

Revised Single Programming Document 2023-2025

Including Annual Work Programme 2023

EIOPA REGULAR USE
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European Insurance and
Occupational Pensions Authority

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FOREWORD

In a context characterised by evolving challenges, risks and opportunities EIOPA will focus on managing the uncertainty in times of transformation to ensure robust insurance and pensions sectors in Europe.

The Russian invasion has provoked a humanitarian crisis, a political crisis and an economic crisis. One that not only is urgent now, but that will also impact many economic and political decisions in the future. In 2022, we have been observing an abrupt change in the economic and financial situation. Supply chain disruptions, spiking energy and commodity prices triggered by the prolonged pandemic crisis and the geopolitical tensions, are shifting the narrative from one dominated by protracted low yields and low inflation to an economic juncture driven by high inflation and uncertain economic growth.

At the same time, EIOPA will continue to contribute to the recovery of the EU economy following the pandemic, supporting Member States in building more resilient insurance and pensions sectors and further strengthening a common supervisory culture.

These times of transformation with uncertainties arising from an ever-changing macroeconomic environment, present potential increase in vulnerabilities of the insurance and pension sectors. Subsequently this calls for continued and forward-looking identification of risks in the context of a proactive and engaged supervisory community. EIOPA will strive to provide supervisors with a reliable assessment of market vulnerabilities focusing on enhancing the methodological framework particularly for top-down and more streamlined vulnerability assessments while increasing capacity for emerging threats such as cyber and climate change.

Digitalisation, with its opportunities and risks, will require our attention to support the market and supervisory community through the digital transformation. As we see the digitalisation continue to accelerate, impacting business models, products and services as well as distribution channels, it is key to recognise threats and have measures in place that can keep the financial system safe and citizens included. In addition to this, the digital transformation is also accelerating the interconnectedness of financial services, so that regulation is now becoming more horizontal. EIOPA will strive to ensure that the insurance and pensions sectors are well represented in new cross-sectoral and horizontal regulation. Data is at the heart of the insurance and pension industry, and at the backbone of digital transformation and effective financial supervision. To this end, EIOPA aims to enhance data availability and data standardisation, thus contributing to the development of a sound European Data Eco-System.

The insurance and pensions sectors have a unique opportunity and responsibility to address sustainability-related challenges and thus facilitate the transition to a more sustainable and resilient economy, given their key role as society's risk managers and important long-term investors. Addressing protection gaps remains a priority among EIOPA's activities on sustainable finance. EIOPA will step up its work on identifying protection gaps with the aim to promote coverage of risks and increasing their insurability, also through possible shared resilience solutions. EIOPA will strive to further increase consumer risk awareness and understanding of risk-based prevention measures to climate change as well as complement the insurance and pensions sectors efforts for climate change mitigation and adaption by promoting open source data and modelling of climate change risks. The transition to a more environmentally and socially sustainable economy will require assessing the possible impacts at macro-prudential level, as well as potential consumer detriment arising from

greenwashing. To achieve an even higher, more effective and further harmonised convergent level of supervision across the European Union, EIOPA will continue to strengthen supervisory convergence by ensuring consistent reviews and proportionate application of supervisory convergence tools, which shall remain fit-for-purpose. At the same time, EIOPA will continue the monitoring of the implementation of supervisory convergence tools and follow-up measures at the national level.

The foundation for our supervision is good regulation. Solvency II, and particularly buffers, proved effective in protecting the insurance sector from market turmoil in the past economic crisis. We need to make sure that Solvency II stays robust and fit for purpose taking into account that the European macroeconomic environment will remain challenging. Additionally, EIOPA will step up its monitoring activities in order to ensure products are designed in the best interest of consumers, and can deliver value for money.

EIOPA aims to ensure that the products offered to policyholders offer value for money, that people's needs are put first before profit and that they are sold the products that are right for their individual situation. Towards this end, EIOPA will strive to make sure that consumers have access to the right information and the right advice so they can make better informed decisions. This includes efforts towards having disclosure documents that are truly consumer-focused and adapted for the digital age.

In 2023 EIOPA will Chair the EU Agencies Network (EUAN) providing a forum for coordination, information exchange and agreement on common positions on issues of shared interest thus helping shape informed policies and laws at the EU and national level. Furthermore, EIOPA will plan and manage resources in an agile manner that allows accelerated decision-making and allocation of resources towards key priorities. Looking forward, EIOPA will continue to develop as a responsible and attractive organisation, promoting diversity and inclusion. Good governance, cost-effective processes and strong partnerships will make the Authority well equipped to contribute to a future in which the insurance and pension sectors fulfil an essential role in underpinning a strong and sustainable recovery in Europe, for the benefit of citizens, business, and the economy.

