilities, and in demand shown by increasing utilisation rates. We recognize that one clear policy role for RSSB as the 'purchaser' of healthcare services is to

ensure that cost containment occurs alongside expansion. We will review and assess the operational practice and effectiveness of existing cost control measures during the SP25 period.

Demographic and Epidemiological drivers of cost are largely outside of our control and reflect the underlying age- and behaviour- related drivers of ill-health and injury. Controlling behaviour-related illness, in particularly the rising level of non-communicable diseases (NCDs), such as diabetes, stroke and cardiac illness could be a medium to long-term element of CBHI (and RAMA) if they offered incentives for check-ups and for risk-reducing behaviour. There are several areas of preventative health policy where RSSB should be actively encouraging members alongside MOH and other partners in joint work to reduce healthcare costs associated with preventable NCDs.

- Ensuring efficiency in service delivery

We are committed to realising efficiency gains from IT Modernisation as part of larger RSSB reorganisation and restructuring and to reflect any changes to health financing and Ubudehe targeting and CBHI government financing streams. We will ensure that shared operation functions with Medical Scheme - for example on provider payment and other health-related areas – are recognized as areas for greater efficiency and we will put in place streamlined and revised structures.

- Securing best value for money

We recognize that efficiency concerns and value for money must be taken together and considered in terms of operational issues for the scheme and across RSSB and with our partners. We will explore best value from mobilisation work for CBHI. We will explore improved and more efficient enforcement of membership and collection of contributions. Detailed research and testing of approaches will be undertaken to establish what works best for specific groups who have poor CBHI coverage, and on how far enforcement practices compare with approaches based on positive public relations and publicity. We will assess whether outsourcing of costly operational procedures could achieve better value for money.

We interpret ‘value for money’ as a member level issue and emphasise the role of member-centric approaches to understanding the experience of CBHI. The perceived and experienced costs in time and money to access healthcare will be examined to understand and inform ‘value for money’ estimates. These will specifically include the call centre and other member-facing operations of CBHI.

- Establishing improved relationships with healthcare providers

We will continue to work together with the Medical Scheme to establish improved relationships with private healthcare providers.

We recognise the reputational issues that arise from delayed payments to healthcare providers. We will develop a medium to long-term strategy for improving relationships with service providers that will also look beyond operational issues to ensure that any proposal for healthcare finance reform is considered on its contribution to improving relationships with providers and with CBHI members.

Our Top 5 priority areas for SP25 are set out in the accompanying table, with the objectives, delivery mechanisms and related targets.

Table 7: CBHI Scheme Top 5 priorities

Priorities	Objectives	Delivery mechanisms	Targets
1 Clarify and agree medium-term revenue planning for CBHI to provide more certainty at structural level, ensure sustainability, reduce deficit to zero and move to plannable revenue forecasting	<ul style="list-style-type: none"> <li>○ Reach agreement on role of membership contribution rates and their role over 5-year plan period</li> <li>○ Reach agreement on structural funding from taxes and levies via MINECOFIN over 5-year planning period</li> </ul> <p>Agree with partners how to amend medium-term plans to allow for step changes in funding assumptions that will arise during the 5-year planning period</p>	<ul style="list-style-type: none"> <li>● Improve reliability of data, estimates and modelling capability to project revenue from the multiple sources of funding for RSSB</li> <li>● clarify the nominally set and inflation-related elements of current funding package; construct a range of estimates for revenue around possible outcomes from known events that may fundamentally change current assumptions</li> <li>● Propose and agree revenue plan with MINECOFIN, MOH, and other partners</li> <li>● ensure revenue forecasts are adaptable to foreseen changes in Health Finance and Ubudehe policy change over the SP25 period</li> </ul>	<ol style="list-style-type: none"> <li>1. Finalise revenue planning and forecasting tools. Year 1</li> <li>2. Model contribution income proposals &amp; membership and operation for 5-year Plan. Year 1</li> <li>3. Produce annual revenue planning estimates. Years 1-5</li> <li>4. Produce revenue plan with adjustments to structural changes in health finance and Ubudehe policy identified. Year 2</li> <li>5. Engage in revenue planning with MOH &amp; MINECOFIN. Years 1-5</li> </ol>
2 Achieve an optimal level of enrolment to ensure maximum pooling of risk and efficiency of membership operations	<ul style="list-style-type: none"> <li>● Clarify enrolment indicators for reporting and monitoring</li> <li>● Effectively increase enrolment through a mix of general and targeted programmes</li> </ul>	<ul style="list-style-type: none"> <li>● Decide on suite of indicators that allow accurate definitions of enrolment for public reporting and for operational targeting of enrolment programmes</li> <li>● Agree indicators for public reporting of enrolment with NISR and plan for census revisions to population estimates in mid plan period</li> <li>● Design an enrolment/take-up programme to raise current enrolment rates to promote better health and social inclusion outcomes that includes general and targeted approaches and improve enforcement efficiencies</li> <li>● Identify the financial impact of differential enrolment for risk pooling in the scheme and undertake analysis of the cost-effectiveness of</li> </ul>	<ul style="list-style-type: none"> <li>● Baseline for 2020 <ul style="list-style-type: none"> <li>○ 80% of target population</li> </ul> </li> <li>● Set 2025 targets for enrolment</li> <li>● 85% initial target <ul style="list-style-type: none"> <li>○ Review MTR after research and analysis</li> </ul> </li> <li>● Monitor annual progress toward target with analysis of overperformance and underperformance. Years 1-5</li> </ul>

