

Preserving the fruits of labour – even after retirement

After a lifetime working, it is a reasonable expectation to enjoy a pension – and the EU has been backing projects that increase confidence among members of pension funds in the enlargement countries that they can look forward to safer retirement.

The provision of pensions is of fundamental economic and social importance. It ensures the successful delivery of adequate retirement income. And that success depends heavily on stability, security and good governance, and sensitive adaptation to market risks. That way, the interests of pension fund members and beneficiaries are adequately protected. In addition, as the recent financial crisis has shown all too clearly, quality of financial sector supervision is a key issue in securing the stability of the financial system as a whole.

KEEPING PENSION FUNDS UNDER CLOSE SCRUTINY

This project aims to strengthen the supervisory capacity of the Agency for Supervision of Fully Funded Pension Insurance in the former Yugoslav Republic of Macedonia. The agency is an independent body, which is at the same time a regulator, a supervisor, and a promoter – a key link in the system of fully funded pension insurance. Effective supervision is important not only for existing customers, but also more widely for consumers shopping for pensions.

So a team of experts has been training agency staff on risk-based supervision practices – particularly, assessing investment-related risks. The project took a strategic approach, and focused on priority tasks that would increase security. The assistance has helped the agency to identify clearly what it needs in terms of IT and research capacities. The result is

a stronger and more efficient institution. Staff are technically better prepared. Risk based supervision is firmly in place, backed up by quality standards. And at the beginning of 2014, the agency reduced the fees it charges for supervision.

EDUCATION ABOUT PENSIONS

Alongside these improvements in business processes, the project has helped the agency to widen the appeal of pensions. It has set up campaigns aimed at the public in general, and at young people in particular, to stimulate interest in taking out a pension, and in becoming active members of pension funds.



Instrument for Pre-accession Assistance (IPA)

The former Yugoslav Republic of Macedonia

IPA – AN INVESTMENT IN EUROPE. AN INVESTMENT IN PUBLIC ADMINISTRATION REFORM.

Biljana Lozanovska of the Agency for Supervision of Fully Funded Pension Insurance says: “We assess the project as very useful, for every employee in the agency, and for the agency in general. It contributed to an enhancement

of its capacities, and improved efficiency of its use of resources and its regular supervisory activities. All these activities helped us to achieve our mission of providing safer retirement days for the members of pension funds.”

PROJECT DETAILS –

Support to the Agency for supervision of Fully Funded pension insurance

Partners:

Agency for Supervision
of Fully Funded Pension Insurance,
the former Yugoslav Republic of Macedonia
BNB Consulting, Turkey
Emeklilik Gozetim Merkezi, Turkey
Hacettepe University, Turkey

Total cost in €:

1 million

EU Contribution in €:

100%

Start date:

January 2011

End date:

July 2012

Results:

Regulations brought into line with EU standards;
cross-border supervision of pension companies
refined to incorporate risk assessment

Techniques:

Training; study tours to UK and Turkey

Project website:

www.mapas.mk

