



NATIONAL PENSION SCHEME AUTHORITY

STRATEGIC PLAN

2022 - 2026





SKIP THE QUEUE. CLAIM BENEFITS ONLINE

The newly upgraded eNAPSA allows for quick and seamless self-claims processing online.

Visit enapsa.napsa.co.zm to sign up.





NATIONAL PENSION SCHEME AUTHORITY

STRATEGIC PLAN

2022 - 2026

TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
APPROACH TO STRATEGIC PLANNING.	2
CHAPTER 1: CURRENT STATE	3
1.1. NAPSA IN BRIEF	3
CHAPTER 2: ENVIRONMENTAL LANDSCAPE	8
2.1. STAKEHOLDER ANALYSIS AND MAPPING	8
2.2. VALUE CHAIN	9
2.3. SWOT ANALYSIS.	9
2.4. EXTERNAL ENVIRONMENTAL ANALYSIS	9
2.4.1. POLITICAL	9
2.4.2. ECONOMIC	10
2.4.3. SOCIAL	12
2.4.4. TECHNOLOGY	13
2.4.5. ENVIRONMENTAL	13
2.4.6. LEGAL.	13
CHAPTER 3: STRATEGIC DIRECTION.	16
3.1. GUIDING PRINCIPLES	16
3.1.1. OUR VISION.	16
3.1.2. OUR MISSION.	16
3.1.3. OUR CORE VALUES	16
3.1.4. OUR SLOGAN.	17
3.2. OUR STRATEGIC PILLARS	17
3.3. OUR STRATEGIC OBJECTIVES.	19
CHAPTER 4: MONITORING AND EVALUATION	21
4.1. STRATEGY TEAMS.	21
4.2. STRATEGY AND PERFORMANCE MANAGEMENT	23
4.3. LINKAGE OF STRATEGIC PLAN TO THE AUTHORITY'S BUDGET	23
4.4. STRATEGIC PLAN REVIEW	23
APPENDIX 1: CORE RESPONSIBILITY MATRIX.	26

LIST OF TABLES

Table 1: Allowable Asset Classes	3
Table 2: Historical Rates of Return for the NPS for Years from 2017 . . . . .	.11
Table 3: NPS Contributor Numbers and Working Age Population . . . . .	.12
Table 4: Fund Size and Contributions Income Projections . . . . .	.17
Table 5: Scheme Membership Increase Projections . . . . .	.18
Table 6: Leadership Team Composition . . . . .	.22
Table 7: Core Team Composition. . . . .	.22

LIST OF FIGURES

Figure 1: Investment Portfolio Composition	4
Figure 2: Authority Stakeholder Matrix	8
Figure 3: Authority Value Chain	9
Figure 4: Authority SWOT Analysis.	9
Figure 5: Price Inflation and Growth in National Average Earnings (2000-2022) . . . . .	.11
Figure 6: NAPSA Membership Distribution by Age . . . . .	.12
Figure 7: 2022-2026 Strategic Objectives . . . . .	.19
Figure 8: Authority Strategy Map. . . . .	.20

ABBREVIATIONS AND ACRONYMS

7NDP	Seventh National Development Plan
8NDP	Eighth National Development Plan
AfDB	African Development Bank
AI	Artificial Intelligence
Authority	National Pension Scheme Authority
BCM	Business Continuity Management
BCP	Business Continuity Plan
BOZ	Bank of Zambia
BSC	Balanced Scorecard
ECIS	Extension of Coverage to the Informal Sector
ERMF	Enterprise Risk Management Framework
GDP	Gross Domestic Product
ICT	Information Communication Technology
IDC	Industrial Development Corporation
ILO	International Labour Organisation
IMF	International Monetary Fund
ISP	Internet Service Providers
ISSA	International Social Security Association
LFS	Labour Force Survey
MLSS	Ministry of Labour and Social Security
MOF	Ministry of Finance
MTEF	Medium Term Expenditure Framework
NAPSA	National Pension Scheme Authority
NHIMA	National Health Insurance Management Authority
PACRA	Patents and Companies Registration Agency
PESTEL	Political, Economic, Social, Technology, Environmental and Legal
PPP	Public Private Partnership
RAS	Risk Appetite Framework
RTSA	Road Transport and Safety Agency
SDG	Sustainable Development Goal
SLA	Service Level Agreements
SO	Strategic Objectives
SWOT	Strengths, Weaknesses, Opportunities and Threats
ZamStats	Zambia Statistics Agency
ZICTA	Zambia Information Communication Technology Authority
ZRA	Zambia Revenue Authority

FOREWORD

On behalf of the Board of Trustees of the National Pension Scheme Authority (NAPSA), it is my great pleasure and privilege to present to you the Authority's Strategic Plan for the period 2022-2026. This Strategic Plan outlines our vision, mission, core values, strategic pillars, and objectives that will guide us in fulfilling our mandate of securing the social and economic well-being of the people of Zambia.

This Strategic Plan is the result of a comprehensive and participatory process that involved consultations with various stakeholders, including our members (both current contributors and those already on a pension), employers, management and staff, the government, and other social partners.

Your unwavering and valuable support has enabled us to come up with this Strategic Plan which has taken into consideration the desire by our members to have a pre-retirement lumpsum benefit, the implementation of the extension of coverage to the informal sector, reduction of the penalty rate from 20 percent to 10 percent as well as provision for waiving of penalties to employers to support businesses in the post COVID 19 period and to improve compliance.

The Strategic Plan builds on the achievements and lessons learned from the previous plan period of 2018-2021. It also takes into account the current and emerging trends, challenges and opportunities in the pension industry, both locally and globally. The Strategic Plan aims to address the needs and expectations, firstly, of our members and secondly of all the other stakeholders and to ensure the long-term financial sustainability of the Scheme.

The Strategic Plan is anchored on five strategic pillars: financial sustainability, customer satisfaction, operational efficiency, risk management, and talent management. Under each pillar, we have identified specific strategic objectives and initiatives that will enable us to deliver services to our members, with excellence, innovation, and integrity.

The successful implementation of this Strategic Plan will require the commitment and

collaboration of all our stakeholders. We will monitor and evaluate our progress regularly and report on our performance transparently, with a high sense of accountability befitting the trust and the rare privilege bestowed on us, as a Board of Trustees, by the appointing authority. We will also review and update our Strategic Plan as necessary to respond to changing circumstances and opportunities.

I am confident that with the support of our dedicated members of staff, members, employers, government through our line Ministry, and partners, we will achieve our vision of being a trusted partner that protects people's future and brings pride to the nation.

Thank you for your continued support and cooperation.

God richly bless you.