Priorities	Objectives	Delivery mechanisms	Targets
3	<p>Make the operational expenses of running CBHI efficient to ensure the best financial and most effective outcomes for the scheme</p>	<p>enrolment of new members with low risk of ill-health</p> <ul style="list-style-type: none"> <li>Model underlying trend-based membership outcomes over SP25 period and effects of key elements of the enrolment/take-up programme</li> <li>Estimate the impact of likely dampening effect of removal of the month waiting period for eligibility and generate data to validate those assumptions for remainder of plan period.</li> <li>Validate enrolment rates against external survey data from Demographic &amp; Health Surveys (2019/20 and subsequent) and ECIV surveys during Plan period</li> </ul>	<ul style="list-style-type: none"> <li>Set Baseline for 2020                             <ul style="list-style-type: none"> <li>21% of total revenue</li> </ul> </li> <li>Set pre-IT Modernisation target                             <ul style="list-style-type: none"> <li>21%</li> </ul> </li> <li>Post-IT Modernisation target                             <ul style="list-style-type: none"> <li>Review and set in place evidence-based target</li> </ul> </li> <li>2025 end point target                             <ul style="list-style-type: none"> <li>15% (subject to MTR post-IT Modernisation review)</li> </ul> </li> </ul>
4	<p>Improve relationships with, and quality of service to, health providers</p>	<ul style="list-style-type: none"> <li>Internal messaging and training that recognises the benefit of keeping scheme administration costs to a minimum</li> <li>Produce analysis and focused targets against which to measure performance.</li> <li>Prepare baseline assessment of current drivers of operational costs</li> <li>Set revised assumptions on operational costs after IT Modernisation that addresses those key drivers</li> <li>Set operational cost reduction targets based on IT and non-IT factors</li> </ul>	<ul style="list-style-type: none"> <li>Regular (semester-annual) meetings with partners. Years 1-5</li> <li>Introduce online application for RSSB partnership and review. As per IT Modernisation (Year 2-3)</li> <li>Allow access to RSSB membership management systems. Year 1</li> <li>Review partnership contracts and produce a new consultation and partnership engagement. Year 1</li> </ul>

Priorities	Objectives	Delivery mechanisms	Targets
5 Influence and optimally operationalise revisions to externally produced health financing models	<ul style="list-style-type: none"> <li>• Ensure CBHI’s purchaser role is communicated effectively to providers and members</li> <li>• Ensure high level and influential RSSB participation at all stages of discussion and planning of changes to health finance</li> <li>• Ensure RSSB level operational and financial plans are in place to adapt to changes</li> <li>• Communicate changes effectively to public and membership</li> <li>• Train staff and implement customer-centric adaptation of changes</li> </ul>	<ul style="list-style-type: none"> <li>• Incorporate CBHI providers in RSSB-wide risk register and fraud prevention and recovery approaches (with Medical Scheme)</li> <li>• Communicate with providers to produce a joint plan</li> <li>• Implement plan and monitor key satisfaction and other metrics</li> <li>• Anticipate, plan for and influence, as far as possible, changes in health financing policy after the WHO report and in the ‘CBHI Sustainability Group’ reports</li> <li>• Build a forward-looking assessment of the impact of potential changes and prepare for implementation of findings: <ul style="list-style-type: none"> <li>○ Changes to provider purchasing approach</li> <li>○ Changes to revenue</li> </ul> </li> <li>• Formulate a communication plan for changes</li> <li>• Formulate training plan for implementation of changes</li> </ul>	<ul style="list-style-type: none"> <li>• Improve payment timelines to reflect improved cash flow from funding arrangements. Year 1</li> <li>• Further improve payment timelines after IT Modernisation. Review MTR. Year 3.</li> <li>• Review, contribute to, and influence WHO Sustainability Plan. Year 1</li> <li>• Contribute to and influence the revisions of the Health Financing Strategic Plan. Year 3-4</li> <li>• Influence strategic purchasing (Provider Payment Mechanism/ PPM) reforms to meet World Bank Development Policy Operations (DPO) proposals. Year 2</li> <li>• Communications plan. Year 2</li> <li>• Annual training plan. Years 1-5</li> </ul>



