

Applications

Applications to participate in the workshop should be addressed to:

Manager, Social Protection Programme
International Training Centre of the ILO
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The deadline for application is 8 February 2010

Applications should be supported by a nomination letter from the sponsoring institution, indicating how the candidate will be financed.

As an organization dedicated to fundamental human rights and social justice, the ILO is taking a leading role in international efforts to promote and realize gender equality. In line with this ILO focus, women candidates are especially welcome.

The ILO Turin Centre's facilities

Located in an attractive park on the banks of the River Po, the Centre's campus provides a congenial environment in which to live and study.

It contains 21 pavilions with fully equipped modern classrooms, conference halls and meeting rooms fitted out for multilingual simultaneous interpretation, a computer laboratory, and a computerized documentation centre linked to various data banks.

The campus has 287 study/bedrooms, all with private bathrooms, telephones and cable television. It also has:

- a reception desk open 24 hours a day;
- a restaurant, a self-service canteen and a coffee lounge, all catering for international dietary needs;

- a bank;
- a travel agency;
- a laundry service;
- a post office;
- an internet point;
- a recreation room;
- facilities for outdoor and indoor sports;
- an infirmary.

Social events are regularly held both on and off campus, so that participants from different cultural backgrounds can make the most of the stimulating international climate.

For further information, please contact:

International Training Centre of the ILO
Social Protection Programme
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10127 Turin (Italy)

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Social Security Financing

15 – 26 March 2010

Turin, Italy



Social Security Department



International Training Centre

Social Security Financing



Background

This two-week workshop, delivered every two years by the International Training Centre of the ILO, has evolved constantly and in particular this time due to lessons learnt from the global economic and financial crisis.

In many countries, social security institutions, including civil servants pension funds, constitute a significant and sometimes the largest share of financial assets. The funds also play a major role in the provision of retirement income. Therefore, the design of an adequate and sound financing system, funds' investment policies and practices, as well as proper fund governance are crucial to the social security schemes' sustainability. For their part, the schemes contribute to increasing productivity and improving efficiency in the labour market and fiscal policy.

As social security is financed primarily by member contributions or general revenues and other taxes, this is another key reason for ensuring that the systems be financially sustainable in the long term. As managers of the funds, to fulfill their role efficiently, government officials and social partners must benefit from knowledge on the principles and best practices from all continents on social security financing, governance and investment. By using sound financial analysis, the officials responsible for the design and management of social security schemes will improve their awareness and capability of enhancing effectiveness and efficiency of their social security schemes. They will also be better equipped to respond to the influence of their micro and macro-economic environments.

The workshop will also introduce one of the nine key priorities to cope with the global crisis. Recognizing the power of social protection as a poverty alleviation instrument, a contribution to sustainable development and an automatic economy stabilizer, the United Nations System Executives Board (CEB) recently adopted the "social protection floor initiative" as a sound and sustainable instrument for diminishing socio-economic inequities and contributing to economic growth in the long term. Assessing the current situation in terms of social protection at country level and the financing options based on fiscal space and innovative financing is one of the key components.

In this context, the International Training Centre of the ILO, in close collaboration with the Social Security

Department of the ILO and the International Social Security Association, is organizing a two-week workshop in Turin, from 15 to 26 March 2010.



Learning objectives

The aims of the workshop are:

- to increase awareness of the economic and financial implications of social protection systems;
- to enhance knowledge of the techniques and methods used for establishing financially sustainable social security schemes;
- to develop an international perspective on social security issues through comparative analysis and sharing experiences of other schemes;
- to develop expertise and knowledge on best practices on governance and investments of social security institutions, including civil servants' pension funds.



Participants

This course primarily targets:

- Managers and personnel of social security schemes;
- Tripartite members of the governing bodies (trustees, fiduciaries, directors) and other staff involved in the administration (investment committee members, internal auditors, legal and compliance advisors) of social security funds, civil servants' pension schemes and pension funds sponsored by state-owned companies;
- Officials from key ministries responsible for the development and monitoring of social security systems or pension funds for civil servants' and state-owned enterprises;
- Staff of finance, treasury and human resource departments of governments, or state-owned sponsoring companies, and international organizations involved in pension plan administration and pension fund management;
- Pension fund regulators and supervisors.



Structure and contents

The course is structured in seven sessions:

1. Principles, concepts and typology of social security schemes:
Social security, social protection and ILO standards; types of social security schemes - social assistance, social insurance, universal -; mandatory and voluntary occupational and individual private schemes; provident funds; special schemes for civil servants.
2. Economic and social implications of social security systems:
Impacts of social security on the labour and financial markets; poverty alleviation; fiscal implications.
3. Financing mechanisms:
Financing systems for long and short term benefits; sources of financing; pay-as-you-go and funded schemes; defined benefits vs. defined contribution schemes and mix arrangements; sensitive tests and interpretation of actuarial evaluations.
4. Introduction to pension modelling:
Demographic indicators; actuarial and statistical methods; economic assumptions; sensitive tests and interpretation of actuarial evaluations.
5. Social protection floor initiative:
The SPF initiative, its background and development, concept and different dimensions in terms of services and transfers; the main components of the SPF; financial constraints, social budgeting and fiscal space.
6. Governance of social security institutions:
Tripartite governance; decision making process of governing bodies; internal investment and audit committee; in-house vs. outside vs. indexed funds investment management; actuaries and auditors; managing plan objectives and operational expenses; internal reporting -information retrieval systems-; regulatory compliance and accounting -due diligence-; information disclosure to plan members and financial education.
7. Fund management and investment:
Asset classes -cash equivalents, long term fixed income, equity, alternative asset classes, real estate-; plan asset allocation, portfolio rebalancing and risk management; corporate governance and socially responsible

investment; setting and reviewing benchmarks and valuation and performance assessment; guidelines on social security investments.



Methodology

As experience from the field demonstrates the importance of training for improving the financial management of social security schemes, participants in this workshop will develop the capacity to share their newly-acquired learning with others upon return to their institutions. New techniques and technologies will be introduced and shared to improve the quality of training that takes place at both the institutional and national level.

An action-oriented, highly participative approach will be employed throughout the course, with particular attention paid to sharing international experience with a view to adaptation and practical application. The course will be based on presentations by experts and practitioners, case studies and group exercises.



Language and pre-requisites

Participants are expected to communicate well in English and to have basic knowledge on pension schemes and some working experience in the field of social security or public pension fund management.

Cost of participation

The cost of participation, excluding international air travel, is **EUR 3,250** (course fees EUR 1,570, participant subsistence EUR 1,680) payable in advance by the participant or his/her sponsoring organization. This covers: tuition fees; the use of training facilities and support services; training materials and books; accommodation and full board at the Centre's campus; a lump sum for incidental expenses; emergency medical insurance.