Shipango Muteto
Board Chairperson

PREFACE



This revised NAPSA 2022-2026 Strategic Plan outlines our key priorities that will guide the Authority in serving our members, employers, claimants, and other stakeholders better. This Plan is aligned to the government's Eighth National Development Plan (8NDP) and takes into consideration various position analysis of the Authority, including the World Bank Social Insurance Diagnostic Assessment and outputs from other environmental analyses all focussed on needs of members, employers, claimants and other customers.

The revised Plan is building on significant milestones achieved throughout the 23 years of service to the members and other customers. This Plan will focus on achieving our strategic pillars of, Financial Sustainability, Customer Satisfaction, Operational Efficiency, Risk Management and Talent Management. Special focus during this period will include implementing the provision of the pre-retirement benefit and finalizing the closure of the Zambia National Provident Fund. Additionally, the Authority will focus on, improving compliance to increase collections, entrenching digital transformation to provide better and efficient services, building data management, and business analytics capacity to support our strategic intent.

To this end, I expect all NAPSA staff to absorb this document and anchor their daily focus on bringing to life the aspirations of the Authority articulated in the Plan.

With the continued support of all our stakeholders, we are confident that NAPSA will succeed in achieving its mission of securing the social and economic wellbeing of the people of Zambia.

A handwritten signature in black ink, appearing to be 'Muyangwa'.

Muyangwa Muyangwa
Director General

EXECUTIVE SUMMARY

This Strategic Plan builds on the gains made under the previous plan period of 2018–2021. We have put together sets of linked strategies that we are confident will enable us to serve our members, claimants, employers, and other stakeholders better and to tackle prevailing and predicted challenges – both internally and externally, as well as to make optimal use of fresh opportunities as they emerge.

It is for this reason that we have carefully developed and are committing ourselves to implementing this Strategic Plan as part of the step by step process to build a NAPSA that is more responsive to its member needs. This plan is a road map as well as commitment to our customers for value creation and to empower our staff by developing their skills to serve our customers and other stakeholders better.

We have identified strategic initiatives that build the required capabilities to effectively respond to both local and global circumstances likely to influence our business to the satisfaction of our customers and other stakeholders.

Overall, the strategies identified will help us to remain relevant and succeed under the significant social and economic shifts that are affecting the pension industry worldwide.

The magnitude of the environmental impact on the Authority has necessitated rethinking and realignment of our strategic objectives whilst maintaining our strategic pillars. We define them as follows:

OUR GUIDING PRINCIPLES

Vision: “A trusted partner that protects people’s future and brings pride to the Nation.”

Mission: “Securing the social and economic well-being of the people of Zambia.”

Core Values: ‘The NAPSA Way’

1. **Integrity** – “Do the Right Thing”
2. **Collaboration** – “Work Together”
3. **Accountability** – “Be Responsible for Your Actions”
4. **Respect** – “Listen to Every Voice”
5. **Excellence** – “Perform at Your Best”

Slogan: “Be Smart. Secure Your Future!”



The logo for iCARE features the word 'iCARE' in a bold, sans-serif font. The 'i' is lowercase and blue, while 'CARE' is uppercase and orange. The letters are set against a light orange circular background on the right side of the page.

OUR STRATEGIC PILLARS

In the defined strategic period, we will continue to focus our energies and passion on five pillars that we believe will elevate us to the next stage of our growth. We believe that paying special attention to these areas will enable us to respond effectively to the shifting ground in the pension scheme environment globally, regionally, and locally.

The strategic pillars under which we will drive growth are:

1. **Financial Sustainability**
2. **Customer Satisfaction**
3. **Operational Efficiency**
4. **Risk Management**
5. **Talent Management**

Each pillar will be driven by sets of strategic objectives towards the realisation of the defined outcomes for our various stakeholders. We believe the following strategic objectives will put us on course towards our desired destination:



Financial Sustainability

- Manage Administrative Expenses
- Increase Collections
- Optimise Return on all Investments

Customer Satisfaction

- Enhance Corporate Reputation
- Improve Benefits Payment Turn-Around Time
- Increase Satisfaction of Members and other Stakeholders
- Educate Employers and Members

Operational Efficiency

- Explore and Implement New Technology Applications to Improve Efficiency
- Simplify and Standardise Processes
- Enhance Data Management and Digital Transformation

Risk Management

- Enforce Compliance and Reporting
- Mitigate Fraud and Corruption
- Strengthen Governance Structures

Talent Management

- Attract and Retain the Best Talent
- Enhance Performance-Based Culture
- Strengthen Leadership Development
- Align Structures to Strategy

APPROACH TO STRATEGIC PLANNING

This Strategic Plan was developed following a consultative, interactive, and deeply engaging approach. It is a product of contributions from various NAPSA stakeholders.

This approach took into consideration all the possible organisational and environmental elements and perspectives, and their cause-and-effect interactions. This enabled us to have a wholesome view of the National Pension Scheme Authority (NAPSA) and its local and global environment in developing strategies that we believe will make us succeed.

The strategic planning process begun by visualising our ideal future, and then working backwards to build on the achievements we have made thus far, in view of events in the environment we operate in.

These courses of action are the strategies defined in this plan and they will guide us in establishing effective annual operational plans and budgets with monitoring systems to ensure commitment, consistency, and integrity in driving us towards our vision.

CHAPTER 1: CURRENT STATE

1.1. NAPSA IN BRIEF

The National Pension Scheme Authority (NAPSA) was established on 1st February 2000 and is governed by the National Pension Scheme Act No. 40 of 1996 to cover mainly the formal as well informal sector employees.

NAPSA was established to provide income security to its members when certain contingencies arise such as retirement, death, and invalidity.

To execute this mandate, NAPSA collects contributions, invests the funds to generate returns and pays benefits when they fall due.

1.2. CONTRIBUTIONS AND BENEFITS

Currently, all employees aged between 16 and 65 years, irrespective of their terms of engagement, are eligible for registration with NAPSA. The employer is required to remit 10 percent of an employee’s gross monthly earnings comprising 5 percent deducted from the employee, and the other 5 percent being contributed by the employer. The applicable 10 percent is subject to a ceiling determined annually based on the national average earnings growth.

NAPSA’s benefit pay-outs for the formal sector employees comprise the following benefits: (i) Retirement; (ii) Invalidity; (iii) Survivor’s; (iv) Funeral Grant; and (v) Pre-retirement Lumpsum Benefit. In addition, NAPSA provides the following benefits for the informal sector members: (i) Maternity; (ii) Family Funeral Grant; (iii) Access to Credit; (iv) Weather Index Insurance; (v) Retirement; (vi) Invalidity; and (vii) Survivor’s.

Further, NAPSA pays benefits to qualifying members under the Zambia National Provident Fund (ZNPF) which it administers on a custodial basis. During this Strategic period, NAPSA intends to wind down the ZNPF by paying out all remaining members to mitigate escalating running costs.