## 5.5 EjoHeza

EjoHeza was set up under Law N° 29/2017 of 29/06/2017 as a simple and secure, long-term savings scheme sponsored by the GoR to help all Rwandans and foreigners living in Rwanda have a pension saving scheme and retire with dignity. It was intended to encourage the culture of saving, to promote financial inclusion, achieve poverty alleviation and stimulate economic growth.

EjoHeza is an entirely voluntary scheme. It operates in a marketplace in which private sector companies offer savings products both similar to and different from EjoHeza's. It sits alongside the informal, community- and family-based savings and transfer systems that have traditionally played a significant role in meeting the financial needs of individuals in Rwanda. It currently offers a single, undifferentiated savings product.

It operates on a digital platform that aims to provide straightforward application processes for new joiners and ease of access for individual members to information about their savings. The use of electronic and automated systems allows transactions to be processed quickly and helps to minimise operational costs.

To achieve our SP25 ambitions, we will prioritise the following:

- To increase the active membership of the scheme

EH is a very young scheme, with a membership that has grown rapidly since the scheme was set up. Sustaining and increasing that membership growth is fundamental to our future success. It is our Number 1 priority. The digital platform from which we operate is an important asset, providing the evidence base necessary for a proper understanding of the current membership and of the actions that need to be taken to target and draw in new members. We have set ourselves ambitious targets to raise membership from the current 490,000 to more than 2.25 million by 2025. We have also set significant targets for gender balance, for youth membership and for regional impact. EH was designed primarily for individuals who work in the informal sector and whose incomes may not be either as high or as regular as those who work in the formal sector. Our plan is to encourage such individuals to put even small amounts of money aside on a regular basis, as long-term savings with either a precautionary or a retirement benefit characteristic. We have identified improving financial literacy as a key enabler in developing a long-term savings culture among the Rwandan people and our campaigns will be designed with that in mind. We are planning traditional and social media campaigns, in addition to the outreach events, to strengthen

financial literacy and maximise impact, using external support if we need it. We will also use survey and administrative data to encourage workplace sign-up to the scheme, recognising that many in this potential category of savers will be “informal” sector workers with workplace environments that potentially differ from those of formal sector employees. We will develop a strategy for co-operatives and work with local authorities to increase membership.

- To invest the funds entrusted to RSSB in secure but remunerative assets

As EH is still a very new scheme, our risk appetite for investments, expressed by the Board of RSSB, has, to date, been low and our investment policy will continue to focus on protecting capital and generating consistent, secure returns from the funds invested. Our Investment Policy currently requires all funds to be invested in fixed income securities issued by the Government of Rwanda or bank deposits. This requirement has been put in place for the first three years of the scheme and will be kept under review by our Board. For the foreseeable future, asset allocations will be determined without choice being offered to members. It will be an objective for the SP25 period that we minimise cash held in suspense accounts and reduce time before cash is allocated to investments. We will strengthen the transparency and flow of information to members about their investments to improve confidence in EH as a savings vehicle.

- To ensure that the scheme offers advantages for investors that are at least competitive with other market offerings

EH operates in a market environment that embraces both modern private sector savings offerings and traditional, family and community-based savings schemes and transfer arrangements. To attract savers, we must deliver a product that is at least equal to the best-in-class. Using external support, we will carry out a survey of the Rwandan market for all savings products, to benchmark key features of EH, particularly returns and flexibility. We will review the EH package of features on a comparative basis and consider whether we have flexibility within RSSB to make adjustments. We will survey the views of our members about the features of the scheme, including particularly investment allocation/returns, and flexibility for withdrawal/additional contributions. Where external approval is required for changes to the scheme, we will present proposals agreed by the Board of RSSB to the Government and the Regulator for consideration. We will negotiate with them and implement changes as appropriate.

