
The Republic of South Sudan Pension Funds Governance: An Analysis of Framework, Challenges, and Solutions

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Abstract

Pension funds governance work to improve the performance of the funds to enable them to settle their obligations and expand their operations positively. The increased number of aging employees with slow or no retirement programs being implemented by the South Sudan Pension Schemes is a major concern of the economy. The objective of this study is to review the Governance system, identify the major challenges to effective governance, and find solutions to improve pension funds governance. The methodology applied was quantitative using both primary data gathered using questionnaires and face-to-face interviews, and secondary data from the review of related literature obtained from different sources. A sample was drawn using a 95% confidence level allowing a 0.05 interval as the margin of error, SSPS was applied in the analysis using descriptive statistics. The study found that the Pension governance framework confirms the international standards, though challenges are obstructing their performance. However, Governance is the major determinant of pension funds' performance. South Sudan needs to exert more effort to address the available challenges draining the progress of the pension schemes and should rethink the policy of establishing several pension schemes. The study further recommended the government concentrate on building up a single unified Pension fund for easy management and financing in the current state of the economy.

Keywords: Pension funds, Pension Schemes, Annuity plans, Investment, Economic Development, Pension Fund Governance, good governance, and Regulatory System.

Introduction:

South Sudan is expected to have better financial institutions when considering the available resources, and the 15 years of accumulated pension contributions from 2007. Despite this, the retirement program is slow or not affected by Pension schemes. In addition, "(Dr. Michael L. Mogga quoted (MercyCorps2022))" as instead "it's now in the grip of a massive humanitarian crisis. Political conflict, compounded by economic woes and drought, has caused massive displacement, raging violence, and dire food shortages. About two-thirds of the population require aid, (MercyCorps2022)," Dr. Michael Lawrence 2022 reported". The South Sudan Pensions Fund is the legal body mandated by the Pensions Fund Act 2012 and Pension schemes Act 2013 to oversee all types of pension funds and schemes. The Act provided for the

establishment of pension schemes based on groupings such as Independent public institutions and Commissions, Organized Forces managed by their units to include, the army, police, wildlife, civil defence, and prison pension schemes, each with a complementary pension scheme Act. However, the only Scheme with enacted Act is the SSPDFPF having the Freedom Gratuity Act 2020, and the SSPDFPF pension Act 2020. The South Sudan Pension Fund will be a better Financial Institution if governed effectively, leading to economic benefits, hence economic growth.

Methodology:

This study used a quantitative research design and simple random sampling applied for a selected population of 150 senior officers and managers of three Pension schemes (SSNPF, SSPDFP, and SSPSPF). A sample of 109 at a confidence level of 95% and a margin of error of 5% as calculated by the formula according to (Taro Yamane (1967) $n = \frac{N}{1+N(e)^2}$ where n = the required sample size, N = Target population=150, e = the margin of error = 0.05 at a confidence level of 95%. Validated questionnaires and interviews were the instruments for primary data collection, the results were supplemented by secondary data obtained from a review of relevant academic and “gray” literature. The data were analyzed using Statistical Package for Social Sciences (SPSS), then presented graphically, interpreted, and findings were reached. The study considered ethical issues, by quoting and referencing any secondary included in this study.

Pensions Schemes/funds:

Pensions Schemes/funds are financial institutions that enable individuals to accumulate money for future income to cover their livelihood after retirement. By making a certain percentage regularly into the pensions fund, the individual is making an investment that generates a compounded future return. Retirement age is when an individual is deemed as an unproductive economic factor, however, life without employment can lead to vulnerability and hence, poverty. therefore, retired individuals will experience minimized changes in their lifestyle, level of poverty, and vulnerability when adequate income is guaranteed through pension plans.

Pensions are regular monthly payments in a determinable amount fixed at regular intervals made to a pensioner or to a survivor for life or a fixed period as specified in applicable law, while a pensions fund is the legal entity established under the provisions of the applicable Laws to manage and pay pensions to the beneficiaries in accordance to the Act.

The process is normally in two stages as follows 1) Accumulation stage: Where an employee and employers contribute a specific amount of money regularly until retirement and 2) vesting/ payment stage where the pensioner gets a steady follow of income for a prescribed period determined by the applicable law.

Pensions help employees to be financially active by re-investing part of their returns generated from savings made during their working days. It reactivates unproductive economic factors, with continuous pension incomes, old age can have purchasing power and become an active economic agent. This is because some pensioners can invest part of their income and that will increase the amount of cash to invest, thus boosting the investment pools operations, and part of it will be spent on purchasing other life requirements from the businesses within the communities, thus

increasing the sales of those businesses, thus, the profitability, and boosting the businesses. In this way, pensions reduce vulnerability, and poverty, and can improve the economy through a reduction in unemployment brought by business expansions.

Pension funds or retirement funds are saving schemes where an individual saves a small portion of his/her income in a specifically designated pension fund to generate income for his/her future life after retirement. The size of employees and the amount contributed can determine the size and type of investments the pension fund can undertake. Hence, the asset's performance. Large amounts contributed can allow the funds to select the best portfolios.

Employees' pension provides guaranteed income for her/his livelihood after retirement, and savings provide important supplement income for future spending. To cater to individual expenses after retirement, an employee must a strategy. Pension funds provide a supporting income, enabling an individual to be independent.