1.3. INVESTMENTS

The Authority’s investments are guided by the Statutory Instrument No. 19 of 2017 (Investment Guidelines) as read with the National Pension Scheme Act No. 40 of 1996. The Authority’s investments are guided by the principles of capital preservation; asset liability matching; sufficiency of liquidity and increased return.

1.3.1. Allowable Investments - Asset Classes

The following are the asset allocation classes and applicable limits as prescribed in the investment guidelines as per Table 1 below.

Table 1: Allowable Asset Classes

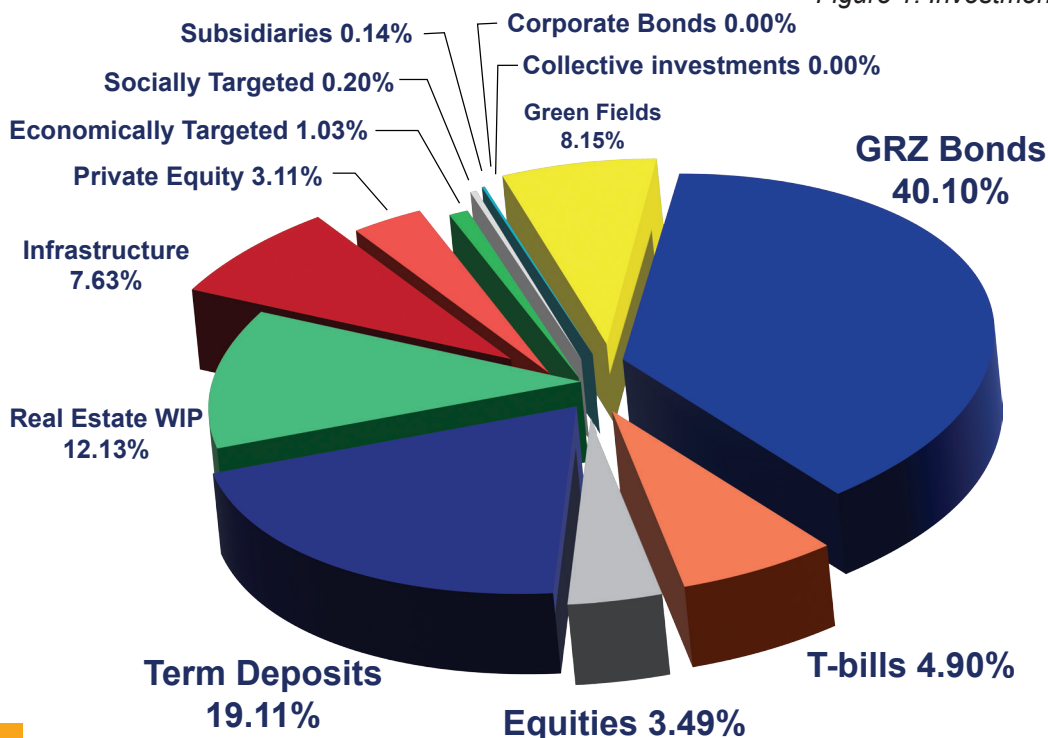
	Estimated Rate of Return (Annual)	Basis
Year	Nominal (%)	In excess of earnings growth (%)
2021	16	11
2020	22	21

	Estimated Rate of Return (Annual)	Basis
2019	15	8
2018	17	9
2017	18	7
Underwriting	Maximum 5 percent of Investment Portfolio	Undertaken as a sub limit within the equity limit
Collective Investments	Min 2.5 percent and Max 5 percent	Percent of Investment Portfolio size
Infrastructure	Max 15 percent	Percent of Investment size in relation to infrastructure
Socially and Economically Targeted Investments	Max 1.5 percent in Economically Targeted Investments Max 1 percent in Socially Targeted Investments	Percent of Investment portfolio size
Special Purpose Vehicles	Max 10 percent equity	Percent of investment portfolio size in equity in a Special Purpose Vehicle created by the Authority to the exclusion of any other body
Green field Investments	Max 15 percent	Percent of investment portfolio size subject to the approval by the Minister

We have diversified our overall investment portfolio in traditional and alternative asset classes. The investment portfolio size as of 31st September 2021 stood at K50.9 billion.

The Figure below illustrates the current investment portfolio composition to asset classes.

Figure 1: Investment Portfolio Composition



1.4. DIGITAL PLATFORMS IMPROVING OPERATING EFFICIENCY AND SERVICE DELIVERY

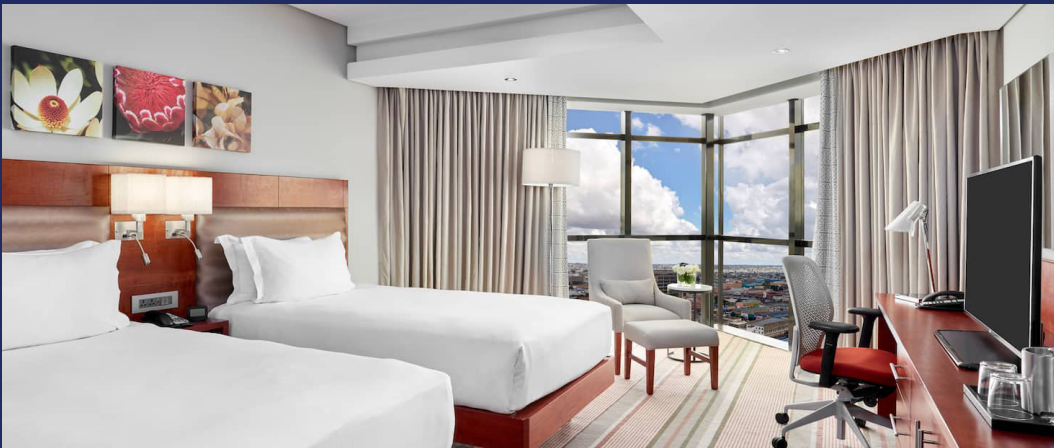
NAPSA has an integrated technology platform to anchor all business operations and improve internal operational efficiencies. Additionally, the Authority has also developed various e-channels that members of the scheme can use to interact with NAPSA at their convenience. The said technologies include the following:

