



ALTERNATIVE DISPUTE RESOLUTION FOR PENSION FUNDS

STRUCTURE, GOVERNANCE, STAKEHOLDERS & FINANCIAL CONCEPTS

DATE: MONDAY 15TH DECEMBER 2025

9:00 - 10:30 A.M.

ESERIANI RESORT, NAIVASHA

GOVERNANCE . TRAINING . EMPLOYEE BENEFITS . TECHNOLOGY

Session Objectives

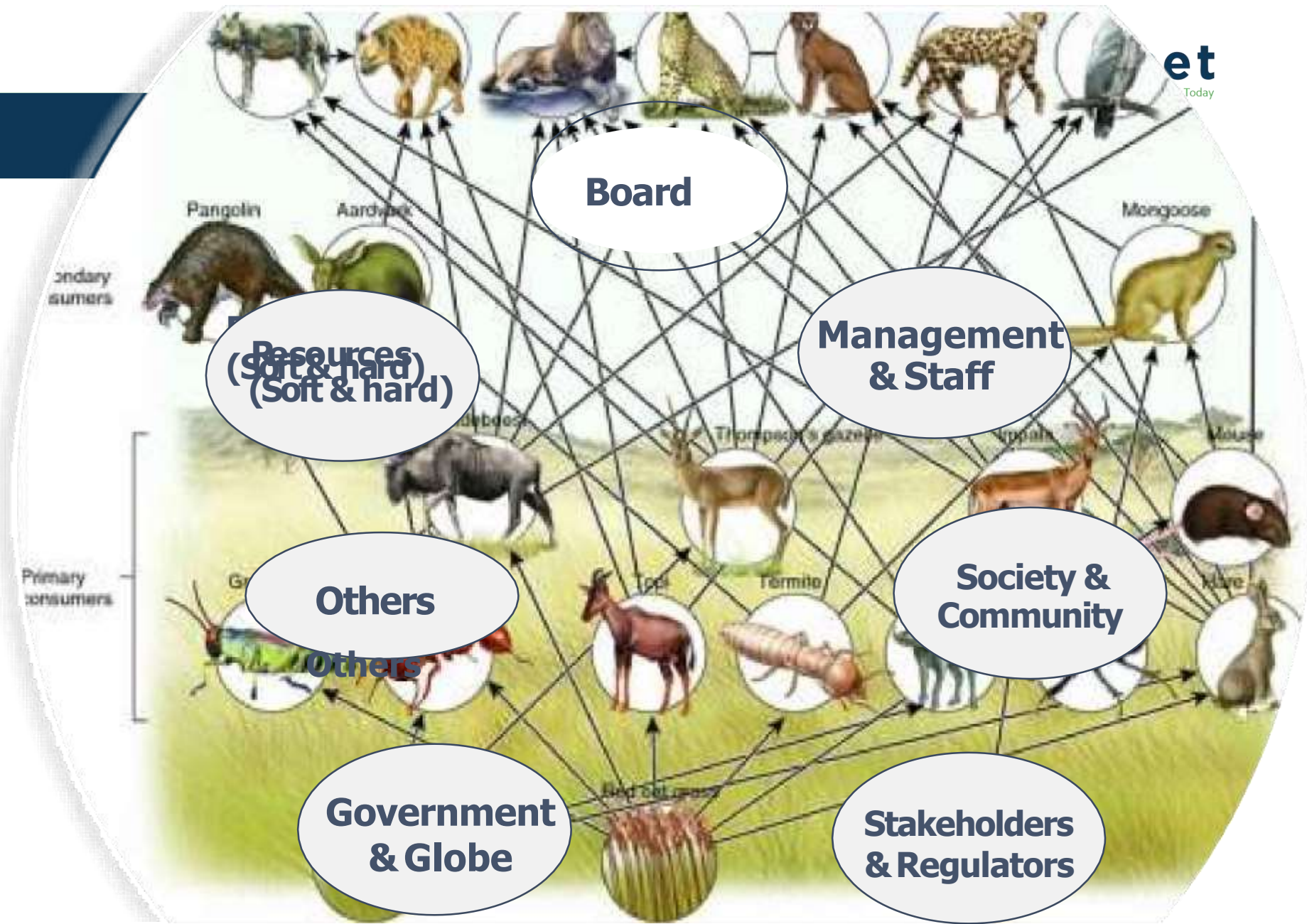
- 1** Governance Structure
- 2** Stakeholders
- 3** Financial Concepts

Corporate Governance?