The minimum eligibility period for receiving a pension is 10 years of service, and the regular contribution of 5% and 11% of the pensionable income for both, the employee and employer respectively.

Family Pension is on the condition that the employee died in active service, and the widow is will be eligible to receive a family pension.

Investment:

An investment is an asset or item acquired to generate income or appreciation. An appreciation refers to increases in the value of an asset over time. An investment always concerns the outlay of funds, efforts, time, money, or an asset today with the hope of generating greater returns in future periods than the value of the original investment.

To achieve this, management needs to have the necessary skills and capabilities to effectively achieve the fund's objectives hence improving the performance of the Pension funds.

Economic Development:

Economic Development has different definitions. From a public perspective, it is the allocation of limited resources in a way that has a positive effect on the level of the economy. It is a process of deliberate intervention in normal economic growth by making it easier or more attractive. This is possible only if, the pension funds governing body is capable of implementing the principles of good governance.

Pension Funds Governance:

People look for better Pension funds governance to achieve their dreams to have a guaranteed income to cater to their old age after retirement. After old age, pensioners are considered unproductive, and the chance of generating an income becomes unpredictable, however, a pension fund is the only relief for old age. Employees consider pension fund plans as the only best option to relieve them from future financial demands at that golden age. The success, and or failure to achieve the feelings are dependent on how pensions fund/schemes are being governed.

Pensions Fund Governance refers to the systems and processes by which a government or company manages its affairs to maximize the welfare of and resolve the conflicts of interest among its stakeholders. In most cases, people face the danger of not being paid their benefits after reaching the eligible pensionable period, and age, based on uncertainty and practices of the pensions fund governance system.

Good Governance

People seek governance where the decision-making and decision-implementation process is based on participation, consensus-oriented, accountability, transparency, responsiveness, effectiveness, and efficiency, and follows the rule of law. It assures that corruption is minimized, the views of beneficiaries are considered, and better public finance management is practiced by the governing body. It is also capable enough to address the issues related to investment management.

The benefits of good governance of Pension Funds

Good governance provides better strategic planning with which the governance structure is set in the way to achieve that mission. Clarity and transparency of governance structures and mission can be readily assessed, this reduces management errors allowing for better results. With the element of accountability and transparency, strong, and clear linkages between mission, governance, and pensions fund management are created. Thus, efficient, and cost-effective pension payments.

Effective pension fund managers can also contribute to financial assets being priced efficiently in terms of risk and expected return leading to better financial performance.

Additional Financial market: as a new institution is being established, it represents a new market in the industry which in turn will create competition within the sector leading to improved performance and services rendered by the financial institutions.

Poverty reduction: provision of pension benefits to beneficiaries reduces the number of old age with no income to manage their basic needs. Thus, reducing poverty and dependence on humanitarian aid.

Vulnerability reduction: providing pension income to retired servants, the number of unproductive age depending on their spouses and humanitarian aid will be reduced since they now have the income to provide for their basic needs.

Additional savings/ Investments: with guaranteed regular payments of pension income, some individuals may reinvest part of their lump sum received upon retirement with the funds and depend on the pension annuities. While the saved money regenerates additional income for individuals. On the other hand, effective governance may motivate individuals voluntarily to make savings.

Reduced unemployment: effective performance leads to expansion/increased portfolio which may call for additional employment, reducing the unemployment rate. Economic stability:

reduced poverty, level of vulnerability, and reduced unemployment, there is economic stability or growth.

Regulatory System

Effective pensions fund performance requires a set of rules, regulations, and a better communication processes to guide the establishment and operationalization of the pensions fund. A regulatory system refers to a set of laws, principles, and policies designed as a reference and a guide to the management while executing their operations. The system includes the regulatory bodies of the parliament which formulates the laws, and the judiciary to implement justice against law violators.

Different types of Pension Governance Models

Governance systems of pension funds can be determined by the type of pension plan, government/company policy, and objectives of the plan. It can include:

Institutional type: This type structured the fund as an independent entity with legal personality and capacity and hence it has its internal governing board.

The contractual type: This consists of a segregated pool of assets without legal personality and capacity. The fund is governed by a separate entity, typically a financial institution such as a bank, insurance company, or pension fund management company. The governing body is usually the board of directors of the management entity, though, in some countries, some key responsibilities are shared with a separate oversight committee.

The trust: This is a legal form of pension fund used by some countries where the Trustee is the one who legally own the pension fund assets. It has characteristics of both the institutional and the contractual type. Trustees must administer the trust assets in the sole interest of the plan participants, who are the beneficiaries of the investment of those assets according to the trust deed.

Types of Pension Funds

Public Pension Funds:

Public pension funds are government pension funds where all government employees and almost half of all nongovernment employees participate in other pension funds. Many public pension plans are funded on a pay-as-you-go basis. Thus, existing employee and employer contributors are essentially supporting previous employees. Contribution rates to the funds differ based on the country's policy such as 8% in Sudan and 5% in South Sudan. It is best suited for long-term savings.

Annuity plans with life cover

The plan provides a life cover together with a regular source of income. A lump sum is payable to the family of the diseased when the event occurred while the policy is active.