- 1.4.1. NAPSA Integrated System (NIS):** This is an Enterprise Resource Planning (ERP) platform for the Authority which has been extended to include a custom developed Pension Administration System using Siebel Technology. All of this is based on an Oracle Platform.
- 1.4.2. eNAPSA:** A web based (enapsa.napsa.co.zm) portal that employers use to register new members, upload monthly returns and pay contributions thereof. The platform is also used by Employees to access general administrative services such as viewing of statements, checking beneficiaries, and updating of personal details, among others. Further, the platform allows for the initiation of benefit claims and renewal of Life Certificates.
- 1.4.3. Queue Management System (QMS):** NAPSA enhanced and extended the queue management system to all the customer service centers across the Authority thereby ensuring efficient queue management, strategic monitoring of traffic and creating an environment that is more welcoming as the Authority works to serve its clients efficiently and safely. For example, the electronic queue management system allows clients to make online appointment bookings or queue themselves before they even get to a service center. This ensures that customers are efficiently managed throughout their visit cycle (i.e. pre-arrival, arrival, queueing and waiting, serving, post-serving, and report management). The QMS has also enhanced the Authority's corporate image.
- 1.4.4. NAPSA Mobile Solution:** Connecting systems, people, and processes has become a key business requirement and hence the need to ensure technologies that help this integration seamlessly are put in place as priority. One such technology that has emerged on the market and being utilized by the Authority is the NAPSA Mobile Solution running on Android, Apple, Windows platforms, and as a USSD application. Therefore, the NAPSA Mobile solution was enhanced to accommodate the contributions eServices among which include registration, return processing, and payment initiation via the eNAPSA solution.
- 1.4.5. NAPSA Contact Centre:** A mechanism for employers, members and other interested stakeholders to get support from the Authority via tools such as WhatsApp, Facebook, webchat, calls and email. These applications allow various interactions and engagements with the Authority.

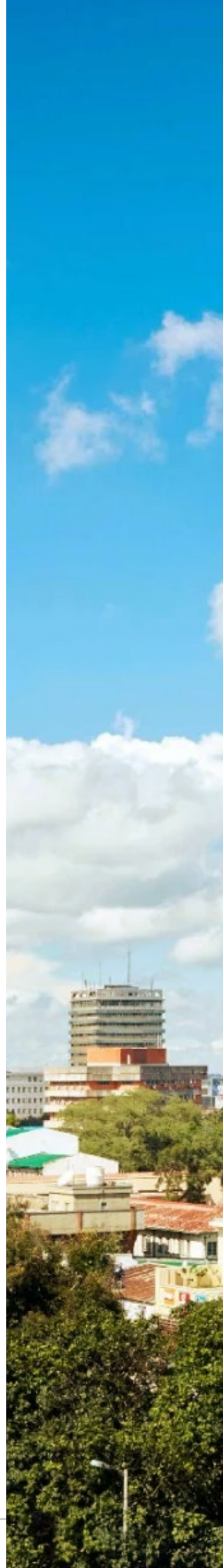


Hilton Garden Inn™

Lusaka Society Business Park



A NAPSA INVESTMENT





CHAPTER 2: ENVIRONMENTAL LANDSCAPE

OVERVIEW

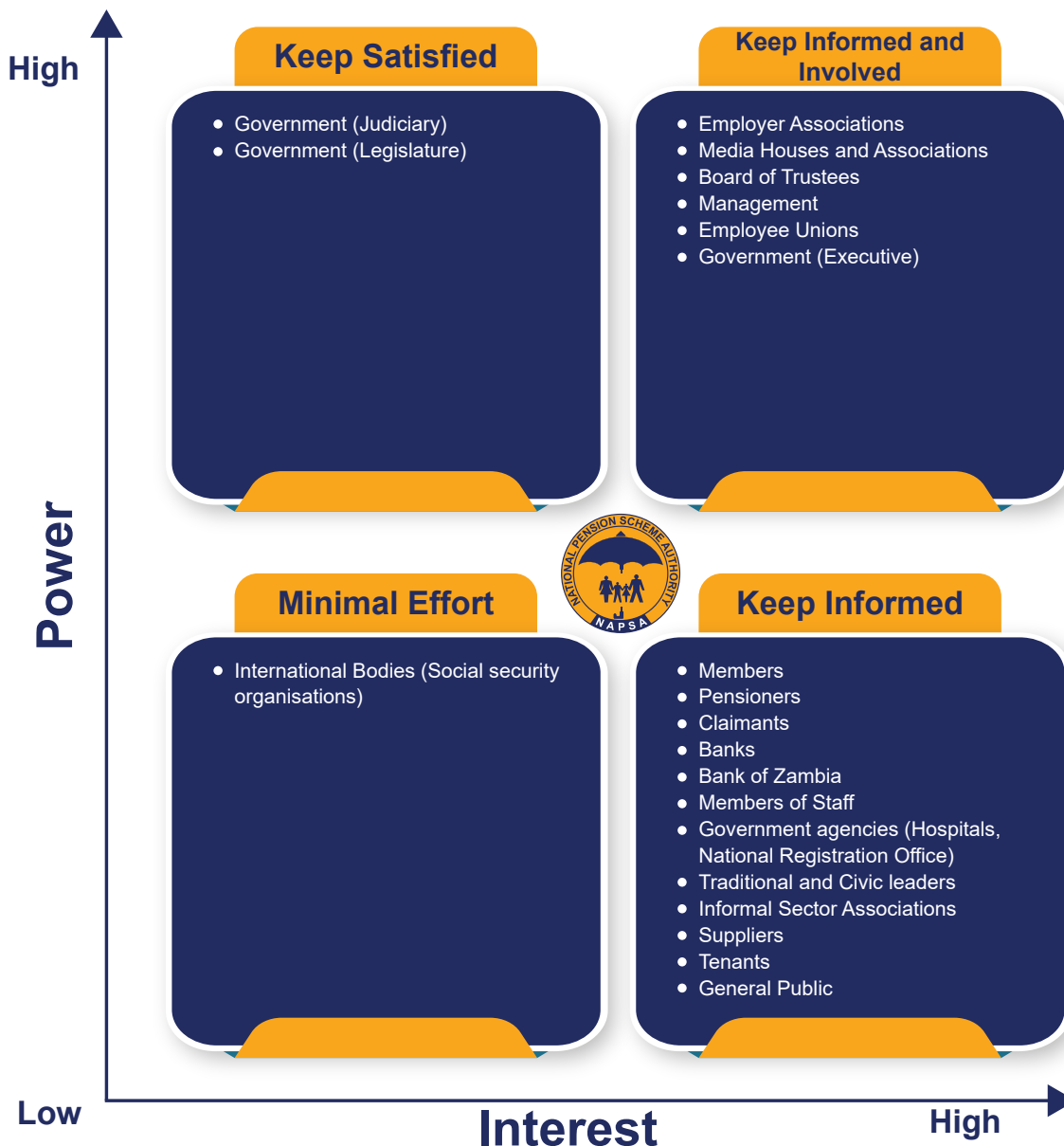
The environmental analysis provides the details to inform the strategic direction of the Authority. In this Chapter, we break down the prevailing and projected trends in the various socio-economic sectors and segments that significantly influence our operating environment and are therefore important for charting out our strategic direction.