STAKEHOLDER

Individuals or groups who have an **interest** in the organization's activities and **outcomes**.



ROLE OF THE BOARD

1. Identify its stakeholders and develop matrix – map out areas of interaction and balance of interest. Needs to be a regular board agenda
2. Approve a **stakeholder management policy**
3. Approve a **communication policy**
4. Approve a **whistle blowing policy**
5. Develop a **conflict resolution mechanism** – Alternative Dispute Resolution mechanism (ADR) – arbitration, mediation, negotiation & conciliation
6. Identify competitors

KPI = KEY PERFORMANCE INDICATOR?



STAKEHOLDER MANAGEMENT PRINCIPLES

Stakeholder management is the process by which you **organize, monitor and improve your relationships** with your stakeholders. It involves systematically identifying stakeholders; **analyzing** their **needs and expectations**; and planning and implementing various tasks to engage with them.

1. Identify stakeholders
2. Conduct purposeful stakeholder analysis
3. Focus on engaging stakeholders
4. Establish clear goals & expectations
5. Develop strong stakeholder relations
6. Communicate effectively
7. Consult regularly
8. Involve stakeholders in decision making



KEY PRINCIPLES OF STAKEHOLDER MANAGEMENT

Engagement

- Proactive:** Regularly reach out to stakeholders before issues arise.
- Continuous:** Maintain ongoing communication, not just during crises or changes.

Transparency

- Open Communication:** Share information honestly and openly.
- Regular Updates:** Keep stakeholders informed about developments and decisions.

Responsiveness

- Timely Responses:** Address stakeholder inquiries and concerns promptly.
- Feedback Mechanisms:** Provide channels for stakeholders to voice their opinions.

Mutual Respect

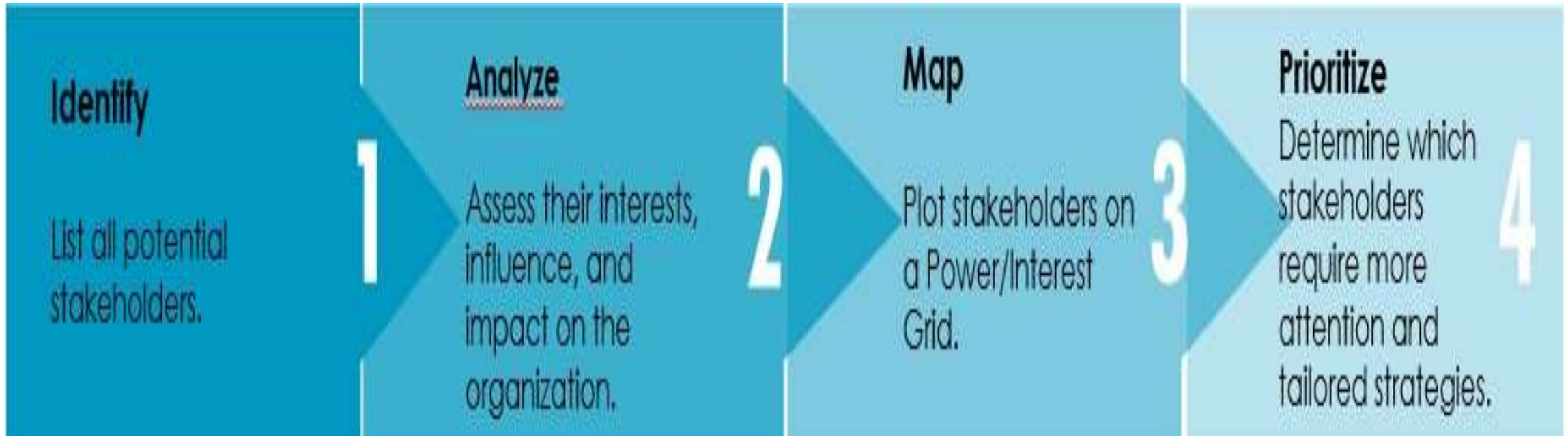
- Trust Building:** Develop and maintain trust through consistent and respectful interactions.
- Respectful Interactions:** Honor stakeholder perspectives and contributions.