- To maintain a digital-led system of easy access for new and existing scheme members

One of the strengths of EH is the digital platform from which it operates, providing ease of enrolment and ease of access to information for members. One of our key objectives for SP25 will be to ensure that the benefits of the digital platform are fully maintained and, where possible, strengthened during the process of operational integration into RSSB and the IT Modernisation project. We will aim to minimise any system downtime to achieve best-in-class performance targets (99.8% availability). We will carry out a regular review and benchmarking of the enrolment and access processes from both a system development perspective and a member perception standpoint, to ensure that these processes are best-in-class. (We are targeting 3 minutes for enrolment time). We will work with the RSSB IT Unit to ensure systems are fully maintained and schedule any necessary downtime to occur at times when it will cause minimal disruption for our members. We will conduct regular system reviews to identify gaps and areas where enhancements are needed, including the development of new modules.

- To improve the responsiveness of EH staff to savers, whether through call centres or more direct contacts

It is a major objective for RSSB as a whole to become a truly customer-centric organisation, with a members first approach deeply embedded in our organisational thinking, planning and decision-making. The responsiveness of our staff to members and potential members is, therefore, a critical area of focus for SP25. We will carry out regular market surveys of our staff performance and competitor performance, and benchmark performance against a set of metrics and design training to raise standards where necessary. Staff will receive 24 sessions of training per year. We will reward staff for recognised high performance, those who are most adept at locating and accessing member information quickly and at dealing effectively with member questions. Our objective for the SP25 period is to minimise call centre waiting time, targeting a response time of 2 seconds and call durations of 2 minutes. We will carry out regular, independent member satisfaction surveys and act, as necessary. We will implement real-time surveys of satisfaction, using digital techniques.

- To ensure proper control of the costs of administering the scheme, to maximise the return to savers

It is a major theme of SP25 that there should be a stronger focus, across RSSB, on the intelligent management of operational expenses, while delivering outstanding service and returns to

members. This is an issue with an external dimension for EH. The cost of establishing and running EH is currently fully funded by MINECOFIN and other funding agencies. The scheme is too young to be self-funding and continuity of funding will need to be assured over the SP25 period. We will design training courses for management and staff to include modules relating to the importance of achieving cost control while enhancing member satisfaction. EH has been designed to operate with a minimum of manual interfaces in an otherwise electronic system. This will contribute to cost control. We will maximise the use of electronic channels for communication with members, achieving market-leading transparency at minimal cost. We will reduce annual costs per active member to FRW 2,416 from the current FRW 3,638.

- To ensure the full integration of EH into RSSB

The full integration of EH into RSSB is an important and necessary step in the organisational development of RSSB and the roll-out of integrated membership benefits. It is a fundamental element in SP25. Integration of pre-existing operations can lead to dysfunctional behaviour and suboptimal outcomes. It is an objective for the SP25 period to achieve integration on time while minimising disruption of this nature. We will develop an integration plan to specify the coordinated actions required across each of the functional areas. We will deploy staff flexibly, using shared approaches to training and skills development, reducing duplicated functions. We target completion of all integration processes by the end of 2020.

- To maximise for savers the benefits of the relationship between RSSB and the Government

The successful development of EH during the SP25 period will be dependent on the continuing support of the GoR for long-term savings and retirement provision by all Rwandans. We will seek to maintain the government's focus on, and support for, long-term savings through high-quality papers produced internally by RSSB, through our staff and the staff of the PRD. We will provide a regular flow of policy-relevant material to stimulate interest, reinforce the value of RSSB as an interlocutor and secure its position as the leading institutional authority on social security issues in Rwanda.

- To ensure that the case for an extension of government incentives for long-term saving through EH has been thoroughly researched and presented; and that any continuing incentives are properly focused and targeted on those who will benefit most from them

The incentives available for long-term savings through EH were approved by Ministerial Order for

a limited period that ends in 2021. It will be an important SP25 objective to establish whether the incentives offered to date have been successful and cost-effective, and whether incentives are likely to be valuable in the future for the growth of our membership. As targets for membership are refined, an important objective will be to ensure that any incentives that are offered are properly matched to the target groups and that there is evidence to support their likely effectiveness.

- To maintain a strong and valuable link between EH and the other schemes under RSSB management for customer-centric and marketing purposes

Branding is a significant issue in the development of a positive image for RSSB and EH in the voluntary long-term savings market. The full integration of EH into RSSB provides an opportunity to review branding and consider how to use the RSSB and EH brands going forward. Our use of co-branding has been quite muted. This may limit appreciation by our members and potential members that this is an RSSB scheme and weaken opportunities for “cross-selling”. We will seek to establish member and non-member perceptions of the EH/RSSB relationship at the start of the SP25 period to understand the views that we seek to shape. We will use co-branding and dominant branding approaches in response to survey findings with the objective of improving take-up. We will keep the impacts of branding under review through frequent independent surveys of members and non-members. We will provide staff training awareness on branding/recognition initiative. We will use audio-visual and print mechanisms for pushing branding, in line with survey results.