EIOPA's Chairperson

EIOPA'S MISSION AND VISION

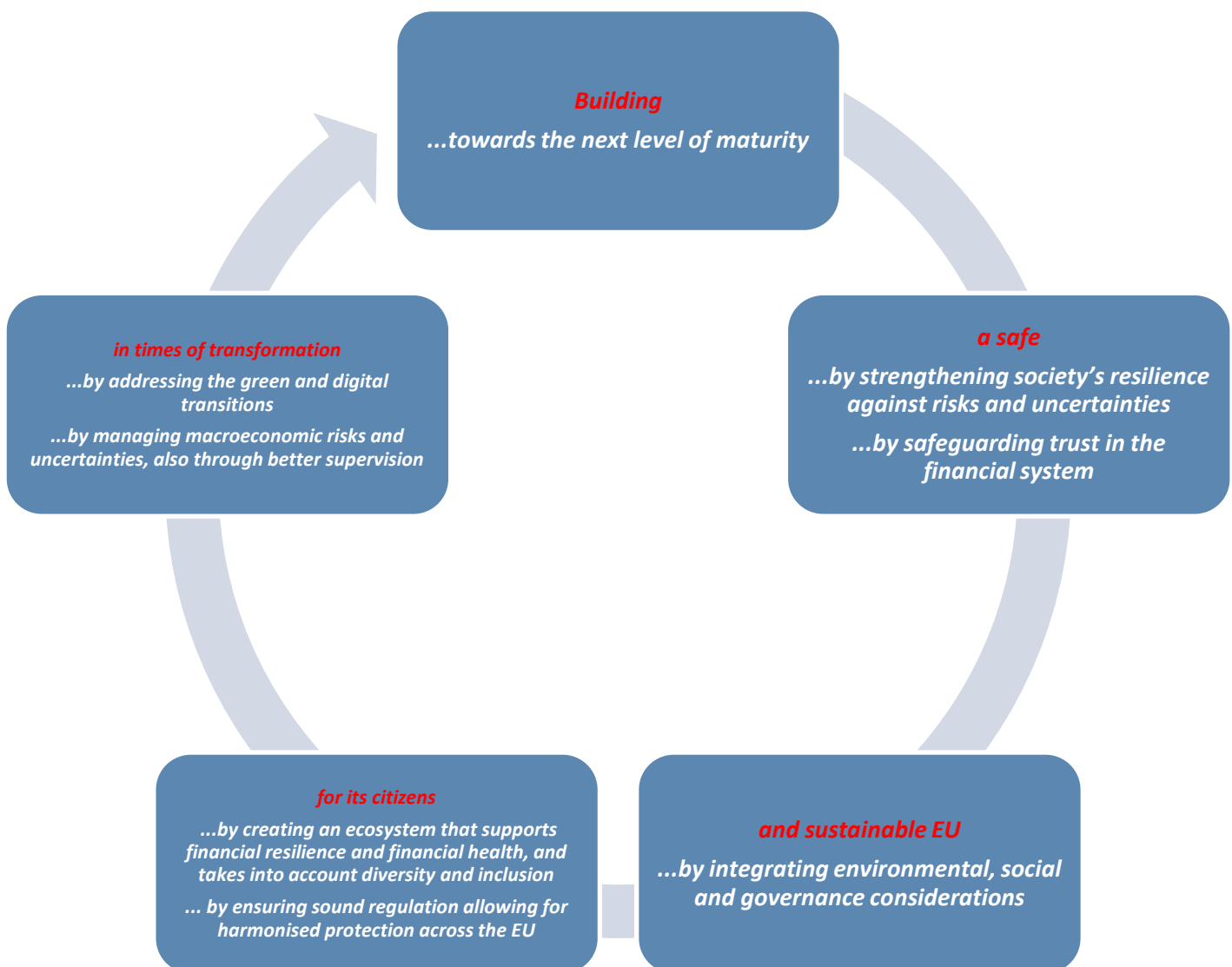
Mission

EIOPA seeks to protect the public interest by contributing to the short-, medium- and long-term stability and effectiveness and sustainability of the financial system for the Union's economy, citizens and businesses.

This mission is pursued by promoting a sound regulatory framework and consistent supervisory practices in order to protect the rights of policyholders, pension scheme members and beneficiaries and contribute to public confidence in the EU's insurance and occupational pensions sectors.

Vision

"Building a safe and sustainable EU for its citizens in times of transformation"



ACRONYMS

AD	Administrator	IORP	Institution for Occupational Retirement Provision
AI	Artificial intelligence	ITDC	IT and Data Committee
AST	Assistant	ITS	Implementing Technical Standards
AWP	Annual Work Programme	InsurTech	Insurance Technology
BoS	Board of Supervisors	JC	Joint Committee
CA	Contract Agent	KID	Key Information Document
CMU	Capital Markets Union	MF	Multi-annual Financial Framework
CSR	Corporate Social Responsibility	MS	Member States
CTPPs	Critical ICT Third-party service Providers	n/a	not applicable
DORA	Digital operational resilience act	NCA	National Competent Authority
DPM	Data Point Modelling	NGFS	Network for the Greening of the Financial System
EFTA	European Free Trade Association	PRIIPs	Packaged Retail and Insurance-based Investment Products
EIOPA	European Insurance and Occupational Pensions Authority	PEPP	Pan-European Personal Pensions Product
EMAS	Eco-Management and Audit Scheme	RegTech	Regulatory Technology
ESA	European Supervisory Authority	RFR	Risk-Free Rate
ESG	Environmental, Social and Governance	RTS	Regulatory Technical Standards
ESRB	European Systemic Risk Board	SCP	Supervisory Convergence Plan
EUAN	EU Agencies Network	SFDR	Sustainable Finance Disclosure Regulation
FSB	Financial Stability Board	SIF	Sustainable Insurance Forum
FTE	Full-time Equivalent	SNE	Seconded National Expert
IBOR	Interbank offered rates	SPD	Single Programming Document
HF	Holistic Framework	SupTech	Supervisory Technology
HR	Human Resources	TA	Temporary Agent
IAIS	International Association of Insurance Supervisors	tbc	to be confirmed
ICS	Insurance Capital Standard	tbd	to be determined
ICT	Information and Communication Technology	QRT	Quantitative Reporting Templates
IDD	Insurance Distribution Directive	Q&As	Questions and answers

SECTION I: GENERAL CONTEXT

In delivering on its mandate, EIOPA takes into account the broader context in which it operates. A summary of the evolving macroeconomic, political and environmental landscape, as well as technological and sectoral developments can be found below.

Macroeconomic and political developments

EIOPA will continue to contribute to the **recovery of the EU economy** following the pandemic and Russia's invasion of Ukraine, assisting Member States in building more resilient insurance and pensions sectors and further strengthening a common supervisory culture. These developments have also demonstrated the need to ensure adequate coverage against **risks stemming from systemic events**.

The European **macroeconomic environment** will remain challenging. Supply chain disruptions, spiking energy and commodities prices triggered by the prolonged pandemic crisis and the geopolitical tensions, are shifting the narrative from one dominated by protracted low yields and low inflation to an economic juncture driven by high inflation and uncertain economic growth. Insurers and policyholders will be potentially affected. Such developments present a potential increase in vulnerabilities of the insurance and pension sectors and call for continued and forward-looking identification of risks in the context of a proactive and engaged supervisory community. In this context, supervisory dialogues will continue also with third countries.