SAMPLE - STAKEHOLDER REQUIREMENTS

Employees	Ability to pay salaries, wages, and benefits
Suppliers	Capacity to pay a debt for goods or services provided to the entity
Creditors	Future cash flows, the security of debts
Governments, Agencies, and Regulators	Efficient allocation of economic resources, regulating, taxation, national statistics
Customers	Supply of quality goods or services
Equity Investors	Cash flows and share price
The Public	Variable interests
Development Partners	Impact of use of funding



STEPS IN STAKEHOLDER MAPPING



Handle with Care

(wield significant power over outcomes but have minimal direct interest)

- Government regulator/policy maker
- Industry associations or trade groups
- Media outlets or influencers
- Industry analysts or experts
- Key partners or alliances
- Special interest groups/advocacy organizations

Top Priority

(have power and significantly influence outcomes)

- Shareholders /investors
- Key customers
- Key suppliers/partners
- Employees & labor unions
- Regulatory authorities & government agencies

Low Priority

(have little impact on outcome and have minimal investment)

- General public
- Local community members
- Occasional clients
- Vendors and service providers
- Unengaged employees
- Media outlets/bloggers with limited reach
- NGOs with limited resources
- Passive investors

Need Help to Participate

(have significant interest but limited power to influence outcomes)

- Small shareholders
- Minority business partners
- Local communities affected by operations
- Suppliers with limited alternatives
- Employees in specialized roles
- Long term contract holders
- Creditors



IMPORTANCE OF STAKEHOLDER MAPPING

1. Develop **engagement strategies** to meet specific needs and expectations
2. **Alignment** with organizational goals
3. Ensures all stakeholders are on the same page and working towards common objectives.
4. Member **trust, satisfaction** and building relationship
5. Meets legal requirements and promotes **good governance** practices to avoid potential legal or reputational risks


OFFICE OF THE ATTORNEY GENERAL
 STATE DEPARTMENT FOR JUSTICE, HUMAN RIGHTS & CONSTITUTIONAL AFFAIRS

YOUR VOICE YOUR RIGHT!

CALL FOR PUBLIC PARTICIPATION

The Office of the Attorney General and State Department for Justice invites your views on:

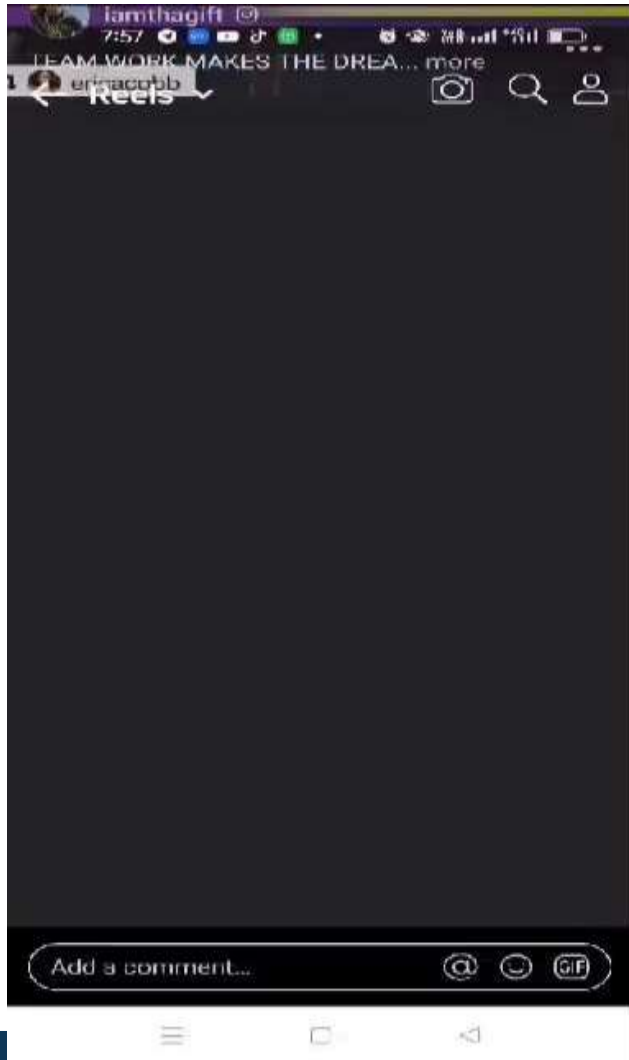
- Public Participation Bill
- Whistleblower Protection Bill
- Anti-Corruption Laws (Amendments) Bill