2.1. STAKEHOLDER ANALYSIS AND MAPPING

The Authority is committed to maintaining a high standard of service delivery to all stakeholders by incorporating identified stakeholder needs and interests.

For this purpose, the Authority conducted a survey to obtain stakeholder feedback on areas of interest that should be incorporated in our strategic planning and implementation. The survey also sought to assess challenges faced in the current strategic plan and the successes achieved. The expectations have been considered in formulating strategic interventions for the Authority. The stakeholder mapping in Figure 2 will form the basis of managing our stakeholders.

Figure 2: Authority Stakeholder Matrix



2.2. VALUE CHAIN

In executing our core duties, our daily work processes are driven through the value chain illustrated below in figure 3. We have taken time to analyse the strengths and weaknesses relating to our processes in the value chain. We have identified the gaps that we need to fill and the strategic priorities and initiatives that we should implement to move us to the desired future state.

Figure 3: Authority Value Chain



2.3. SWOT ANALYSIS

The SWOT analysis will assist us to achieve our strategic objectives, improve operations whilst carrying out our mandate. We will use our strengths to take advantage of the opportunities presented while addressing our weaknesses and navigating the threats. The key strengths and weaknesses coupled with the opportunities and threats arising from the SWOT analysis are summarized in Figure 4.

Figure 4: Authority SWOT Analysis



2.4. EXTERNAL ENVIRONMENTAL ANALYSIS

2.4.1. POLITICAL

Zambia has a multiparty democracy that has remained stable and peaceful since independence, on 24th October 1964 and has experienced smooth political transitions in 1991, 2011 and 2021.

Zambia held successful general elections on 12th August 2021, with President Hakainde Hichilema of the United Party for National Development (UPND) being elected as the seventh President of the Republic of Zambia.

Following the elections, the new government pledged to establish a stable and predictable environment to promote economic growth and generate value for all stakeholders. The general political maturity in the country, in added to the commitment shown by the current government to drive the nation forward both economically and socially, presents a good operational environment for all sectors of the economy including the social security and social protection.

Government's policy on social security envisages adequacy of retirement benefits, the option of a Pre-retirement Lumpsum Benefit and extension of social security coverage to the informal sector. To actualise this policy direction, the Government embarked on legislative reforms of the NPS Act in consultation with various stakeholders.

2.4.2. ECONOMIC

2.4.2.1 Gross Domestic Product

Real GDP grew by 2.4 percent year on year in Q1 of 2022 supported by a pickup in services that offset declines in agriculture, mining and industry. The economy is forecast to expand by 4 percent in 2023 and 4.1 percent in 2024 supported by an improvement in macroeconomic environment, a positive copper price outlook and stable and predictable mining policy environment and improved electricity supply.

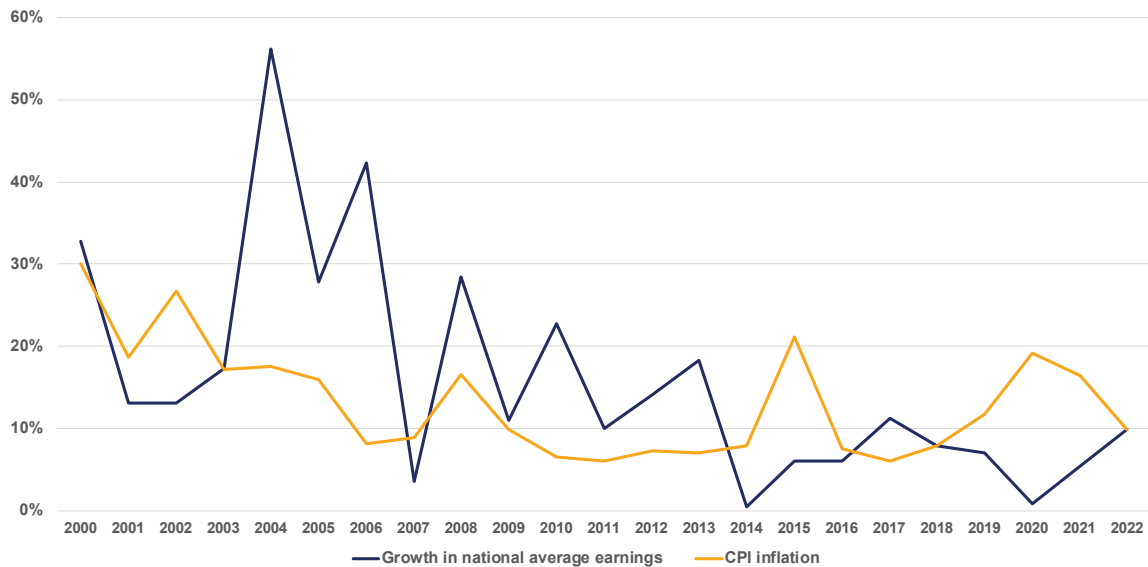
Generally, an expanding economy has positive implications on employment, disposable income, and general state of welfare, all of which imply an opportunity to increase our membership and income from contributions.

2.4.2.2 Price Inflation and Earnings Growth

The rate of annual inflation has generally declined over last 20 years, although there were significant upturns in 2015, 2019, 2020 and 2021. The year-on-year (annual) inflation rate as measured by all items Consumer Price Index (CPI) for December 2022 was at 9.9 percent. Annual inflation is projected to continue decelerating but remain above the target range of 6-8 percent over the medium term.

High levels of inflation have a direct impact on our business operations and the achievement of our strategic objectives. High price inflation has the potential to raise the cost of financing benefits due to high indexation of benefits occasioned by increased wage inflation. Further, high rates of inflation also have the effect of eroding the purchasing power of pension benefits and the real value of the scheme's net assets.

Figure 5: Price Inflation and Growth in National Average Earnings (2000-2022)



2.4.2.3 Interest Rates & Lending Margins

The movement in interest rates was mixed in 2022. Treasury bills average weighted yield rate exhibited fluctuations with an overall decline from 13.62 percent at the beginning of the year to 13.13 percent at the end of the year. The weighted average yield rate on Government bonds fell to 22.22 percent from 26.10 percent at the beginning of 2022. However, commercial banks’ nominal average lending rates generally remained unchanged at 25.32 percent, in December 2022.

Interest rates impacts the scheme’s investment income. As at 31 December 2022 around 68 percent of the assets were held in government securities and fixed term deposits. We will evaluate our investment strategy by monitoring movement in interest rates to ensure high rates of return are achieved.