Addressing **protection gaps** will require evidence-based and detailed risk analyses, and coordinated measures to be taken in relation to risk prevention. Risk assessment methodologies and tools, such as stress tests, capturing not only traditional, but also new emerging risks such as cyber risk in a forward-looking manner. To effectively address protection gaps, consumers' needs and behaviour will need explicit consideration, to ensure that the offer of relevant insurance coverage and savings products is effectively taken up by consumers to reduce economic losses and prevent protection gaps from widening

Consumer protection will continue to be fundamental and EIOPA will continue to work alongside NCAs to better monitor possible adverse impacts for consumers with an increasingly data-led and mature capacity for assessing and mitigating conduct risks. In particular, EIOPA will ensure that there is sufficient focus on the supervision of emerging risks relating to high inflationary trends, digitalisation, and ESG.

Looking at political developments, **the European Parliament elections in 2024** could have an impact on EIOPA's activities.

Legislative developments and EU cooperation

Despite the further strengthening of the Single Market and the consolidation of a Single Rulebook for financial services, the EU will continue to face challenges in supervising cross-border business and promoting consumer protection, taking into account the constant increasing ratio of cross-border business in the last years. Additionally, the increasing horizontal nature of regulation has several implications for EIOPA: from the need to enhance expertise on new topics, to increase cooperation with different EU Authorities. EIOPA will align its priorities and continue supporting the implementation of the Commission's **Capital Markets Union (CMU) action plan**, adopted in 2020. EIOPA will strengthen the demand side of the CMU by furthering initiatives that benefit consumers and long-term savers, including increased focus on ensuring that products

offer value for money, on ensuring better product disclosure and transparency requirements, taking into account online sales, the promotion of product simplicity, and the implementation of product oversight and governance measures, in both insurance and pensions. In this way, policyholders, beneficiaries and investors can benefit from all the advantages of the Single Market.

EIOPA will continue to work on implementing or applying tasks and powers when necessary to ensure consistent and high-quality supervision of the first **Pan-European Personal Pension Products (PEPPs)**. EIOPA will serve as a central hub for PEPP registration and cooperation with NCAs on supervisory matters.

As part of the **review of Solvency II**, EIOPA will, map where changes are needed to draft technical standards and EIOPA's guidelines.

EIOPA will also continue monitoring the developments on a recovery and resolution framework for insurance, following the Commission's proposal for an **Insurance Recovery and Resolution Directive**. The proposed Directive, which is currently under discussion by the European Parliament and Council.

EIOPA will actively contribute to legislative and non-legislative initiatives that are expected to be tabled by the European Commission, such as the review of the **IORP II Directive**, as well as the planned **retail investment strategy**, including the review of the **PRIIPs Regulation**, and possible call for advice on **Insurance Distribution Directive (IDD)** review.

EIOPA will continue to seek further **cooperation** with other EU agencies and bodies, including the other European Supervisory Authorities (ESAs) and the European Commission. EIOPA will chair the EU Agencies' Network (EUAN) in 2023-2024.

Environmental and social developments

The **climate crisis** will continue to require action across all of EIOPA's areas of work. At the core of its work, EIOPA will continue to focus on **addressing protection gaps**, not least for natural catastrophes, with increased focus on improving consumer risk awareness and understanding of risk-based prevention measures as well as on the alignment across public and private initiatives to reduce losses. This requires further developing macro-prudential considerations in the analysis of protection gaps.

Regulatory initiatives on the risk management, reporting and disclosure of sustainability risks and factors, as under **Solvency II (ORSA)**, the **Taxonomy Regulation**, **Sustainable Finance Disclosure Regulation** and the upcoming **Corporate Sustainability Reporting Directive**, will start sorting effect. Enhanced knowledge and availability of data will contribute to EIOPA's analysis of greenwashing issues as well as contribute more generally to identifying emerging issues related to sustainable product offer and demand.

As initiatives on climate start consolidating, the **scope of EIOPA's action on sustainable finance is also broadening to assess implications of social, governance or environmental risks**. This reflects the interdependence of the environmental, social and governance aspects of sustainability.

EIOPA will continue engaging on the **strategic priorities set by the Commission's Green Deal**, to contribute to the EU Fit-for-55 goals. EIOPA will furthermore strive to secure convergent supervisory practices at global level by its active and leading participation on sustainable finance in global bodies, such as the **International Association of Insurance Supervisors**, the **Sustainable Insurance Forum** and the **Network for Greening the Financial System**.

Finally, EIOPA will also seek to expand its **own sustainable management and working methods**, as part of the EMAS accreditation.

Technological developments

The role and impact of **digitalisation and financial innovation** continues to evolve and consolidate, influencing business models, products and services and distribution channels, thus leading to new challenges in conduct of business issues and increasing digital operational risk and cyber-risk exposures. Financial inclusion will be considered as a key element of financial health. From a consumer perspective, digitalisation can help reduce costs, increase transparency and reach new market segment (e.g. millennial), while it requires supervisors to adapt to continue contributing to ensure prudent supervision and monitoring and assessing conduct and ethical risks. At the same time, from a supervisory perspective, the use of technology allows to deliver innovative and efficient supervisory solutions that support a more effective, flexible and responsive supervisory system (SupTech). Within this context, moving forward, EIOPA will review its Data and IT Strategy and integrate it with its Digital Transformation Strategy, SupTech Strategy and, to some extent, the Cyber Underwriting Strategy.

In light of the Commission's **digital finance package**, EIOPA will implement its Strategy on Digital Transformation to support the market and supervisory community in this transition. This will include contributing to the Commission's strategy on supervisory data, providing advice on how to address 'same activity, same risk, same rules' issues, supporting the establishment of a common financial data space promoting the progress towards unprecedented levels of data standardisation and efficient data management and sharing. EIOPA will particularly contribute to the work on the use of artificial intelligence (AI) applications in finance, as well as continuing preparatory work on open insurance and on the development and impact of platforms within the insurance value chain.

The Commission also published proposals for a Regulation to establish a **European Single Access Point** ("ESAP") to "improve public access to entities' financial and non-financial information". The ESAP, pending final decision by the Co-legislators, is intended to provide an easy centralised point of access to information about financial services, capital markets and sustainability, that entities and competent authorities are required to make public. In this context, EIOPA will contribute to policy work.