Our Top 5 priority areas for SP25 are set out in the accompanying table, with the objectives, delivery mechanisms and related targets.

Table 8: EjoHeza Top 5 Priorities

Priorities	Objectives	Delivery mechanisms	Targets
1 Increase the active membership of the scheme	<ul style="list-style-type: none"> <li>Attract regular savers</li> <li>Attract those not covered by PS</li> <li>Attract other specific groups</li> </ul>	<ul style="list-style-type: none"> <li>Reinforce savings habit for existing savers through different media</li> <li>Work to enhance financial literacy/demystify long-term saving</li> <li>Identify priority groups for membership and develop:                             <ul style="list-style-type: none"> <li>Outreach programmes</li> <li>Traditional/social media/campaigns</li> <li>'Pass it on'/'Invite a friend'/other word-of-mouth initiatives and incentives</li> <li>Strengthen branch/agencies in villages</li> <li>Possible workplace initiatives</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Number of active members: 2,278,125</li> <li>% regular savers: 200,000 per quarter</li> </ul> <p>Selected targets for priority groups</p> <ul style="list-style-type: none"> <li>Gender: Male/female 40%/60%</li> <li>Age groups: &lt;35 65%</li> <li>Ubudehe category: 1&amp;2 65%</li> <li>Geographical region: Outside Kigali 80%</li> </ul>
2 Invest the funds entrusted to RSSB in secure but remunerative assets and ensure that the scheme is fully competitive for investors	<ul style="list-style-type: none"> <li>Match "best-in-class"</li> <li>Strengthen governance framework</li> <li>Establish risk appetite</li> <li>Determine asset allocation</li> <li>Minimise cash in suspense</li> <li>Minimise allocation delays</li> </ul>	<ul style="list-style-type: none"> <li>Benchmark EH product in national market, with external support</li> <li>Investigate international best practice with external support</li> <li>Survey member views/survey non-member views</li> <li>Work with MINECOFIN/GoR/BNR to shape any necessary changes in scheme features/incentives</li> <li>Establish/reconfirm formal governance structure in context of RSSB integration</li> <li>Review options for change in risk appetite</li> <li>Balance investment portfolio to maximise yield within new/confirmed risk appetite</li> <li>Prioritise posting of cash to member accounts</li> </ul>	<ul style="list-style-type: none"> <li>Benchmark against national/international comparators by 30 June 2021</li> <li>Complete survey of member/non-member views by 30 June 2021</li> <li>Review and present proposals for changes to GoR/Regulator by end of 2021</li> <li>Develop/publish analysis of historical annual returns for a given size of investment, including enhancements made available to savers by end of 2021</li> <li>Develop/publish analysis of prospective 5-year cumulative returns, using transparent assumptions, for a given size of investment, including enhancements currently available to savers, by end of 2021</li> <li>Develop metrics for benchmarking flexibility</li> </ul>

Priorities	Objectives	Delivery mechanisms	Targets	
		<ul style="list-style-type: none"> <li>Sharpen focus on deploying cash promptly</li> </ul>	<ul style="list-style-type: none"> <li>indicators using local market and international indicators by end of 2021</li> <li>Confirm governance framework by end of 2020</li> <li>Agree revised risk appetite, IP and asset allocations determined by end of EH year 3</li> <li>Average time                             <ul style="list-style-type: none"> <li>for posting of cash to member accounts: real-time, all groups</li> <li>from receipt of cash to investment: daily for fixed deposit, 2 weeks for bonds</li> </ul> </li> <li>Maximum allocation to cash/bank deposits/loans: 45% (maximum tactical weight)</li> </ul>	
3	Maintain a digital-led system of easy access for new and existing scheme members	<ul style="list-style-type: none"> <li>Maximise benefits of digitisation</li> <li>Maintain relationships with partners providing digital connectivity</li> <li>Maximise connectivity/minimise delays for members</li> </ul>	<ul style="list-style-type: none"> <li>Regular benchmarking of enrolment/access processes</li> <li>Regular system reviews</li> <li>Full integration with RSSB through IT Modernisation</li> <li>Prioritise maintenance of systems/minimisation of downtime</li> <li>Set up monitoring processes</li> </ul>	<ul style="list-style-type: none"> <li>Complete digital integration with RSSB systems: end of 2020</li> <li>Time/ease of enrolment for new members: 3 mins using EH platform</li> <li>Ease of access to information for members: maintain EH platform and USSD</li> <li>Ease of making contributions: USSD/all bank outlets</li> <li>Downtime management: 99.8% availability</li> <li>Complete survey by 31 March 2021: target 100% satisfaction</li> <li>24 sessions of staff training per year, 1-hour duration</li> <li>Call centre waiting time: 2 seconds</li> <li>Use baseline 2020 survey of member satisfaction to set targets</li> </ul>
4	Improve the responsiveness of EH staff to savers, whether through call centres or more direct contacts	<ul style="list-style-type: none"> <li>Reduce waiting times at call centres</li> <li>Maintain security of information while improving efficiency of access</li> <li>Enhance member experience and improve satisfaction levels</li> </ul>	<ul style="list-style-type: none"> <li>Benchmark independently other/competitor services</li> <li>Strengthen staff training to support real-time resolution of member issues</li> <li>Maintain high ratio of call centre staff to calls, especially at peak times</li> <li>Monitor customer satisfaction continuously</li> </ul>	
5	Ensure the full integration of EH into RSSB	<ul style="list-style-type: none"> <li>Complete the integration process on the agreed timetable without disruption</li> <li>Maximise efficiency gains from full integration</li> </ul>	<ul style="list-style-type: none"> <li>Coordinate integration across all relevant functional areas</li> <li>Leverage existing/new skills in RSSB</li> <li>Prioritise building of common platforms across EH/RSSB</li> </ul>	<ul style="list-style-type: none"> <li>Complete legal integration by end of 2020</li> <li>Complete operational/staffing integration by end of 2020</li> <li>Complete digital integration by end of 2020</li> </ul>