Table 2: Historical Rates of Return for the NPS for Years from 2017

Year	EstimatedRate of Return (Annual)	
	Nominal (%)	In Excess of Earnings Growth (%)
2021	16	11
2020	22	21
2019	15	8
2018	17	9
2017	18	7

2.4.2.4 Exchange Rate

In the recent past, the exchange rate of the Zambian kwacha against the US dollar has been relatively volatile. In December 2016, the exchange rate was at its highest point at ZMW9.81 to 1 USD, while it hit its lowest point in December 2021 at ZMW21.17 to 1 USD. As of December 2022, the exchange rate showed some signs of stability, hovering around ZMW18.08 to 1 USD.

The weakening of the Kwacha has far reaching effect on the inflation, which has the potential to erode the real value of the pension benefits paid and further affect the administrative costs of the scheme.

2.4.3. SOCIAL

2.4.3.1 Population

The national population has continued to grow over the past decades. Population growth between 2010 and 2022 averaged 3.4 percent per annum. In 2022 population was estimated at 19.6 million up from 13.1 million in 2010. This high rate of population growth is attributed to the interplay between high fertility and reducing mortality rate. Life expectancy at birth is projected to rise by 8.6 years from 52.6 years in 2011 to 61.2 years by the year 2035.

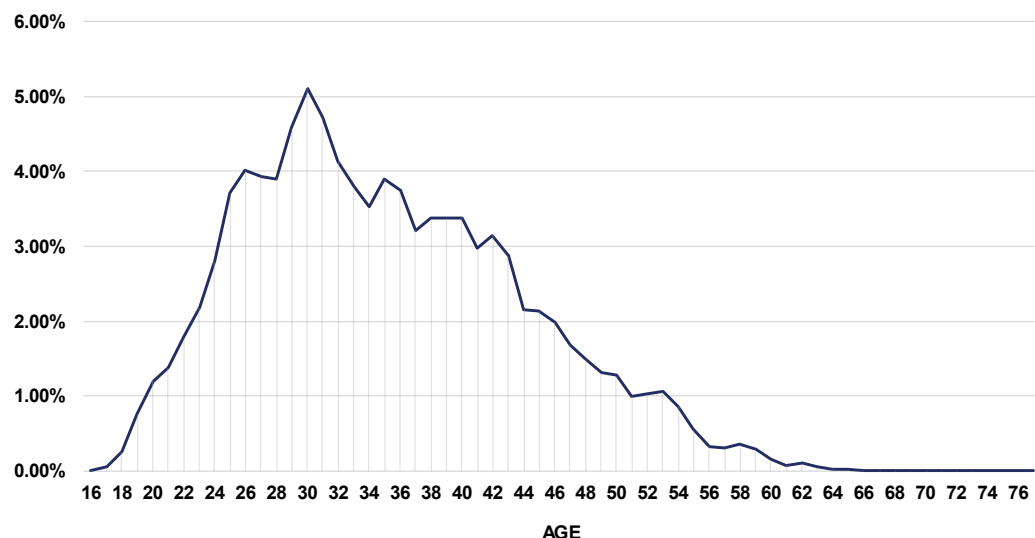
The high population growth rate implies that the size of the working age population will grow rapidly in future, which should in turn lead to increased numbers of employees who are covered by the scheme. However, a growing population that also lives longer implies extended pension pay-out period from the scheme. Table 3 below compare the contributing population to the working age population while Figure 6 show the age profile of active contributors.

Table 3: NPS Contributor Numbers and Working Age Population

Year	Number of active contributors (million)	Estimated working age population age 16 to 64 (million)	Active members as percentage of working age population
2017	0.769	8.436	9.1
2018	0.810	8.763	9.2
2019	0.859	9.102	9.4
2020	0.819	9.449	8.7
2021	0.888	10.049	8.8

Source: NAPSA and ZamStats

Figure 6: NAPSA Membership Distribution by Age



Source: NAPSA data base

2.4.4. TECHNOLOGY

We have over the past couple of years advanced in the use of Information and Communication Technology (ICT) and embarked on an aggressive process of automating business processes, as much as possible, as was espoused in the 2018 – 2021 Strategic Plan.

ICT, which encompasses all IT infrastructure and communication technologies that enable users to access, retrieve, store, transmit, and manipulate information, has had dominance in the global market improving efficiencies in almost every industry. ICT has also created virtual economies, digital economies and crypto currencies which have grown to dominant commerce and international business. Technology is now in the direction of more complex engineering to include robotics, Artificial Intelligence (AI), nanotechnology and biotechnology. The Authority will continue to make investments in technology to support efficiency in operations.

2.4.5. ENVIRONMENTAL

2.4.5.1 COVID-19 Pandemic and Business Continuity

The National Pension Scheme Authority was impacted by the outbreak of COVID-19 between 2019 and 2021. This resulted in reduction or suspension of some of the activities such as physical employer compliance inspections. Consequently, the Authority was forced to adjust some of its operational activities and timelines in service delivery to minimize the risk of infections to both customers and employees. The Authority will continue to develop its business continuity plans to incorporate such disruptions during the implementation of this Strategic Plan.

2.4.6. LEGAL

2.4.6.1 Legal and Regulatory Landscape

NAPSA is governed by the National Pension Scheme Act No. 40 of 1996. To enhance the legal and regulatory framework, various legislations were enacted during the preceding strategic plan period which included Statutory Instrument No. 72 of 2019 and the National Pension Scheme (Amendment) Act No. 21 of 2022. Statutory Instrument No. 72 of 2019 established the legal framework for the Authority to extend coverage to self-employed workers in the informal sector while the National Pension Scheme (Amendment) Act No. 21 of 2022 allows for early access to ZNPF benefits for members aged 36 years and above, revision of penalty rate for late remittance of contributions from 20 percent to 10 percent and introduction of a provision to allow for waiver of penalties in deserving cases.

A key legislation of the current strategic plan period is the National Pension Scheme (Amendment) Act No. 1 of 2023 which allows members early access to their contributions before retirement.





NAPSA RECORDS CENTER
By Word, we create your future.

NAPSA RECORDS CENTRE

CHAPTER 3: STRATEGIC DIRECTION

OVERVIEW

The strategic direction that we have adopted for this plan cycle builds on the achievements made under the 2018-2021 Strategic Plan. We have strategically positioned ourselves to meet the current and future challenges and optimise the emerging opportunities.

We have devised well thought-out strategies to help us remain relevant and succeed under the social and economic shifts that are affecting the pension industry worldwide.

The aim of the Strategic Plan is to transform us into a high performing institution to ensure the long-term financial sustainability of the Scheme.

3.1. GUIDING PRINCIPLES

3.1.1. OUR VISION

Our vision is premised on our passionate drive for excellence in this increasingly dynamic environment. It also emphasizes our resolve to secure the funds under our care in a sustainable, profitable, and trusted manner. This is extremely important as it demonstrates our determination to attain a state in which we are capable of immediately always responding to emerging risks. Our vision statement, thus, is:

“A trusted partner that protects people’s future and brings pride to the Nation.”