REGISTER YOUR VIEWS NOW:

Log in to:
<https://publicparticipation.statelaw.go.ke>




IMPORTANCE OF STAKEHOLDER MANAGEMENT



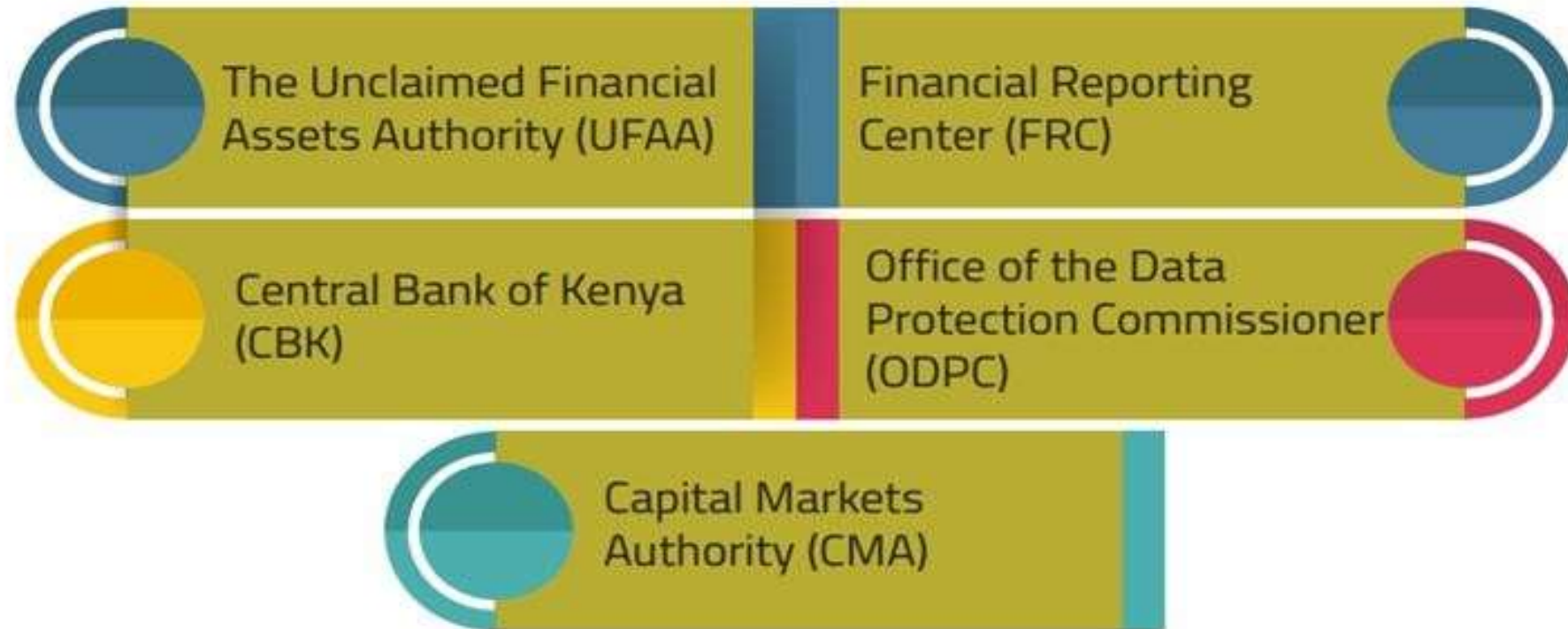
7. Management of **risk**
8. Builds confidence and **loyalty** among members
9. **Conflict management**
10. Management of **expectations** – clear understanding of each perspective
11. Encourages **innovation** – people, process, product
12. Identifying **opportunities** and risk – explore insurance cover



IMPORTANCE OF STAKEHOLDER MAPPING

There are other regulatory bodies that may interact with the Retirement Benefits industry stakeholders.