The digital finance package includes also a legislative proposal on a **digital operational resilience act (DORA)**¹ which aims to ensure that all participants in the financial system have the necessary safeguards in place to mitigate cyber-attacks and address broader ICT and resilience risks. DORA also aims to introduce an EU-wide oversight framework of critical ICT third-party service providers (CTPPs) to promote convergence, strengthen the digital operational resilience of financial entities which rely on CTPPs for the performance of operational functions, and thus contribute to preserving to stability of Europe's financial system. Moreover, the publication of DORA proposal in 2020 already enabled the publication by the ESRB of their Recommendation of 2 December 2021 addressed to the ESAs and the European Commission on a pan-European systemic cyber incident coordination framework for relevant authorities². Finally, EIOPA will continue to **strengthen its organisational capabilities**, taking advantage of technological developments in particular related to

¹ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020PC0595&from=DE>

Please note that the proposal is not yet adopted by the co-legislators and thus can be revised or repealed.

² [Recommendation of the European Systemic Risk Board of 2 December 2021 on a pan-European systemic cyber incident coordination framework for relevant authorities \(ESRB/2021/17\) \(europa.eu\)](#)

facilitation of collaboration, increase of efficiency and security and improvement of long-term performance in the post Covid-19 working environment.

SECTION II: MULTI-ANNUAL PROGRAMME 2023-2025

EIOPA strategy 2023-2026 sets the Authority's medium-term Multi-Annual Strategic Objectives and Strategic Priorities.

Strategic Objectives

Ensure strong and consistent protection of consumer interests across the EU

Strengthening the resilience and sustainability of the financial sector, thereby safeguarding its effectiveness, level playing field and financial inclusion

Strategic Priorities

1. Contribute to building up sustainable insurance and pensions, including by addressing protection gaps, for the benefit of EU citizens and businesses.

2. Support the supervisory community and industry to mitigate the risks and seize the opportunities of the digital transformation, including by further promoting data-driven culture.

3. Promote sound, efficient and consistent prudential and conduct supervision throughout Europe, particularly in view of increased cross-border business.

4. Deliver high-quality advice and other policy work taking into account changing and growing needs of society as well as the effects of new horizontal regulation.

5. Further enhance financial stability, with particular focus on the analysis of financial sector risks and vulnerabilities, and emerging threats.

6. Be a model EU supervisory authority setting global high standards of corporate governance, and fostering efficient cooperation within the EU and globally.

KEY PERFORMANCE INDICATORS 2023-2025:

EIOPA has set performance indicators to monitor the implementation of each of the SAAs of the Multi-Annual Work Programme 2023-2025.

SAA	Indicator	Data source	Target	Category ³
1	Number of deliverables across EIOPA that include ESG considerations	Annual Implementation Plan	2023-2025: Yearly increase (the exact number will be based on 2021 baselining)	Result
	Usage of NatCat dashboard in our website	Website statistics	2023-2025: Yearly increase - exact target to be confirmed once website statistics become available.	Result
2	Implementation of DORA adequately considering sectoral specifications and proportionality principle	Implementation of agreed action plan	<p>2023-2024: Draft technical standards developed jointly with EBA and ESMA.</p> <p>Proportionality principle and sectoral specifications (when appropriate) clearly defined in draft technical standards or other EIOPA tools</p> <p>2023-2025: Reports on the ESRB Recommendation of 2 December 2021 on a pan-European systemic cyber incident coordination framework for relevant authorities.</p>	Output

³ In line with the European Commission guidelines for evaluation, a standard clarification of indicators is the following:

- Input indicators: are the human and financial resources used and the time required to produce outputs (e.g. budget amount, number of staff);
- Activity indicators: are the work carried out over a certain period of time, consuming resources and producing outputs in accordance with the objectives set (e.g. timeliness or compliance of a certain process);
- Output indicators: are what is directly produced or supplied through the agency intervention. They often relate to the expected deliverables of the intervention and are identified based on its operational objectives. (e.g. number of reports published);
- Result indicators: are the direct effects of intervention(s) on the target groups. (e.g. number of citations of a scientific or policy report published by the agency, stakeholder satisfaction);
- Impact indicators: are the indirect or long-term effects of an intervention on the EU or global society that are, at least partly, expected to be influenced by agency's interventions.

	Implementation of Art. 31 database and usage of the system by members based on number of information requests	Database statistics	2023: Implementation 2024-2025: Gradual yearly increase- exact target to be confirmed once data base statistics become available.	Result
3	Number of national initiatives taking inspiration from deliverables (reports, thematic reviews, conduct oversight country visits, recommendations in the course of oversight work more generally, etc.) of EIOPA's conduct of business supervision framework and broader consumer protection work.	EIOPA registers relevant national initiatives	2023: 12 2024: 15 2025: 17	Impact
	Data available in the Central Repository calculated as a percentage of number of insurance undertakings reported on with valid data by NCAs and market share of each country, as evidenced by the completeness ratio of technically valid reports of the Quantitative Reporting Templates (QRTs).	EIOPA Registers and information received and stored in the EIOPA Central Repository	2023-2025: 97% of number or 99% of market share	Result
	Data quality of Solvency II information available in the Central Repository, calculated based on the agreed methodology	EIOPA Central Repository supported by Central Security Data Base	2023-2025: List of assets (using assets value): ratio of good quality higher than 93.5% Overall quality (using market share): ratio good quality data higher than 93.5%	Result
	Timely publication of the RFR.	Publications in EIOPA's website	2023-2025: Twelve publications a year – meeting the deadline of publication within three working days of the beginning of the month.	Output
	Percentage of supervisory or policy actions taken by NCAs following observations and feedback from EIOPA's Oversight teams.	EIOPA registers relevant national initiatives.	2023-2025: 80%	Impact