3.1.2. OUR MISSION

With the mandate to collect contributions, invest funds and pay benefits; we are on an important mission to make life better for retirees, members, and their families in Zambia. Our mission entails undertakings that will ensure the benefits that our members get in the end will enable them to enjoy decent life in retirement. Our mission statement confirms this resolve. We define it as follows:

“Securing the social and economic well-being of the people of Zambia.”

3.1.3. OUR CORE VALUES

We are driving towards a high performance oriented- customer focused organisation. This requires that we strengthen and live by our set core values that make our staff strive for exceptional delivery of their duties. We are building on the following core values, which we describe generally as **“The NAPSA Way”**:



3.1.4. OUR SLOGAN

We aim to rally the delivery of our services around the most basic need of our primary customer. At the same time, we are duty-bound to create wider awareness about the fundamental reasons for our raison d'être. We have thus come up with a 'double-edged' rallying call – one that inspires our staff to deliver excellent service and at the same time calls upon Zambians to enrol with us. Our rallying call is:

External – “Be Smart. Secure Your Future!”

Internal – “iCARE”

3.2. OUR STRATEGIC PILLARS

In the defined strategic period, we will dedicate our energy and resources on five pillars that we believe will elevate us to high performance oriented-customer focused institution.

The prevailing and projected environment under which we will be operating require long-term financial stability, customer focus, operational excellence, prudent risk management and talent management.

We believe that paying special attention to these will enable us to respond effectively to, rising life expectancy, economic changes for better or worse, emerging risks, and the generally shifting ground in the pension scheme environment globally and locally.

Our pillars are thus connected to these issues and more. Each pillar will be driven by sets of strategic objectives and tactics towards the realisation of the defined outcomes for our various stakeholders. The pillars are:

PILLAR 1: FINANCIAL SUSTAINABILITY

A strong and sustainable financial base is critical to the efficient execution of our mission and success. We must ensure an actuarially sound social security scheme for us to uninterruptedly stay financially strong over the long term.

The growing population in Zambia and the strategies the government has put in place to create more jobs mean that we must be prepared to effectively serve more members and for much longer. We will not compromise on the long-term sustainability of Scheme, for we must ensure continuous availability of adequate finances for qualifying members. We will therefore strive to achieve the projected fund size growth as well as contributions income growth as highlighted below.

Table 4: Fund Size and Contributions Income Projections

Projections	Year 1 (2022)	Year 2 (2023)	Year 3 (2024)	Year 4 (2025)	Year 5 (2026)
Contributions Income – Formal (K' billion)	5.10	6.50	7.15	7.87	8.65
Contributions Income – Informal (K' million)	22.57	22.57	23.70	24.88	26.12
Fund Size (K' billion)	64.80	59.87	68.85	79.18	91.06

PILLAR 2: CUSTOMER SATISFACTION

We aim to keep all our stakeholders informed and educated on the happenings of the scheme. We will work to increase the understanding of policy undertakings and to demonstrate their value.

Greater buy-in will be achieved through conscious, consistent, and diligent engagements and education of our stakeholders and the public at large. This is a goal we commit to achieve within this strategic period and maintain far beyond. Our scheme membership growth projection is as follows;

Table 5: Scheme Membership Increase Projections

Projections - New Members	2022	2023	2024	2025	2026
Government & Govt Aided	24,982	25,956	26,969	28,020	29,113
Private Formal Sector	69,245	71,946	74,751	77,667	80,696
Informal	30,000	33,600	37,632	42,148	47,206
Total	124,227	131,502	139,352	147,835	157,014

PILLAR 3: OPERATIONAL EFFICIENCY

We are a large organisation, given our mandate and scope of coverage. We envisage to grow further and efficiency with convenience must be the hallmark of our delivery of services to customers.

We will therefore continue to streamline and simplify our operations, processes and procedures and continually do so in line with prevailing circumstances and technological developments. This will ease service delivery and reduce our costs. The Authority shall continue benchmarking its systems and processes with best performing social security institutions in world-wide. Currently we are benchmarking with the International Social Security Association (ISSA) based in Geneva, Switzerland, amongst others.

PILLAR 4: RISK MANAGEMENT

We will continue working towards becoming a highly risk-intelligent organisation to effectively manage present-day risks as brought about by emerging social, economic, and technological dynamics.

We will always be aware of the potential risks we may face and be ever ready with robust mitigation measures. For our decisions and actions to be more strategic, we will base them on prudent risk and trend analysis.

PILLAR 5: TALENT MANAGEMENT

We firmly believe that the achievement of our endeavours will depend largely on the capabilities of our staff and how we motivate them. We want our team to comprise high performing and diverse staff members. We will continuously improve the quality of our work and customer service levels.

We will pursue a policy of always hiring and retaining the best talent. We will remain alert to the future skills that will be required to enhance our functional agility. To support this, we will promote professional development and growth of our staff in line with our strategic objectives.

3.3. OUR STRATEGIC OBJECTIVES

The strategy is built around the five strategic pillars within the concept of the Balanced Scorecard Framework. The strategic objectives are measurable using Our Annual Operational Plan (Corporate Balanced Scorecard) which is used for monitoring and evaluating the Strategic Plan. Thus, the strategic objectives are summarised in Figure 7:

Figure 7: 2022-2026 Strategic Objectives

Financial Sustainability Objectives

- SO1. Increase Collections
- SO2. Manage Operating Expenses
- SO3. Manage Projects Implementation
- SO4. Optimise Return on all Investments

Customer Satisfaction Objectives

- SO1. Enhance Corporate Reputation
- SO2. Increase Satisfaction of Stakeholders
- SO4. Educate Employers & Members
- SO5. Improve Benefits Payment Turnaround Time

Operational Efficiency Objectives

- SO1. Explore and Implement New Technology Applications
- SO2. Simplify and Standardise Processes
- SO3. Enhance Data Management & Digital Transformation

Risk Management Objectives

- SO1. Enforce Compliance and Reporting
- SO2. Mitigate Fraud and Corruption
- SO3. Strengthen Risk Governance Structures

Talent Management Objectives

- SO1. Attract and Retain the Best Talent
- SO2. Enhance Performance-Based Culture
- SO3. Strengthen Leadership Development
- SO4. Align Structure to Strategy

CHAPTER 4: MONITORING AND EVALUATION

OVERVIEW

We will through the Directorate of Strategy and Business Performance have the overall responsibility for monitoring and evaluating of the performance of the Strategic Plan. This monitoring and evaluation shall be done through semi-annual strategic reports that shall inform the board through the Technical Committee. The Board upon receiving reports shall review and see to it that the Strategic Plan is being delivered as planned or revised as and when necessary.