Deferred Annuity

Is a contract between the individual and insurance company, the policy helps the employee build amounts for retirement? An individual can make a single lump-sum payment or regular pension annuities payments after the policy period ends, pension payment stars. Michael. Mogga (2022), P7

Immediate Annuity

It is a contract with a policy, where the individual pays a lump-sum amount and receives a guaranteed income for a lifetime that starts almost immediately and comprises of:

Defined Benefits

Under this plan, the employer guarantees that the employee receives a specific monthly payment after retirement for life regardless of the performance of the given investment pool. The individual has a guaranteed flow of income based on the formula and the years of service.

In case the fund is unable to meet the obligations due, then the government is liable to top up the gap.

Defined-Contribution Plans

The plan provides benefits that are determined by the accumulated contributions and the fund's investment performance

Life expectancy

Public servants expect to have income not only during active years of their service but also when they are no longer active to generate income. This mandated employees to dedicate their time serving the public service with the hope of earning future income through contributing to Pension plans. This hope can only be achieved if the funds are governed in a way that can guarantee people's dreams. In addition, it is an option for either the government effectively fulfil its obligations to providing pension payments to beneficiaries or not deducting contributions for pension plans such that, people look for their own ways to save for their future income after retirement.

The study assumptions:

First best assumption:

There are concerns about whether the pension funds management is capable to improve the fund's performance under the current economic and political situation, in addition to the ever-changing market trends full of uncertainty, and identifying the best opportunities to uplift the performance of pension assets and meet its promises to the beneficiaries.

Second assumption:

This assumes that challenges had delayed the establishment process of pension schemes and their operationalization. On the other hand, it assumes that there are solutions for every shortfall. Therefore, this study looks for the best policy decisions to address the available challenges. Good governance not only benefits the pensions institutions, but also benefits the economy. The

provision of income to old age reduces the level of vulnerability and poverty as well increased savings lead to additional investments, thus increasing employment and reduction in the level of unemployment. This results in an improved economy.

Challenges

Challenges are available whenever conducting any business, the South Sudan Pension Fund as a new Institution experienced several challenges:

Delays in the constitutional process: the operationalization of the pensions fund should be guided by-laws and a governing body. However, the only pensions scheme Act available is the SSPDF which came into force eight years after the Pensions Act 2012, the delays disabled the establishment of pensions schemes.

Lack of government support: Public pensions fund require both financial, and technically from the government until it became fully funded, however, that is not in place. **Insufficient skilled staff:** the effectiveness of pensions operations depends on the capabilities and number of the staff. The South Sudan pensions fund has few skilled staff who served under the Sudan Pension funds, and people with the required skills tend to look for good-paying jobs. **Lack of training and development:** financial markets require continuous development of the staff to equip them with modern technologies and the necessary knowledge required.

Other external factors: the performance of the pensions fund can be affected by external factors, for example, irregularities in salary payments for the last period from 2019-2022, impacted both strategic and operational plans since it is the main source of the pension fund income.

Solutions:

Availing the laws, and the governing body is needed to pave way for the operationalization of those schemes. The delay could act as a loophole for corrupt elements who may divert the already accumulated pension money for their benefits.

Government support is a major requirement for new institutions which require both financial, technical support to build the funds to the level of being fully funded.

Training and development: capacity building of employees is necessary, and can be through availing training opportunities within, and abroad. The government can also hire part-time experts and consultants from recognized countries to work with pension management.

Effective risk management: the success of any investment is dependent on how well managers can carry out critical analysis of the available investment projects, select the best alternative, and implement the right strategy.

Creating a conducive environment for Investment: currently, the government may formulate policies that attract investors and encourage voluntary pension savings policies, such as tax exemption policies.

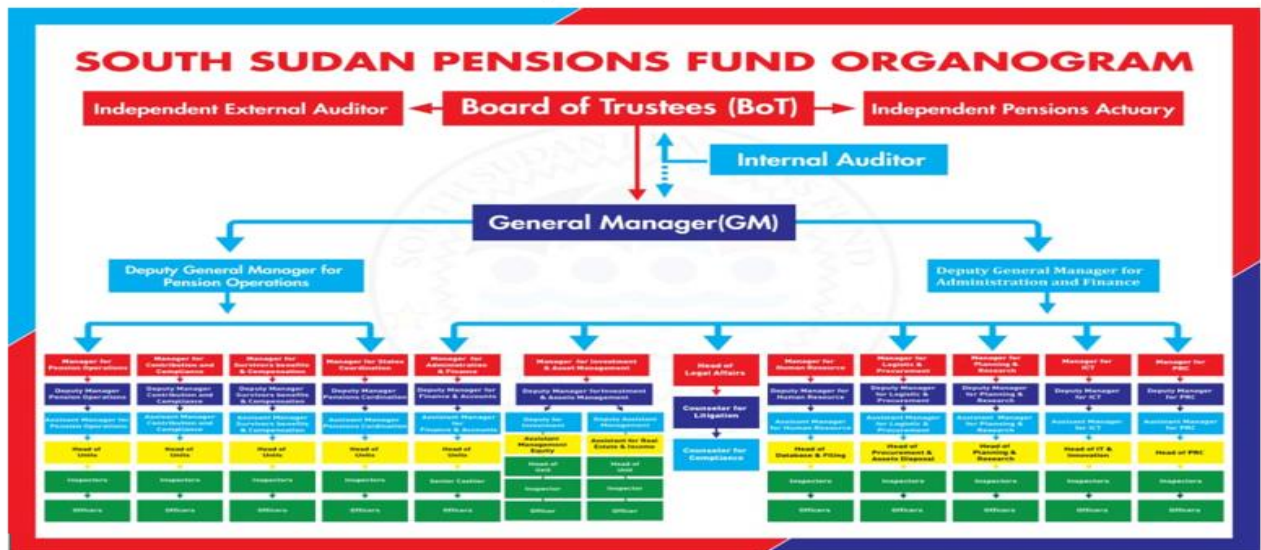
South Sudan Pensions Empirical Analysis

Introduction:

The government of South Sudan introduced South Sudan Pensions Fund (SSPF) in 2012 and Pension Scheme in 2013 as an independent financial institution to manage pensions in the whole country. It is mandated to invest employees’ money in financial securities that are legal, and profitable. The current pensions fund dates back to the British colonial system by 1904 in Sudan, known as Pension Fund under the directorate in the Ministry of Labour and managed in Khartoum the Capital City of the country. It was mandated to manage pensions and gratuity in the whole of Sudan. In 1972, the Department of Pensions and Gratuity was established in Juba under The Ministry of Public Service and Labour in the Southern Region, to coordinate the Southern Region employees’ pension affairs with Khartoum. The Fund was later developed into Sudan National Funds, managing Pensions in the Country. In the 2005 Comprehensive Peace Agreement (CPA), the Pensions affairs in South Sudan were handed to the Government of South Sudan (GoSS) Ministry of Public Service up to independency, after which, the South Sudan Pensions Fund Act 2012, and Pensions Scheme Act 2013 were established by Public Service and assent by the President. The Acts became the legal foundation for the appointment of the South Sudan Pensions Board of Trustees (SSPBoT), the body that established the Civil Service Pensions Scheme Management Fund based on provisions of the SSPF Act 2012. However, the Fund was operationalized in 2019 with the main purpose to execute its functions for the achievement of the desired objectives through investing, managing, and paying pensions to beneficiaries in accordance to the Acts. It also oversees all types of Pension Funds in South Sudan.

South Sudan Pension Funds Governance Structure

SSPF Organizational Structure



Source: South Sudan Pension Fund 2023

The South Sudan pension funds act 2012 and Pension schemes act 2013 are the guiding laws and defined the structure of the SSPF as an Independent Entity which reflected the Institutional type. The Fund is managed by seven members of the Board of Trustees nominated by the ministries concerned and appointed by the president. Four Trustees are nominated by a selection committee based on technical expertise. The board is chaired by a General Manager and a deputy elected by the Board of trustees. General Manager/Managing Director is part of the Board of Trustees, and is responsible for the recruitment of the technical directors and staff based on merit. The SSPF management is further split into Pension Schemes such as The Civil Service Pension Scheme, The Sudan People's defence Forces Pension Scheme, The Police Services, Wildlife Services, Civil defence, Independent Institutions and Public Enterprises, and Cooperation's Pension Schemes. Each scheme is independently managed by its Internal Board of Trustees and Constitution.

The pensionable Age for both Males and Females is 65 years of age and can be less than 65 based on any reasons caused by Physical and Mental incapability with a minimum continuous contribution of 15 years at a rate of 5% of the employee's salary contributions per month, and 11% from the employer. Soldiers are paid 2% of the pensionable Final Salary upon retirement as Pensions while the government contributes 24% of the salary towards the soldier's pension benefits.

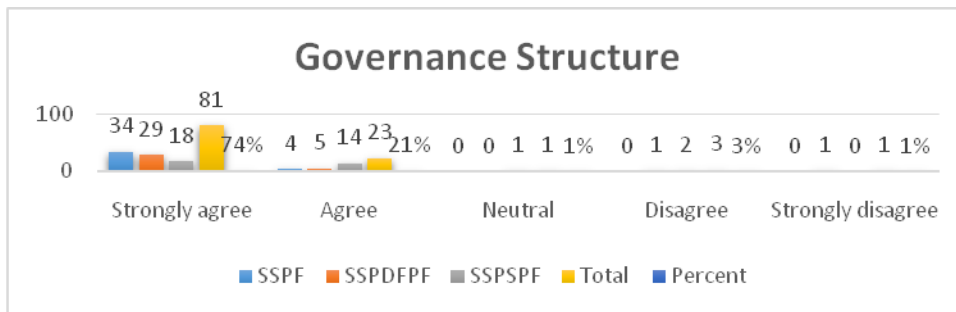
The Objectives of South Sudan Pension Funds: The SSPF is managing the pensions based on the provision of hope in the life expectancy of beneficiaries, insurance against long-term risks, poverty, and vulnerability reduction through improved pension funds asset management for economic growth, and being in accordance with to esteem core values of accountability, transparency, professionalism, integrity, and trustworthiness. (SSPF Act 2012, SSPDFPF Act 2020, Freedom Gratuity Act 2020).

Testing the Hypothesis:

Testing assumption, one has indicated the elements of insufficient number of skilled staff, and lack of government support. Insufficiency of skilled staff leads into limited capacity of management to effectively pursued investment opportunities under the everchanging market trends that require full knowledge of risk management to enable managers analyze, select, and effectively manage investment portfolios while looking for options to break through a given level of market risk, and on the other hand, lack of government support is an indication of both technical, and financial capabilities to enable management cover for risk through diversification to reduce risk. It also established that, the pension fund is at its establishment stage, and the capabilities of management need to be built through trainings, and recruitment of specialist in the field.