4	Average number of respondents to public consultations on consumer protection topics.	Feedback received from public consultations	2023: 120 2024: 160 2025: 180	Result
	Timely and technically sound follow-up to the 2020 Opinion on the review of the Solvency II Framework.	Implementation of responses to EU calls	2023: 100% timely response to EU institution call for further input during the co/legislator process 2024: tbc 2025: tbc	Activity
	Active participation in the IAIS leading to material progress of SII as practical implementation of IAIS ICS as global standard for international groups	Implementation of agreed action plan	2023: Monitoring phase of ICS 2.0 continues and adaptations remain largely in line with the Solvency II Directive. 2024: tbd 2025: tbd	Activity
	Timely and technically appropriate development of a regulatory framework for pensions	Implementation of agreed action plan	2023: Progress on delivery of the IORP II Directive advice consistent with the deadline. 2024: tbc 2025: tbc	Activity
	Number of products including concrete proportionality proposals/provisions or duly explanation why they don't	AWP deliverables monitoring	2023-2025: 100% (including topics raised by ACP Advice)	Result
5	Citations of EIOPA's Financial Stability products in research journals and publications from other public institutions in the field of financial stability.	Google Scholar, RePEc: Research Papers in Economics, website of other public institutions such as IMF, ECB, NCAs, etc.	2023: 10 2024: 11 2025: 12	Impact
	Number of financial stability risks with a material impact, not identified within the agreed scope of the Stress Test, FSR, or other publications, materialising within one year of the publication.	Monitoring and analysis of financial stability risks	2023-2025: 0	Result
	Number of downloads of statistics available on EIOPA's website	Website statistics	2023: 5% increase compared to the previous year	Result

			2024: 3% increase compared to the previous year 2025: 2% increase compared to the previous year	
6	Percentage of audit findings from European Court of Auditors and Internal Audit Service addressed by improvement measures by the agreed deadline, or if no deadline was set, within 12 months of the final finding being issued.	% of implementation of audit findings action plan	2023-2025: 100%	Output
	Implementation rate of EIOPA's budget: Percentage of the approved budget committed.	% of the budget in approved commitment amounts	2023-2025: 99%	Output
	Staff recruitment process	Monitoring of recruitment process	2023-2025: 5 months from launching the vacancy until offering the contract	Activity

1. HUMAN AND FINANCIAL RESOURCES OUTLOOK

1.1. OVERVIEW OF THE PAST AND CURRENT SITUATION

Budget expenditure 2021

The 2021 budget by title and chapter, the financing decision and the 2021 procurement plan were adopted by the BoS in December 2020. The Annual Work Programme 2021 was adopted in January 2021. Amendments were approved in June 2021 to include the additional funding stemming from an administrative agreement with the Commission DG-Reform and in December 2021 to address a surplus of the staff pension budget. The table below provides a summary of the main areas of expenditure in 2021:

Budget Title	Initial Approved budget 2021	Amending budget	Transfers	Final budget 2021	Initial vs Final - Var %	Committed	Committed %	Paid	Paid %	Carry-forward to 2022	Carry-forward to 2022 %
Title I - Staff Expenditure	23,266,327.00	-256,679.36	-710,862.40	22,298,785.24	-4.16%	22,298,785.04	100.00%	20,091,462.08	90.10%	2,207,322.96	9.90%
Title II - Administrative Expenditure	3,643,000.00	0.00	492,762.93	4,135,762.93	13.53%	4,134,321.14	99.97%	3,246,056.86	78.51%	888,264.28	21.49%
Title III - Operational Expenditure	5,975,978.00	211,000.00	218,099.47	6,405,077.47	7.18%	6,400,558.17	99.93%	2,646,168.20	41.34%	3,754,389.97	58.66%
	32,885,305.00	-45,679.36	0.00	32,839,625.64	-0.14%	32,833,664.35	99.98%	25,983,687.14	79.14%	6,849,977.21	20.86%

EIOPA's operational expenditure in 2021 has been driven to a large extent by the ambition to increase efficiency through digital transformation. Important activities included:

- The technical implementation of the PEPP Register and collaboration platform;
- Updates to the XBRL taxonomies and the data warehouse for insurance and IORPs returns to foster data standardisation and management;
- Following the SupTech Strategy, preparations for an upgrade of the Register of Insurance Undertakings to improve efficiency and consistency throughout Europe;
- Projects under EIOPA's programme to enhance its business intelligence solutions ("BI 2.0") and the strengthening of existing data capabilities, e.g. through the introduction of additional Oversight reports;
- Improvements to the Extranet to facilitate collaboration with NCAs based on the Quality Control Committee's report;
- Several initiatives to drive business process automation for increased efficiency, e.g. in the areas of supervision, financial management, HR and document management;
- Upgrades of core technical infrastructure to ensure security, availability business continuity and cloud readiness.

Human resources 2021

Staff population		In EU Budget 2021	Filled end 2021
Officials	AD	0	0
	AST	0	0
	AST/SC	0	0
TA MFF	AD	113	113 ⁴

⁴ This represents status as of 31.12.2021, including 4 offer letters sent.

	AST	14	14
	AST/SC	0	0
TA ESA Review	AD	11	10 ⁵
	AST	0	0
	AST/SC	0	0
Total⁶		138	137
CA GF IV		19	7
CA GF III		19	21
CA GF II		1	1
CA GF I		0	0
CA ESA Review FGIII		3	1
CA Sustainable Finance FGIV		0	0
Total CA (FTE)		42	30
SNE MFF (FTE)		27	22
SNE ESA Review		2	1
SNE PEPP		0	0
Total SNE		29	23
TOTAL		209	190
Structural service providers ⁷			2.5
External staff for occasional replacement ⁸			0.5
Short Term CA FG III for new SRSS project (2 years) ⁹		1	1
Short Term CA FG IV for new SRSS project (1 year) ¹⁰		2	2

1.2. WORKLOAD OUTLOOK FOR 2023-2025

New tasks

EIOPA will assume new tasks and resources during the term of this SPD stemming from the new legislative proposal on a digital operational resilience act (DORA)¹¹ and the Commission's Strategy for Financing the Transition to a Sustainable Economy. At the same time, the Solvency II review package is expected to have a cross-cutting impact on EIOPA's activities.

- **DORA:** In the recent past years, the insurance and pension industry has undertaken a profound digital transformation which is expected to change the way of providing insurance and pension services to

⁵ This represents status as of 31.12.2021, including 2 offer letters sent.

⁶ Headcounts.

⁷ Service providers are contracted by a private company and carry out specialised outsourced tasks of horizontal/support nature.

⁸ For instance replacement due to maternity leave or long-term sick leave.