These include but are not limited to.



DEVELOPING A STAKEHOLDER ENGAGEMENT PLAN

Define Objectives:

Clearly articulate what you aim to achieve with stakeholder engagement.
Example: Improve member satisfaction with new digital services.

Identify Stakeholders:

Use stakeholder mapping to list and categorize stakeholders.
Example: Members, employees, regulators.

Develop Engagement Strategies:

Tailor approaches for different stakeholder groups.
Example: In-person meetings for key players, newsletters for general members

Implement Plan:

Execute the engagement strategies using appropriate channels and tools.
Example: Launch a series of webinars on new policy changes.

Monitor and Review:

Assess the effectiveness of engagement efforts and adjust as needed.
Example: Conduct surveys to gather feedback and improve strategies.

DIGITAL COMMUNICATION STRATEGIES



Website

- User-Friendly Design:** Easy navigation, clear layout, and accessible content.
- Regular Updates:** Keep information current and relevant.
- Member Portal:** Secure access to personal account information and resources.



Social Media

- Platform Selection:** Choose platforms where members are most active.
- Engaging Content:** Use multimedia (images, videos) to enhance posts.
- Interactive:** Encourage comments, questions, and discussions.



Email Marketing

- Segmentation:** Group members based on demographics or interests for targeted campaigns.
- Personalization:** Customize emails with member-specific information.
- Automation:** Use tools to schedule and send emails automatically.



Webinars /Virtual Meetings

- Interactive Sessions:** Engage members with Q&A sessions, polls, and live chats.
- Recorded Sessions:** Make recordings available for those who cannot attend live.
- Relevant Topics:** Choose topics that address common questions and concerns.

BENEFITS OF STAKEHOLDER MAPPING

1. Partnerships & Collaborations (Public & Private)

- Identify relevant industry experts with specialized skills for transfer of knowledge
- Identify **strategic partnerships** e.g., kasneb/RCPSB Huduma Centre, MTRH linda mama, Mwamba TF/Life underwriters, Sanlam/StanChart, StanChart/Art Café, Safaricom/Banks, KeNHA/ELC, Rukisha/Master card for diaspora remittance, construction of Homabay County HQ/CPF, Usahihi Expressway/CPF, etc
- **Capacity building** through partnering with reputable academic institutions e.g., CPF/Strathmore/KSG for Leadership Incubation Programme, Safaricom/Strathmore on AI



2. Placement Contracts

- Ideal for expensive equipment - biometric gadgets, etc
- Offers cost management, profit sharing & minimizes risk



MMF TITANS: SANLAM vs CIC UNIT TRUST SCHEMES

ASSETS UNDER MANAGEMENT (KSH, BN)

Quarter	 Sanlam	Growth	 CIC GROUP	Growth
Sep-19	2.0		27.5	
Dec-19	2.7	37%	29.7	8%
Dec-20	6.3	129%	43.0	45%
Dec-21	8.6	37%	56.3	31%
Dec-22	15.8	84%	61.3	9%
Dec-23	25.1	59%	63.3	3%
Dec-24	62.7	150%	82.5	30%
Apr-25	97.7	56%	87.0	5%

Source: CMA, Company Fact Sheets

Abojani Investment  (@TheAbojani) on X

Sanlam VS CIC For decades now, CIC has dominated the industry by managing the largest Unit Trust Scheme. But the tides are turning. For the first time in history, we could witness a new player become the first fund manager to cross the Ksh 100 Billion mark. Sanlam's