**Analysis and Interpretations
Governance Structure:**

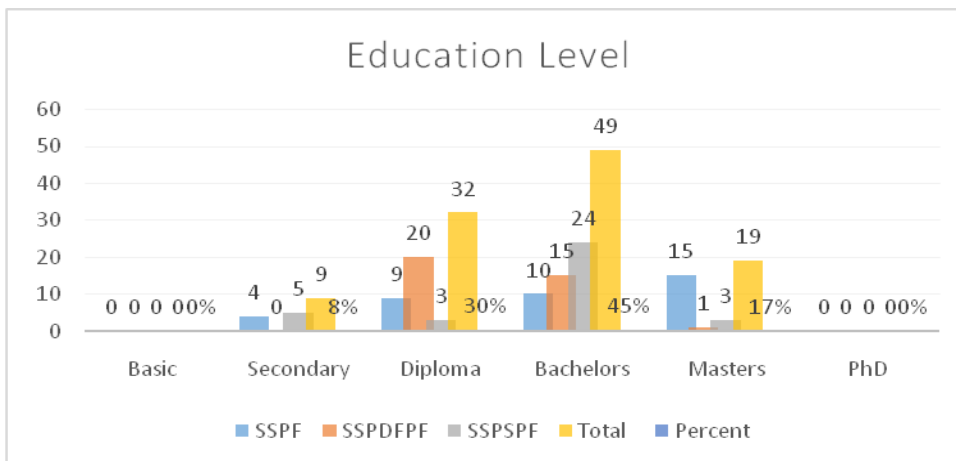
1. *The Fund structure is Independent and consists of the Parliament as regulator representing shareholders, and the Board of Trustees, and guided by the SSPF act 2012 and SSPS act 2013.*



Source: Field Data 2022 The results above indicated 95% agreement, 4% disagreement with 1% neutral on the view about the governance structure. Therefore, the 95% majority justified that, The Fund structure consists of the Parliament as regulator representing shareholders, the Board of Trustees, and guided by the SSPF act 2012 and SSPS act 2013.

The Staffing Policy: The performance of the funds is dependent on the skills and capabilities of its management team in identifying the best investment opportunities based on risk–return tradeoffs, how best to allocate the pension assets, and monitor its performances. This can be achieved through a recruitment policy based on merit.

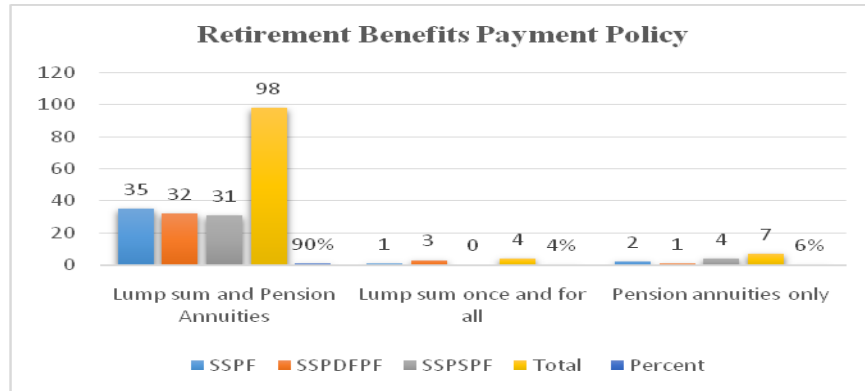
2. Analysis of recruitment policy based on educational levels



Source: Field Data SSPF 2022

The analysis indicated a general percentage of 92% as holders of Diploma to master, and only 8% were below the University level. This confirms that there is a tendency towards reforming Fund Management and recruitment based on educational qualifications.

3. The Retirement Benefits Payment Policy and contribution period:

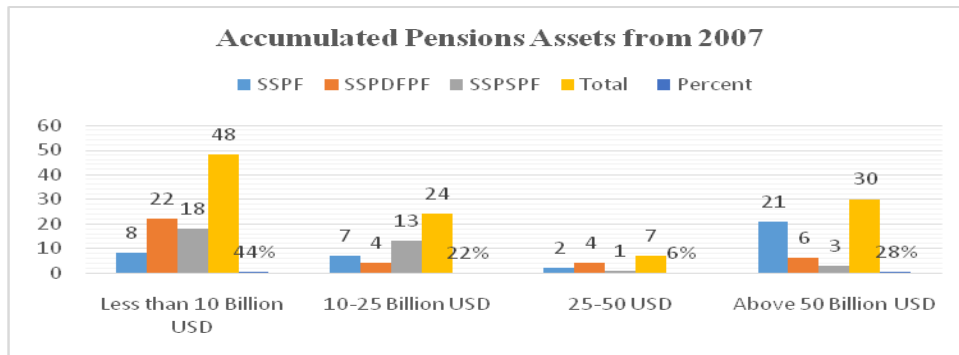


Source: Field Data SSPF 2022.