⁹ The short-term contract agent was employed in June 2020 with a contract duration of two years.

¹⁰ The short-term contract agents were employed in September and October 2021 with a contract duration of one year.

¹¹ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020PC0595&from=DE>

Please note that the proposal is not yet adopted by the co-legislators and thus can be revised or repealed.

the public. Digitalisation and operational resilience in the financial sector are two sides of the same coin. Digitalisation gives rise to opportunities as well as risks. The objective of DORA is to provide a sound and consistent framework to manage Information and Communication Technologies' associated risks. EIOPA will focus on finalising the technical work needed for the implementation of the new legislative proposal which, will aim to ensure that all participants in the financial system have the necessary safeguards in place to mitigate cyber-attacks and other ICT and resilience risks and will establish an oversight framework of critical ICT third-party service providers, including the assessment of third-party dependencies. In this context, EIOPA will, in addition to the draft technical standards to be delivered, also prepare implementation of (i) the system for major ICT incidents reporting (according to DORA Chapter III); a digital cyber resilience testing (according to DORA Chapter IV) and (iii) prepare the organisational and technical work aiming to introduce an EU-wide Oversight Framework of CTPPs to promote convergence, strengthen the digital operational resilience, and thus contribute in preserving the Union's financial system stability. Furthermore, in the context of the implementation of DORA, EIOPA will work, together with the other two ESAs, on the response to the ESRB Recommendation of 2 December 2021 on a pan-European systemic cyber incident coordination framework for relevant authorities.

- **Solvency II Review package:** The European Commission adopted a legislative package on the Solvency II review on 22 September 2021, comprising: i) a legislative proposal for amendments to Solvency II Directive, ii) a legislative proposal for an Insurance Recovery and Resolution Directive; iii) a communication on the upcoming amendments to the Solvency II delegated acts and the issue of IGS minimum harmonisation. As part of the review of Solvency II, EIOPA will map where changes are needed to technical standards and EIOPA's guidelines. Subsequent steps, after more clarity is available on the outcome of the negotiations between the EU institutions, will be changes to the existing as well as depending on the legislative process, new technical standards and guidelines reflecting the changes to the directive and delegated regulations, as well as amendments arising from experience.
- **Insurance Recovery and Resolution Directive:** EIOPA will also continue monitoring the developments, following the EC proposal for an Insurance Recovery and Resolution Directive on 22 September 2021. The proposed Directive, which is currently under discussion by the European Parliament and Council, largely followed EIOPA's technical advice in the context of the 2020 Review of Solvency II. With regards to the multiannual planning, and subject to the adoption, the Authority is expected to carry out work on level 2 and 3 measures for the IRRD, as well as other more permanent tasks such as setting up a resolution committee or participating in resolution colleges.
- **ESAP:** The European Commission published proposals for a Regulation to establish a European Single Access Point ("ESAP") to "improve public access to entities' financial and non-financial information". The ESAP, pending final decision by the co-legislators, is intended to provide an easy centralised point of access to information about financial services, capital markets and sustainability, that entities and competent authorities are required to make public. In this context, EIOPA will, in addition to the draft technical standards to be delivered, also prepare implementation in cooperation with ESMA and EBA and both EIOPA and NCAs will act as data collectors of information within the insurance and pension sectors.
- **AI Act:** The European Commission published a proposal on an AI Act aiming to address risks of specific uses of AI, categorising them into 4 different levels: unacceptable risk, high risk, limited risk, and minimal risk. In doing so, the AI Regulation will make sure that Europeans can trust the AI they are using. The Regulation is also key to building an ecosystem of excellence in AI and strengthening the EU's ability to compete globally. Impact on insurance sector will depend on the final Act, considering on-going discussions by the Council and European Parliament identifying some insurance use cases as high risk.

Growth of existing tasks

At the same time, the trends in terms of workload are expected to continue showcasing an increase of deliverables.

Digital transformation - Data:

Data is at the heart of the insurance and pension industry, and at the backbone of digital transformation and effective financial supervision. EIOPA data related tasks, both regular and ad-hoc, increased over the years and are expected to continue to grow. EIOPA products and services related to data analysis, data publication and data sharing within the supervisory community is increasing and contributing to a data-driven supervision. The development of new tools using innovative technologies and sharing of experiences in this area became a cornerstone of SupTech innovation. At the same time important projects are under development and will impact data related resources materially going forward such as Digital Regulatory Reporting tool (EBA/EIOPA joint project), Business Intelligence 2.0., ESAP, access and use of EMIR data via ESMA TRACE system, and other projects related to implementation of EC Strategy on Supervisory Data.

Sustainable Finance – ‘organic growth’:

EIOPA is progressing in areas of activity referenced in the EU Strategy for financing the transition to a sustainable economy and the EU Strategy on Adaptation to Climate Change, as well as in Commission’s proposals for additional mandates as part of the review of the Solvency II Directive. EIOPA expects existing work streams to grow in scope, granularity and roll over into practical implementation and oversight activities.

Greenwashing: As more insurance and pension providers aim to offer sustainable products, increasing focus will be put on ensuring that greenwashing cases are identified, monitored and addressed. EIOPA will therefore continue its assessment of supervisory powers, capabilities and obligations of NCAs within this context.

Protection gaps: Building on ongoing and recent work addressing protection gaps EIOPA expects to contribute, among others, to the Commission’s Climate Resilience Dialogue with a view to raising consumer awareness for climate-related risk-based prevention measures, and for the alignment on prevention measures among public and private entities. EIOPA will furthermore engage in conduct micro- and macro-prudential risk assessments to test the resilience of market players to the risks posed by environmental and social challenges from a broader systemic perspective.

Stress testing and risk assessment: To further promote sound risk assessment, based on ongoing cooperation with the ESAs, ECB and ESRB and building on its methodological principles for climate stress testing, EIOPA will initiate a one-off climate stress test.

EIOPA will also aim to promote access to open source modelling of climate change risks and improve the collection of uniform and comprehensive insured loss data, harnessing innovation in collection and use of data. Building on its earlier methodological paper EIOPA will engage in the reassessment of standard formula capital charge for natural catastrophe underwriting risk, in reference to the proposed Commission’s mandate as part of the Solvency II review.