Priorities

Objectives

- Create stronger two-way data flows consequent on integration
- Improve accountability

Delivery mechanisms

Targets



## 5. Investing for our members' future

RSSB is the largest institutional investor in Rwanda, with well over FRW 1 trillion of investments, more than 10% of GDP. All the funds are held on behalf of our members and the returns generated from our investments accumulate for the benefit of current and future beneficiaries of our schemes. We are committed to ensuring that, during SP25, RSSB becomes the market leader among Rwandan investors: not just the biggest investor in Rwanda but the best, especially for strategy, returns, social impact and innovation.

The Board has taken the view that, as well as investing to ensure the sustainability of our schemes, RSSB must recognise its social responsibilities and we must, therefore, allocate part of our portfolio to investing in assets that have primarily a social return. RSSB intends to brand itself as an impact investor in the Rwandan economy, consciously investing in projects that aim to elevate the lives of Rwandans and improving the socio-economic landscape of the country. We intend, over the SP25 period, to maintain a portfolio of investments that reflects this thinking.

The overall yield on the fund over the last five years has been around 6%, reflecting the Board's risk appetite and the asset allocation strategy. For SP25, while recognising the impact of COVID-19 on economic activity and growth, we propose to set ambitious targets for the yield of the fund as a whole, to strengthen the sustainability of our schemes. We have set a target annual return of 15% for the portfolio, to be achieved by Year 5 of SP25. For new investments, we will start to target a minimum return of 1% over that yield, except where we have explicit support from the Government for an alternative target for a specific investment. Our other priorities and targets for SP25 are set out in summary form in the table at the end of this section.

To achieve our SP25 ambitions, we will prioritise the following:

- Developing governance and decision-making processes

RSSB expects to become more autonomous during the first year of SP25. In that context, consideration is being given to the governance framework around decision-making, using international best practice as our guide. This involves several elements, including the powers and role of the Board, the proposals, advice, and recommendations that are provided internally and the influence of an external investment adviser.

- Strengthening the Investments Department

The Investments Department has skilled and experienced staff who manage and deploy our

portfolio in accordance with the asset allocation strategy determined by the Board. The expected increase in autonomy will allow new staff to be brought in, with special skills and experience, to fill particular gaps in our team. Existing staff will also be provided with opportunities for additional training to help the development of expertise in particular markets.

- Becoming active equity investors

We intend, in SP25, to act more like a private equity fund in relation to our major equity investments. We will be pro-active in providing advice and support to companies in which we invest with a view to helping them achieve stronger results that can be converted into a better dividend yield and capital growth for our fund.

- Developing in-house actuarial expertise

We intend, during SP25, to appoint a strong team of in-house actuaries, who will act as key drivers in investment decisions, liability modelling and cash flow modelling.

- Determining asset allocation

At the start of SP25, we are examining our asset allocation policies with external support. This review will also be informed by the independent actuarial valuations that are being conducted this year. We will establish benchmarks for our own approach among private sector organisations that have a similar risk appetite and among public sector institutions that have a similar mandate.

Our management of EjoHeza assets is on a different basis from our investment responsibilities for the other funds. Retirement income available for EjoHeza members will be entirely the result of individual investments and the returns achieved on them. For reasons of scale, we will continue to manage the fund as a single unit. The Board has taken a risk-averse approach to investment at this stage. This will be kept under review.