The SSPF pays a Lump sum upon retirement and continuous Pensions payments after a contribution period of 15 years. This formula provides lump sum payment upon retirement is calculated from the past service period to retirement, and pension annuities for the future period

The Pension Funds' Performance

4. The Total accumulated Pension Funds' assets from 2007

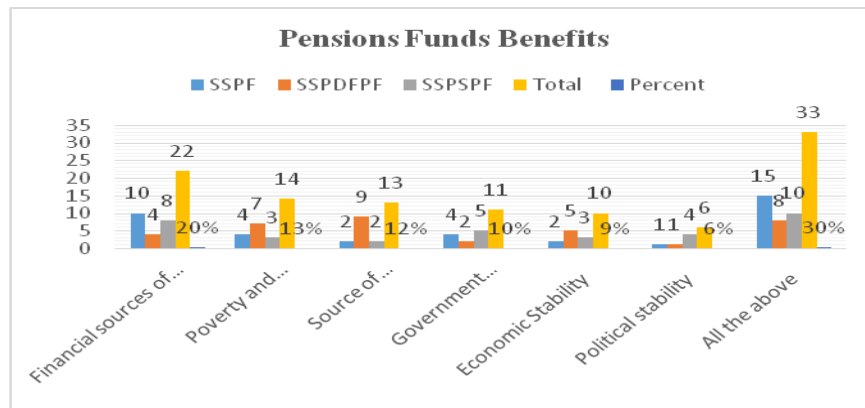


Source: Field Data 2022

The results of accumulated total Assets from 2007, indicated 44% for less than 10 billion United States Dollars, 28% for above 50 B USD, 22% responded to 10-25 B USD, and 4% were for 25-50 B USD. 66% of the respondents voted for less than 25 billion USD while 34% were for above 25 to above 50 billion. Based on the response, the current Pension Assets from 2007-2022 are at an average of 37.5 billion USA Dollars. And based on the Pension Schemes, the South Sudan Pension Funds is above 50 billion US Dollars while both the South Sudan Peoples Defence

Forces and the South Sudan Police Services Pensions Funds schemes are at an average of 5 billion USA Dollars and this is due to the number of their employee's amount of pensionable salary and a number of contributions per month.

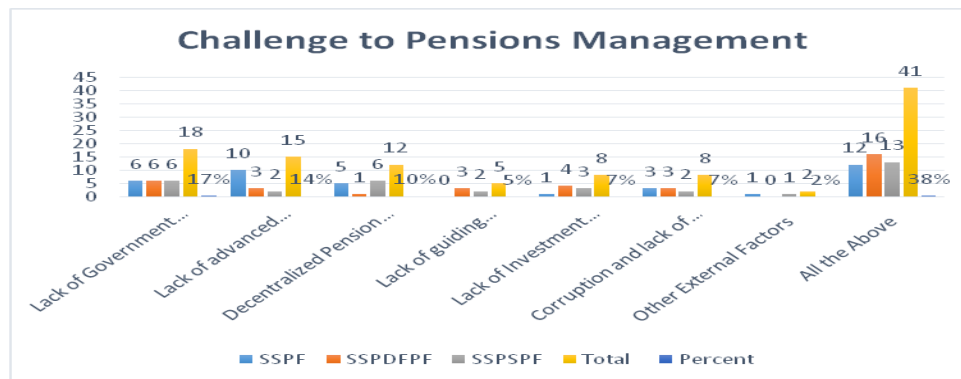
5. The Benefits of Pension Funds



Source: Field Data 2022

The above analysis indicated that 20% of the respondents cited that, it is a financial source of market and income to the financial institutions, 13% voted poverty and vulnerability reduction, 12% said, it is a source of employment, 10% responded that, it generates a source of income to the government in form of tax, 9% argued, it brings economic stability, 6% commended means to Political Stability, while 30% of them confirmed that, all the above cited are the benefits of effecting Pensions Fund Management. The general objective of portfolio managers is to make investments that will earn a large enough return to adequately meet future payment obligations.

6. Management challenges impeded the pension performance

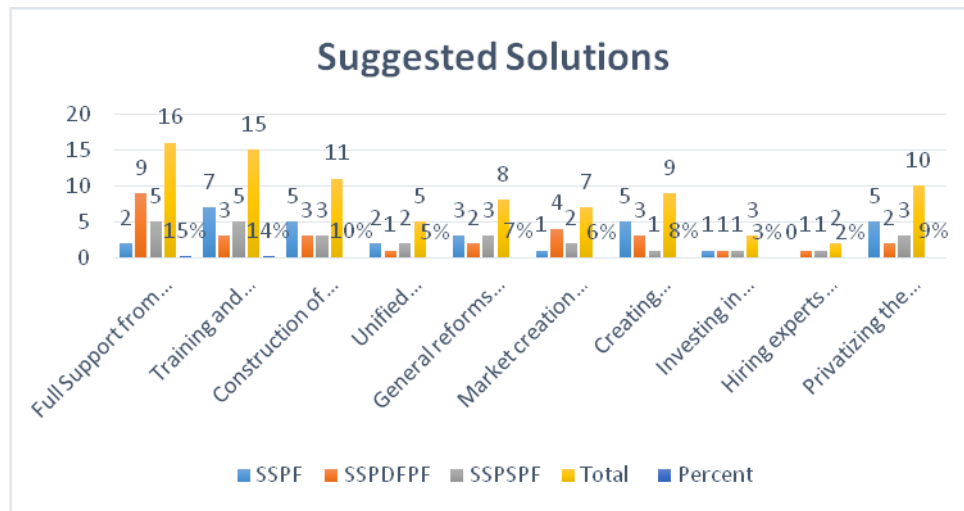


Source: Field Data 2022

The results above indicated a lack of government support financially and training and development of pension fund staff, a lack of Infrastructure and advanced systems, a lack of

organized collection mechanism, corruption and lack of transparency, and lack of investment opportunities and markets, and lack of guiding principles and rules, and other external factors are the challenges draining the performance of the Pension Investments.