Regulation: Following the Commission’s Call for Advice on the IORP II review received in 2022, EIOPA will make proposals for the inclusion of sustainability considerations in IORPs fiduciary duty and the prudent person principle, building on earlier advice on the integration of sustainability considerations in the Solvency II risk management framework. EIOPA will also deliver its advice to Commission on the prudential treatment of assets and activities associated with environmental and/or social objectives.

Supervision: with the consolidation of the regulatory framework, EIOPA will increasingly engage in discussions on climate-related risks as part of its oversight activity in colleges, but also start monitoring the use of climate scenarios for climate risk assessment as part of undertakings' ORSAs.

Supervision:

Consistent with the growth of the cross-border activity in the EU internal market that requires greater attention to home-host supervisory relations, EIOPA's work on supervisory, will continue to increase reinforcing collaboration and building a common European supervisory culture through the establishment of cooperation platforms. Towards this end, EIOPA will continue using to the full extend the available tool box and expand the scope of its activities to the maximum in order to counter the consumer detriment.

In line with the Internal Models roadmap, EIOPA, together with the NCAs, will collaborate on a number of initiatives aiming to substantially increase the Authority's added-value for the benefit of the NCAs. EIOPA's independent assessments to promote sound supervision and level playing field are expected to increase, while at the same time EIOPA expects to experience an increase in the requests for assistance from the NCAs.

On conduct of business supervision, EIOPA will focus on the consistent supervision of Product Oversight and Governance (POG) arrangements with particularly emphasis on emerging trends which include: ensuring products offer value for money in light of emerging inflationary trends, tackling issues relating to exclusions in light of systemic events, and monitoring the adequate implementation of the new sustainability requirements. In addition, EIOPA will continue monitoring activities where it assesses conduct risks at product, firm and country levels. Furthermore, EIOPA is expecting an increase of its workload stemming from the application of its tasks and powers in relation to PEPP and in relation to the new sustainability requirements. EIOPA's role as a central hub for supervisory data will become more prominent leading to increased opportunities to use data for the benefit of NCAs. Finally, EIOPA, following the adoption of its common methodology, will also carry out its first coordinated mystery shopping exercise to ensure its supervisory approach is more and more outcome-focused.

Policy:

EIOPA continues to experience significant demands in the areas of insurance and pensions policy including requests for advice. Likewise there is a substantial agenda of international work both in relation to third countries and international organisations. Within this global concept, EIOPA is experiencing enhanced demands in activities pertaining to relations with EU candidate countries. In addition, policy work is influenced by spill overs from the conduct of business supervision initiatives leading to the need for further policy principles setting toward supervisory convergence as well as legislative initiatives such as the CMU action plan and Digital Finance Strategy with overarching effects on workload.

Financial stability:

The geopolitical tensions have severe impacts on the economy and the financial markets which requires a constant monitoring of the market and of the capital and liquidity position of insurers and IORPs. Subject to the evolution of the crisis, this might require additional effort compared to the regular monitoring activities.

EIOPA aims to ensure supervisors have the right tools to identify and address the new emerging risks. As the complexity of those risks has steadily increased, EIOPA needs to strengthen its capabilities in providing more specialised support (e.g. developing methodological principles to include in the bottom-up stress test framework cyber risk)

In support of the Strategy for Financing the Transition to a Sustainable Economy of the European Commission EIOPA will be mandated to run a one-off coordinated stress test exercise on transition risks.

Additionally, EIOPA experiences significant developments in the nature of high expectations of the supervisory community in the area of *i)* macro prudential policy in insurance sector thus requiring enhanced support and *ii)* extract more information from the Solvency II reporting through the development of top-down assessments.

Lastly, the on the cooperation with other institutions: *i)* IAIS and ESRB growth of tasks is also expected to be increased in both quantitative and qualitative terms leading to increased workload; *ii)* ECB and SRB in their efforts to capture economy-wide movements and interconnections among sectors are expanding their models and analysis to the non-banking sectors. Requests for cooperation concur to increase the workload.

Governance and organisation:

The growth of tasks described above has spill over effects in overhead where EIOPA experiences increase of workload in all horizontal support areas. In order to achieve results and be able to implement its AWP, EIOPA has focused on gaining efficiencies and redeploying staff in areas of strategic importance (please refer to section Strategy for Achieving Efficiency Gains).

1.3. RESOURCE PROGRAMMING FOR 2023-2025

Financial Resources

The Board of Supervisors adopts the EIOPA budget as a part of the SPD after it is approved by the EU's Budgetary Authority (Council of the European Union and European Parliament).

For the EIOPA budget the European Union grants EIOPA a subsidy of 40%. The remaining 60% are contributions from the Member States (MS) and the EFTA States.

The MS and EFTA States pay the employer's contributions to the EU pension scheme in accordance with Article 83a of the EU Staff regulations. Any surplus (from two years before) will be set against the contributions due according to the above model and therefore reduces the relevant contributions.

With regard to the new legislative proposal on a digital operational resilience act (DORA), once entered into force and implemented, EIOPA will receive additional funds in the form of fees revenue required to assume its new tasks and powers in relation to the Oversight mandate of CTPPs included in it. The additional revenue will be used for the recruitment of additional staff and to fulfil the specific requirements in the new legislative act.

In 2023, EIOPA will receive additional revenue through multi-annual administrative agreements with the European Commission's DG REFORM through the Technical Support Instrument: EUR 122,000 stemming from the Administrative Agreement signed in 2021. The funds will be used to cover expenditure such as for studies, workshops and missions, and other costs relating to the projects. The two related projects are supervision of conduct risk from POG perspective (Greece) and enhancing supervision in light of the new challenges faced by the insurance and pension funds sector (Portugal).

Lastly, on 24 August 2022 a new service level agreement (SLA) was signed between EIOPA and the Commission-DG REFORM which will have an impact on the 2023 budget. The SLA will include three Technical

Support Instrument (TSI) projects. One of them is the project to set up the “EU Supervisory Digital Finance Academy (EU SDFA)”. The aim of the Academy is to strengthen supervisory capacity in the area of innovative digital finance, thus supporting the objectives of the EU Digital Finance Strategy. It is also important to provide the basis for developing supervisory practices and tools to be spread across MS. The project will last 3 years.