BENEFITS OF STAKEHOLDER MAPPING

3. Philanthropy & Friends of the Scheme

- Organize for dinners and cocktails to fundraise through tickets
- Use influential retirees for publicity to maximize attendance
- Host webinars & networking events
- Document impact stories of past donations – CPF Foundation on enhancing the elderly experience
- Develop a mentorship programme to mentor/inculcate saving culture to students
- Reward programmes for donations e.g., ICS construction project
- Include scheme branding merchandise for sale on the website

4. Create a Trust Fund

- Register a foundation with clear structures & objectives (e.g., scholarships, welfare for retirees, innovation) to be met from the investment income
- Engage a qualified fund manager & structured CSI for sustainability e.g., Equity Afya, Safaricom tree planting, CPF Foundation on elderly people homes
- Integrate endowment donation culture into major scheme functions
- Include on the website channels of donation to ease the process

OPPORTUNITIES FOR GROWTH - WEBSITE

HOME PAGE

- Clear **value proposition** explaining what the scheme offers and why it matters
- Video/Image with content reflecting the scheme's **mission, product** or the **people**
- **Brief introduction** of the scheme with links to full content
- **Call to action** buttons – Learn more, Donate, Contact us, Book Demo, etc.

NEWS/BLOG/UPDATES

- Articles, press releases, new regulations, **thought leadership** and/or industry trends
- Impact from the success stories and/or case studies, testimonials, statistics & metrics
- Featured Projects & Initiatives – Photos, descriptions, **project results & timelines**, upcoming projects and timelines
- Information about **upcoming events** - Webinars, conferences, or fundraisers

WORK WITH US

- Careers
- Tenders
- Partnership opportunities
- Contact us info
- FAQs
- Channels for donations
- Branding merchandise on sale

OUR PRODUCTS/SERVICES/PROGRAMMES

- High level description of offerings and detailed sub-pages for each offering
- Define intended customers
- Show case results & outcomes, impact benefits or success stories

ABOUT US

- Mission, Vision, Culture & Values
- History of the organization
- Leadership Team – Board & Senior Management with photos and **bios**
- **Service providers**

DOWNLOADS

- Privacy policy terms & accessibility laws
- Downloads/resource centre - **policies, financials, regulations**

FINANCIAL CONCEPTS

Financial concepts encompass a wide range of **theories**, **principles**, and **practices** that are vital for understanding finance.

	Concept	Purpose	Application
1.	Time Value for Money	Money available today is worth more than the same amount in future to potential earning capacity	<ul style="list-style-type: none"> • Calculation of future pension payouts • Informs investment strategy • Collection strategies/debt repayment plans
2.	Interest Rates	Cost of borrowing/investment return expressed as a percentage	<ul style="list-style-type: none"> • Metrics to evaluate output of the investment strategy • Evaluation of FM performance
3.	Risk & Return	Relationship between risk & potential return – high risk investment have potential higher returns	Portfolio balance aligned to scheme demographics
4.	Diversification	Spreading investments across various assets to reduce exposure	Include geographical regions to reduce impact of poor performance & manage election dips

FINANCIAL CONCEPTS

	Concept	Purpose	Application
5.	Asset Allocation	Process of distributing investors wealth among different asset classes/types	Strategy based on scheme demographics, liability, funding needs & expected returns, AV for DB schemes
6.	Inflation	Erosion of purchasing power due to price increase of goods & services	<ul style="list-style-type: none"> • Income replacement ratio of pension • Sensitize members to optimize AVC as a cushion
7.	Net Present Value (NPV)	Calculating value of investment by comparing present value of cash inflows to cash outflows	Helps to determine if future benefits outweigh the current costs
8.	Return on Investments (ROI)	Measure to evaluate efficiency of an investment	Metrics to track performance to justify efficacy of the investment strategy
9.	Budgeting	A plan to manage income & expenses to help the scheme to allocate funds effectively	Helps to control operational costs & maximize benefits
10.	Financial Statements	Summary of the scheme's financial activities, performance & position	Crucial for Regulator, members & sponsor to assess scheme's financial health

INTEGRATED REPORTING



- Financial Report
- Strategic Objectives
- Opportunities and Risks
- Sustainability Report
- CSR Report
- Expected challenges and prospects for the scheme
- Board performance
- Corporate governance statement
- Trustee remuneration

Thank you!



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