7. Some suggested Solutions to Management challenges



Source: Field Data 2022

The solutions to resolve the management challenges for an effective investment called for full support from the government Training and development of Pension Funds Staff, Construction of facilities, Privatizing the Pension Management, Creating a conducive Investment environment, General reforms in the Pension Fund systems, Creation and analysis of investment markets, Unified collection and management of pension contribution.

Summary, conclusions, and Recommendations

The South Sudan Pension Funds was legally founded in 2012 as an Independent entity reflecting an Institutional type regulated by the government and governed by appointed Boards of Trustees. Its guiding laws and principles confirm International standards. The pension policy is segregated into pension schemes based on the nature and conditions of work.

The Retirement Benefits Payment Policy is Lump Sum Payments and continuous monthly Pensions annuity after retirement with a Retirement Age of 65 years for the civil sector and 60 years for the Armed forces based on ranks ranging from 47 to 60 years for the least ranks to the highest ranks. The contribution rates to Pensions have been 5% and 11% of the employee's pensionable salary with an eligible Pensionable Contribution Period of at least 15 years.

The Benefits of Pension Funds are many but their achievements are being drained by several management challenges such as lack of support from the government, insufficient skilled staff, lack of training and development opportunities for the staff, lack of Infrastructure and advanced monitoring systems, and facilities, decentralized system of collecting and managing pension contribution, and corruption.

Policy Implication

Decentralizing pension governance into pension schemes has its implications in South Sudan, it can generate positive results since it is managed by, and addresses the interest of its members. However, negative results can overcome the situation in the case of South Sudan, where the pension funds call for government support, this could lead to standing still since the amount required will be larger than if the government was to manage a unified Pension Fund till the time it is well equipped and decentralize into occupational pension schemes. A lack of skilled staff could render the schemes ineffective since the effectiveness of any institution is dependent on the capabilities and skills of the management which is nil in many schemes such as the wildlife service. In addition to the differences of interests between the top leadership, and the individual schemes leaders (Ministers). Top leadership as the initiator of the funds may be concerned with its citizen's welfare, however, some ministers could only care of their interests which may lead to misuse of the pension money available for their interests. This is evident given the time from 2007 to 2011, and to 2022 where some pension schemes are even nonexciting, and some implement different policies other than the pension policy such as the Bank of South Sudan that implement Gratuity other than pension policy. Several schemes with different job characteristics would be difficult to manage since the Act mandated the SSNPF as the general overseer of all pension schemes in the country.

For the effectiveness of the Pension funds in South Sudan, I hereby, recommend that the government have a single unified Pension fund, where the mega resources can be supporting only one direction for establishing, staff training, and technical support, only and bring skilled staff as representatives from all the schemes (Occupations) to work under the SSNPF.

Recommendations:

- ❖ **Government Support:** the government needs to fully support the pension funds, financially and technically till it is capable of managing the funds independently given that, the industry is new, with some staff appointed and not recruited based on merits.
- ❖ **Expedite the formulation and approval of the other pension schemes laws and boards.**
Only the civil Service and SSPDF pensions schemes have the guiding constitutions and boards, some pension schemes for examples, Wildlife, Prison, and Police pointed to delays in the approval of the Act and the appointment of a Trustee to guide their operations. To avoid the misuse of the existing funds, the government needs to expedite the process of fully operationalizing the pension schemes, by availing the necessary laws to guide the process and appointment of the governing body (Board of Trustee).
- ❖ **Effective Monitoring and Control System:**
The Government needs to establish an effective system of follows ups, Monitoring, and control mechanism to reduce corruption and conflict of interest which may be eminent by pension scheme leaders.

Binding Regulatory framework for institutional Investors: Regulatory system needs to reflect the element of integrity, transparency, and accountability which binds the institutions to

effectively implement the regulations as stipulated to *Create a Conducive Investment environment. hence*, improving pension fund operations and effective performance.

- ❖ ***Understanding the needs of institutional investors and Collaboration with stakeholders:*** Government should provide appropriate investment incentives and risk transfer opportunities that match the needs of the investors as a specialist in the industry and collaborate with all stakeholders. This collaboration and understanding can ease the formulation and selection of countermeasures to cope with market trends even in periods of economic pressure and generate better investment returns.
- ❖ ***Financial education:*** Fund managers must have better investment decisions, they need to decide, on what to invest (Portfolio), where (Place) when to invest (Time), how much to invest, and what capital structure (gearing), etc.
- ❖ ***Flexible and Sustainable Asset allocation Strategy:*** Asset allocation into investment portfolios needs to have a flexible strategy that can address the sustainable reallocation of assets whenever there are changes in the return of a given portfolio due to an increase in the risk level or unfavourable changes in market trends.

