

## **Terms of Reference for the consultants- Zambia Pensions & Insurance Supervisory Strengthening**

The consultants will start the project by reviewing existing background materials and recommendations that are available, including those from the FSAP and FSDP programmes. The consultants will organise their work to ensure due regard is given to the work proposed under the DFID/SIDA project.

The consultants will undertake a short scoping consultancy focused on the supervision of the private (non State) pension schemes and of the insurance sector. This work could provide a springboard for further technical assistance.

### *Pensions area:*

The consultants will work in close consultation with the PIA, the MoFNP and the Ministry of Labours and Social Securities.

Based on the initial review of the existing background material available, the consultant will make recommendations on the need for carrying out the following activities:

- ❑ undertake a brief study of the private sector pension industry in Zambia
- ❑ assess the feasibility of market development in the private pensions industry and provide an appropriate outline policy framework (with implications) should such development be pursued
- ❑ carry out an informal review of the proposed Pension Scheme Regulation (Amendment) Bill 2005, with due regard to the fact that the DFID/SIDA funded project is focused on providing substantive advice in this area
- ❑ assess the capacity of the PIA to exercise effective supervision over private sector pension schemes and, as may be appropriate, provide an outline programme for strengthening supervisory capacity

Based on above recommendations and after due consultation with the FIRST MU and the Recipient, the consultant will carry out the agreed activities.

In addition, the consultants will identify and assess feasibility of strategies for encouraging the healthy development of private sector pension schemes and draw up a high level road map for their implementation

### *Insurance area:*

The consultants will work in close consultation with the PIA and the Ministry of Finance.

Based on the initial review of the existing background material available, the consultant will make recommendations on the need for carrying out the following activities:

- ❑ undertake a brief study of the insurance sector and its immediate prospects
- ❑ undertake a desktop review of the Insurance Act that will assess compliance with the IAIS principles and recommend any amendments required (if any), with due regard to the fact that the DFID/SIDA funded project is focused on providing substantive advice in this area

Based on above recommendations and after due consultation with the FIRST MU and the Recipient, the consultant will carry out the agreed activities.

In addition, the consultants will assess the capacity of the PIA to exercise effective insurance supervision and, as may be appropriate, provide an outline programme/strategy for strengthening supervisory capacity

*PIA:*

The consultants will:

- ❑ review and agree proposed attachments/study tours for appropriate PIA staff to some of the countries in the region (e.g. Kenya, etc)
- ❑ assess the training needs of the PIA staff on both insurance and pensions supervision and provide up some *ad hoc* training/workshops as agreed with PIA and the MU in order to address the PIA immediate training needs
- ❑ drawing on the work in the insurance/pensions area, review PIA information systems for insurance and pensions and make suggestions for strengthening them
- ❑ bring the above work together and help PIA draft a sustainable and viable organisational strategy and business plan clearly identifying resources and financial needs over the next 3-5 years, and sources of the needed finance (including levy on pension fund contributions and insurance premiums)
- ❑ prepare a proposal for immediate technical assistance needed in the pensions and insurance sector including full terms of reference for consultants and the estimated cost of this technical assistance.