- Strengthening the role of research and the link to innovation

Understanding asset classes and the market is critical to the generation of high and sustainable returns to our funds. During SP25, we plan to increase the quality and depth of our research, including research to promote innovation in our chosen markets. We will examine models for social investment that have been used effectively elsewhere. We will seek to leverage our investment through partner organisations, including the private sector. We will share the knowledge and experience that comes from our research programme, in dialogue with Government and on the platform in national and international conferences.

- Making investment a mutual business

We intend, in SP25, to pursue a specific concept of mutuality in the investments that we make in Rwandan businesses. We will normally expect companies in which we invest to take active steps to provide a safe and healthy working environment and to encourage their workers, whether formal or informal, to make proper provision for their long-term financial needs.

RSSB can be a valuable and stable, long-term investor. Companies benefit from the support of such investors. We will ensure during SP25 that the Boards of the companies in which we invest, respect and value our involvement.

- Increasing transparency in reporting

As part of SP25, we plan to review and strengthen our approach to disclosure on investment returns, to ensure that we are in line with international best practice. Transparency provides opportunity for accountability and strengthens investor confidence. Our investment in IT Modernisation will support the better, faster provision of relevant information to all our members.

We have the opportunity in SP25 to ensure that RSSB is, and is recognised as, a world class investor. Our objectives have been set to achieve that. With the continued support of the Government for the priorities laid out in this document, we shall be successful.

Table 9: Investment Top 5 Priorities

Priorities	Objectives	Delivery mechanisms	Targets
1 Demonstrate market leadership in Rwanda: not just the biggest investor in Rwanda but the best, especially for returns, long lasting social economic impact and innovation	<ul style="list-style-type: none"> <li>• Become the benchmark investor against which all other investment houses in Rwanda measure their performance</li> <li>• Encourage stronger performance of investee companies by being an active and supportive investor</li> <li>• Become the opinion leader and leading practitioner in developing social investment models</li> <li>• Create a culture of investment innovation in RSSB</li> <li>• Rise to the challenge of developing the role of RSSB in funding affordable housing and the modernisation of healthcare, as part of its focus on making socially responsible investment choices</li> <li>• Ensure that the role and purpose of including state-building assets in RSSB's portfolio is understood by members, citizens, and the media</li> </ul>	<ul style="list-style-type: none"> <li>• Carry out regular market research, working with advisers to identify trends, balance strategic/tactical opportunities</li> <li>• Set personal performance targets for staff in line with aspirations</li> <li>• Use management messaging and external training to reinforce attitudes towards market leadership and innovation</li> <li>• Engage actively with boards of companies where RSSB has a significant stake, developing a "private equity" management style</li> <li>• Use the investment strength of RSSB to encourage investee businesses to facilitate membership of RSSB schemes for their employees, particularly EH, and to support other RSSB initiatives</li> <li>• Actively manage investment portfolio</li> <li>• Draw on international experience and develop the RSSB voice on social investment.</li> <li>• Develop a stream of socially focused investments to achieve the % target by the end of SP25</li> <li>• Look for opportunities to innovate in the market and directly, with investees, especially in the area of social investment</li> <li>• Play leading role at national/international investment conferences</li> <li>• Develop a communications programme,</li> </ul>	<ul style="list-style-type: none"> <li>• 15% yield on funds under management by end of SP25</li> <li>• Target returns against key benchmarks: minimum +1% return over Yr5 target (i.e. 16%)</li> <li>• Set a target for % of funds used to support socially valuable investment by end of 2020</li> <li>• Produce annual impact report on returns of social investments</li> <li>• Report performance trend of investee businesses: set minimum expectation = GDP growth</li> <li>• 50% increase in EH membership among employees of investee businesses</li> <li>• Minimum of 10 positive traditional media items per year, recognising RSSB investment performance</li> <li>• 4 Conference invitations/appearances per year</li> <li>• 90% of Individual targets met</li> <li>• Launch first stage of communications roll-out January 2022</li> </ul>