Conclusion:

Pension Funds as a financial institution and social security for old age is of paramount importance as it provides several benefits to the Government, Financial Institution, and the Old Age (Beneficiaries) and can be deemed as a source of economic development to any economy worldwide.

The performance of the pension funds is dependent on the Governance structure, the selection criterion, the regulatory system, and Management capabilities to formulate, implement, monitor, control, and evaluate its strategic Plans, or risk management capabilities.

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Appendix

1. SSPDFPF Strategic Plan 2020-2025

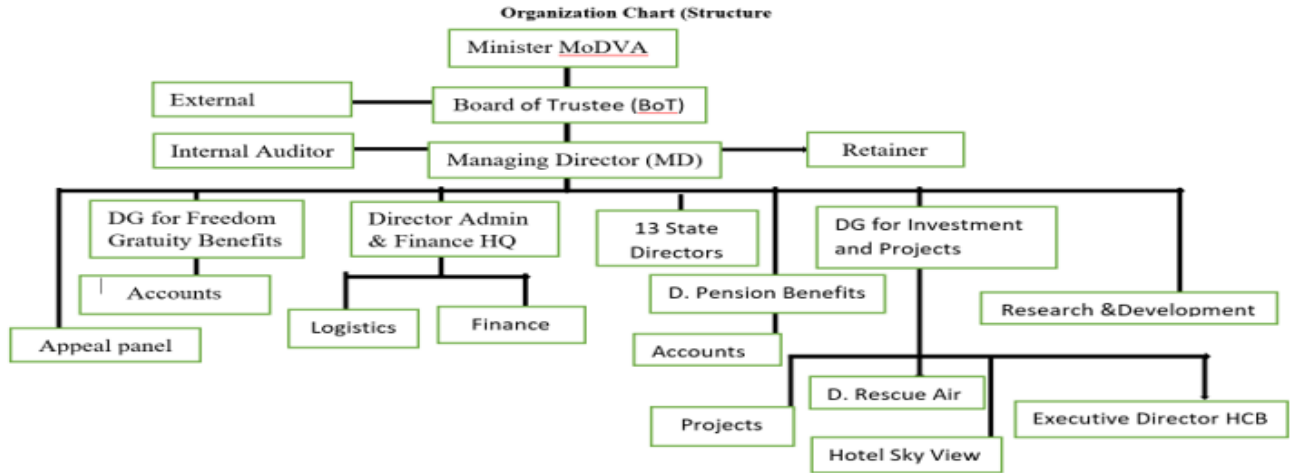
Objective 1: To provide benefits to eligible survivors and ex-combatants in accordance to the set laws.

SS PD F- PF Pri ori ty Ac tio n	Activiti es	Expected Output	Perfor mance Indicat ors	5 Years					Respon sible dept.
				2021	2022	2023	2024	2025	
Ta sk 1	Activit y 1								
Co unt ry- wi de dis se mi nat ion of SS PD F- PF and Inv est me nt of Pe nsi on As	Conduc t awarene ss worksh ops	Ex- combatan ts and stakehold ers made and anticipate d provision of pensions.	(10-15) % of Ex- combat ants, Surviv ors, and war wound ed made aware	Number of stakehol der's worksh op conduct ed	Number of stakehold er's workshop conducted	Number of stakehol der's worksh op conduct ed	Number of stakehol der's worksh op conduct ed	Number of stakehol der's worksho p conducted	SSPDF- PF
	Activit y 2 Verify and Pay benefits to ex- combat ants and Survivo rs	Eligible beneficia ries disbursed benefits	(10-15) % of Catego rized benefic iaries disburs ed benefit s	Categor ization of war wound ed and verificat ion of survivor s on- going	Categoriz ation of war wounded and verificatio n of ex- combatant s on- going	Categor ization of war wound ed and verificat ion of survivor s on- going	Categor ization of war wound ed and verificat ion of survivor s on- going	Categor ization of war wound ed and verificati on of survivor s on- going	Categori zation of war wounded and verificati on of survivor s on- going

sets										Orphan s
	Activity 3 Invest Pension Assets in variable projects	Level of Un-employment reduced	- Number of work brigades participating - Number of Investments Initiated	Biometric system programming on going Disbursement of benefits to beneficiaries on-going	Biometric system programming on going Disbursement of benefits to beneficiaries on-going	Biometric system programming on going Disbursement of benefits to beneficiaries on-going	Biometric system programming on going Disbursement of benefits to beneficiaries on-going	Biometric system programming on going Disbursement of benefits to beneficiaries on-going	Biometric system programming on going Disbursement of benefits to beneficiaries on-going	SSPDF-PF/ MoD VA? MEC
	Activity 3 Train IT trainer of trainers in Biometric programming	Duplication of payment and impersonation avoided	Number of IT personnel trained in Biometric System Management	Disbursement of benefits to beneficiaries and on-going	Disbursement of benefits to beneficiaries and on-going	Disbursement of benefits to beneficiaries and on-going	Disbursement of benefits to beneficiaries and on-going	Disbursement of benefits to beneficiaries and on-going	SSPDF-PF/ jSSPDF-Admini	

2. SSPDF Organizational Structure

2. SSPDFPF Organizational Structure



Source: SSPDFPF 2023