The Directorate of Strategy and Business Performance shall ensure that the strategies detailed in this document are adhered to. Management will supervise the measuring, managing and track progress of the strategic objectives.

The Directorate of Strategy and Business Performance will champion the implementation of the strategic plan at both Corporate and Departmental levels. They will in so doing coordinate the development and implementation of annual corporate and departmental plans, ensuring that these are aligned with this Strategic Plan.

The Strategic Plan will be broken down into key sectional objectives, targets and initiatives which shall be cascaded to individual performance requirements. In brief, the responsibilities of the Directorate of Strategy and Business Performance will include:

- i. Co-ordination of the action programmes of the Strategic Plan at corporate, functional, and departmental levels.
- ii. Promotion of inter-departmental linkages.
- iii. Development of the modalities of operation of Core team.
- iv. Monitoring Strategic Plan implementation at departmental levels.
- v. Holding of regular strategy meetings and preparation of progress reports.
- vi. Evaluation and impact assessment at departmental level.
- vii. Any other duty that would facilitate effective implementation of this strategic plan.

4.1. STRATEGY TEAMS

For greater effectiveness and smoother coordination of activities, we have appointed teams with specific duties as follows:

LEADERSHIP TEAM: This team will lead the strategy execution process, provide resources, and oversight support.

Specific Tasks:

- i. Champion strategy implementation process and make strategic decisions in line with our five strategic pillars.
- ii. Participate fully and openly in strategy workshops/meetings and provide oversight support.
- iii. Provide resources and oversight support to the Core and Measurement teams.

Table 6: Leadership Team Composition

Member	Acronym
Authority Secretary	AS
Director Contributions and Benefits	DCB
Director Finance	DF
Director General	DG
Director Human Resources and Administration	DHRA
Director Information and Communication Technology	DICT
Director Internal Audit	DIA
Director Investments	DI
Director Projects	DP
Director Strategy and Business Performance	DSBP
Head Corporate Affairs	HCA
Head Risk and Assurance	HRA
Senior Procurement Manager	SPM

CORE TEAM: This team will be responsible for the operational implementation of this Strategic Plan. They will be officers selected to follow up on the strategic objectives and see to it that the tactics are being implemented.

Specific Tasks:

- i. Lead the operational execution of this departmental operational plans.
- ii. Create the strategy map.
- iii. Identify data sources for measures.
- iv. Develop clear definitions of measures and targets for each strategic objective.

Table 7: Core Team Composition

Member	Acronym
Actuarial and Liability Manager	ALM
Assurance Manager	AM
Audit Manager	AM
Business Performance Officer	BPO
Head Benefits	HB
Head Contributions	HC
Head Customer Services	HCS
Investments Manager Strategy	IMS
Legal Manager - Regulatory and Enforcement	LMRE
Manager- ECIS	M-ECIS
Project Manager- eChannels	PM-eChannels
Quantity Surveyor	QS
Regional Manager- South	RMS
Risk Manager	RM
Senior Accountant- South	SAS
Senior Human Resources Manager	SHRM
Statistician	Statistician
Strategy Officer	SO

4.2. STRATEGY AND PERFORMANCE MANAGEMENT

The Directorate of Human Resources and Administration will provide administrative support relating to staff performance management in line with this Strategic Plan while the Directorate of Strategy and Business Performance will focus on the overall Authority Performance, Directorates Performance as well as Departmental/Sectional Performance. The function's key operational mandate, among others, will be accompanied by periodically monitoring, reviewing, and reporting staff performance in line with our strategic objectives to ensure alignment.

The Directorate of Strategy and Business Performance shall report on the performance for the Overall Authority with sectional parts of all the five pillars with input from staff performance as consolidated by Human Resources and Administration for alignment and control.

4.3. LINKAGE OF STRATEGIC PLAN TO THE AUTHORITY'S BUDGET

The effective implementation of the various strategic objectives detailed in this plan will require resource allocation. Our annual budgeting will therefore take into account the various resources needed for the fulfilment of all the strategic objectives, tactics, initiatives and activities associated with them.

4.4. STRATEGIC PLAN REVIEW

This Strategic Plan runs from 1st January, 2022 to 31st December, 2026 and may be reviewed depending on the major occurrences in the external and internal environment to remain relevant to the members, employers, claimants, pensioners and other stakeholders.

Management will regularly review the organisation structure to ensure it is aligned to the strategy.





It's Here!

**RADISSON BLU MOSI-OA-TUNYA
LIVINGSTONE RESORT**



APPENDIX 1: CORE RESPONSIBILITY MATRIX

STRATEGIC OBJECTIVE		RESPONSIBLE FUNCTION
PILLAR: FINANCIAL SUSTAINABILITY		
SO1. Increase Collections		Contributions and Benefits
SO2. Manage Operating Expenditure		Finance and All Directorates/Departments
SO3. Optimise Return on all Investments		Investments
SO4. Optimise Return on all Investments		Investments
PILLAR: CUSTOMER SATISFACTION		
SO1. Enhance Corporate Reputation		Corporate Affairs/All Directorates
SO2. Improve Stakeholder Satisfaction		All Directorates/ Departments
SO3. Increase Stakeholder Awareness		Contributions and Benefits / Corporate Affairs
SO4. Improve Benefits Payment Turnaround Time		Contributions and Benefits
PILLAR: OPERATIONAL EFFICIENCY		
SO1. Explore and Implement New Technology Applications		Information and Communication Technology
SO2. Simplify and Standardise Processes		Information and Communication Technology/ Strategy and Business Performance
SO3. Enhance Data Management and Digital Transformation		Information and Communication Technology/ Strategy and Business Performance
PILLAR: RISK MANAGEMENT		
SO1. Enforce Compliance and Reporting		Legal / Risk and Assurance
SO2. Mitigate Fraud and Corruption		Legal / Risk and Assurance
SO3. Strengthen Risk Governance Structures		Legal / Risk and Assurance
PILLAR: TALENT MANAGEMENT		
SO1. Attract and Retain the Best Talent		Human Resources and Administration
SO2. Enhance Performance-Based Culture		Human Resources and Administration
SO3. Strengthen Leadership Development		Human Resources and Administration
SO4. Align Structure to Strategy		Human Resources and Administration



eBENEFITS

-  **Fill Forms**
-  **Submit Claims**
-  **Renew Life Certificates**

Access NAPSA benefit services at any time, from
anywhere.

Visit enapsa.napsa.co.zm



Be smart, secure your future

P.O. Box 51275
Levy Business Park
Corner of Church & Kabelenga Roads, Lusaka

 YourNAPSA |  MyNAPSA

 +260 973 000 677 | info@napsa.co.zm | www.napsa.co.zm |  NAPSA

Tel: +260 211 395 677 | Contact Center Toll-free Line 677 | Integrity Toll-free Hotline 5080