Priorities	Objectives	Delivery mechanisms	Targets	
2	<p>Make RSSB a more engaging, deal creating, in the driver seat type of investor, who is present and actively follows through on every money invested to ensure interesting returns</p>	<p>using a range of media to reach different target audiences: GoR, Parliament, existing members of RSSB and Rwandan citizens</p> <ul style="list-style-type: none"> <li>• Use surveys to monitor communications impact</li> <li>• Identify as priorities those investee companies where RSSB can make a significant impact on performance</li> <li>• Where appropriate, place experienced and qualified RSSB representatives on the Boards of investee companies</li> <li>• Work with the Boards and senior management of those companies to help them develop stronger business/financing strategies to deliver higher investor returns</li> <li>• Monitor their profitability and cash flow, advise on product/market strategies as necessary, ensure compliance and alignment with RSSB strategy</li> <li>• Address concerns with other, lower priority equity investments that are underperforming; consider return potential and, if necessary, disinvest</li> </ul>	<ul style="list-style-type: none"> <li>• Achieve minimum 15% average annual return on equity investments for 2023-25</li> </ul>	
3	<p>Put in place an investment strategy that will ensure return maximisation to sustain the schemes and create more value for members; and agree with GoR on the portion of the portfolio that will go to supporting local strategic investment for long lasting social economic impact</p>	<ul style="list-style-type: none"> <li>• Learn from international experience and best practice in strategic asset allocation to achieve return-maximisation</li> <li>• Create a Rwanda-specific approach reflecting local factors into a tested international framework</li> </ul>	<ul style="list-style-type: none"> <li>• Develop ToRs for an investment strategy evaluation project</li> <li>• Create stylised portfolios using different local/international asset strategies</li> <li>• Model the effects on RSSB returns</li> <li>• Assess the impact on economic growth and social outturns in Rwanda</li> <li>• Prepare an optimised investment</li> </ul>	<ul style="list-style-type: none"> <li>• Complete evaluation project by 30 June 2021</li> <li>• Complete modelling work and assessments by 30 September 2021</li> <li>• Sign agreement with MINECOFIN by 31 December 2021</li> </ul>

Priorities	Objectives	Delivery mechanisms	Targets
4 Modernise the governance framework for investment decisions	<ul style="list-style-type: none"> <li>Ensure that there is full agreement between GoR and RSSB on strategic asset allocation, including especially state-building assets</li> <li>Ensure that the governance framework for investment decisions reflects the appropriate balance between Board responsibility and internal/external advice</li> <li>Ensure that the quality of internal analysis is properly supportive of the decision-making process</li> </ul>	<p>strategy, based on the completed portfolio evaluation</p> <ul style="list-style-type: none"> <li>Agree detail with MINECOFIN, as appropriate</li> <li>Formally document agreement, with any necessary protections</li> <li>Research regional/international best practice for the use of independent advice for investment decision-making</li> <li>Review the powers and responsibilities of the Board for investment decisions</li> <li>Commission a third-party review of internal investment analysis and implement recommendations</li> </ul>	<ul style="list-style-type: none"> <li>Complete best practice research by 30 June 2021</li> <li>Review the powers and responsibilities of the Board by 31 October 2021 in the light of best practice and implement desirable changes</li> <li>Complete review of internal analysis by 31 October 2021 and implement changes by 31 December 2021</li> </ul>
5 Enhance the professionalism of the Investments Department through continuous training and focused hiring	<ul style="list-style-type: none"> <li>Ensure that the RSSB Investments Department staff receive continuous high-quality and relevant training to enhance their analytical skills, their impact in the market and the overall performance of the department</li> <li>Meet staffing needs in those areas where specialist expertise is lacking and cannot easily be developed through training, including capacity to be self-sufficient in day-to-day actuarial needs</li> </ul>	<ul style="list-style-type: none"> <li>Carry out a baseline skills assessment for all Investments Department staff, covering modelling skills, investment awareness, negotiation skills for local market; and understanding of Board roles for senior staff, all with external support</li> <li>Develop tailored individual training programmes for all investment staff, with external and HR support</li> <li>Include satisfactory completion of training in individual performance requirements</li> <li>Hire a highly qualified team of actuaries to work across RSSB on investment, inflation, liability issues and modelling</li> <li>Carry out a gap analysis to identify other areas where the Investments</li> </ul>	<ul style="list-style-type: none"> <li>Skills assessment completed by 31 March 2021</li> <li>Develop/design initial training programmes by 30 September 2021</li> <li>Complete first phase of training by 31 December 2021</li> <li>Complete the hiring of the actuarial team by 30 June 2021</li> <li>Complete gap analysis by March 2021 and report to DDG Funds Management, DG, and Board</li> <li>Complete initial phase of hiring by 30 September 2021</li> <li>Commence discussions with universities by 31 October 2021</li> </ul>

Priorities

Objectives

Delivery mechanisms

Targets

Department lacks expertise, including, potentially, staff with experience of role as an active investor

- Use personal knowledge/networks of senior staff, combined with appropriate recruitment support and HR, to identify and hire suitably qualified staff
- Target university to encourage co-development of actuarial programmes with regional centres of excellence

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