These DG REFORM agreements will not affect the MS and EFTA States’ contributions. Though the budget amendment will be required to include the additional revenue. Detailed information is available in Annex III and XI.

Human Resources

DORA, will allow EIOPA to contribute to the implementation of the EU strategy for mitigating cyber-attacks and other risks to participants in the financial system as well as introduction of an EU-wide Oversight Framework of critical ICT third-party service providers.

- the latest DORA legislative financial statement assigns the following resources to the EBA a one-off funding of 1.65M in 2024-2025 for the IT development of systems relating to the framework to oversee CTPPs; and
- to the three ESAs funding from oversight fees expected only in October 2025 to cover human resources and operational costs (e.g. missions, translations, maintenance of IT systems) relating to the conduct of DORA oversight. Those resources can be used by the three ESAs to hire 30 FTEs for the three ESAs together¹².

The implication of the legislative financial statements are the following:

- the ESAs will need to perform DORA preparatory activities (including policy development and projects to prepare the authorities to effectively manage DORA tasks) with reprioritisation of existing resources;
- IT development of systems to support oversight of CTPP performed by EBA from 2024 with limited involvement of staff from the other two ESAs;
- IT development of the system to support the NCA reporting of major ICT incidents to be performed with reprioritisation of resources;
- Run of the processes to manage the DORA requirements for EIOPA in relation to major ICT incidents reporting to be performed with reprioritisation of resources;
- New hire of staff to perform the oversight activities possible only when the oversight fees are cashed in (from October 2025).

In light of the above, to ensure its delivery of the policy mandates EIOPA has reassessed its activities planning for 2023 and 2024 in order to find available resources (as described at paragraph 1.5 Negative Priorities).

1.4. STRATEGY FOR ACHIEVING EFFICIENCY GAINS

¹² The LFS does not provide the split of these 30 FTEs per ESA. However confirms that among them 18 will be Temporary Agents (AD grade), 6 Temporary Agents (AST grade) and 6 Contract Staff.



In line with its commitment to ensure responsible use of resources, EIOPA has established a strategy to capitalise on opportunities through cost sharing, improving processes and by investing in technology. Such measures have allowed the Authority to increase year-on-year both the quality and quantity of its work at a pace that outmatches its growth in resources. They have also made it possible to adapt to new demands and changing circumstances, including the move from regulation to supervision and the COVID-19 crisis. The resource allocation trends of recent years showcase that while the organisation is growing, staff allocated to support areas is decreasing from 22% to 17% between 2017 and 2023. Resources are being shifted to the strategically important areas of supervision, digitalisation, sustainability and financial stability.

The strategy that EIOPA applies to achieve efficiency gains is founded on the following components:

Resource planning and prioritisation – First and foremost, EIOPA aims to further streamline the prioritisation of its activities and resources as part of the regular planning cycle. This is an essential step in realising efficiency gains and enabling a dynamic (re)deployment of resources based on needs. This approach was essential in EIOPA re-deploying its resources to meet the evolving challenges of the COVID-19 crisis, whilst it continued to deliver against existing commitments. On a more long-term basis, the approach informs the reviews of EIOPA’s organisational structure in support of identifying improvements. Additionally, by increasing the focus on Activity Based Management, EIOPA is further integrating planning, monitoring and performance management methods and tools.

Integrated talent management – The above processes are supported by the implementation of an Integrated Talent Management System. This system, based on the EIOPA Competency Framework, allows for strategically aligned HR processes, better sourcing of candidates as well as more leveraged learning and development. The system also helps to preserve institutional knowledge, expertise and the accrued efficiency in executing core tasks. Targeted recruitment is being implemented to reach out to very technical profiles, and exchanges of staff with NCAs to acquire certain competences is currently being piloted. Furthermore, an adjusted working model will introduce a different balance between physical presence and remote working.

Business process review and service optimisation – The automation and streamlining of business processes offer many opportunities to improve productivity, quality and oversight. EIOPA has embarked on an ongoing effort to review its processes, identify opportunities to remove redundant steps and exploit new technologies.

Examples include projects to foster efficient collaboration with NCAs and stakeholders on EIOPA's Extranet as well as solutions to streamline day-to-day processes such as Q&A and written BoS procedures. The digital workplace for staff is being upgraded to take advantage of the latest developments in office automation and online conferencing. These efforts will optimise services while at the same time reducing the number of staff required to deliver tasks.

Capitalising on shared services – EIOPA already relies on a large number of services shared with other institutions. It will continue to invest in concrete measures to increase efficiency in the cooperation with its members and partners. Engagement will continue with the other ESAs and EU Institutions in areas such as procurement to achieve economies of scale.

Data & IT strategy and digital solutions – EIOPA's aims to become a fully digital agency in the period 2023-2025. A major building block on this journey is the Cloud Strategy developed together with the EBA, ESMA, other EU Institutions and the NCAs, and which was approved by the Management Board in January 2022. The cloudification Programme will enable more elastic, powerful, secure, autonomous, automated and self-service products to serve EIOPA's experts and the NCAs.

On an ongoing basis, EIOPA launches projects to increase internal and external productivity through the use of digital solutions. The approved Data and IT Strategy 2019-2023 calls for collaboration and interoperability as its first IT principle. This includes fostering close partnerships with the NCAs and the EU institutions to align, actively promoting synergies between the ESAs and taking decisions on which systems can be shared. EIOPA will continue to leverage existing knowhow and technical solutions developed by EU institutions and NCAs. Concrete examples include:

Data and information management collaboration:

- European data standardisation has been driven by the joint work between EIOPA, EBA, the ECB and member states on taxonomies using the XBRL standard. This very close collaboration is being further deepened by the ongoing joint development of the next generation of standards and tools. EIOPA and EBA have embarked on a software development project to enable the full convergence of regulatory reporting for the insurance, pension fund and banking sectors from a technical perspective;
- EIOPA is actively engaging with the European Commission and NCAs to exploit synergies in the context of the Digital Finance Strategy and European Data Strategy, in particular the establishment of a common financial data space. With this in mind, EIOPA is implementing a major upgrade of its business intelligence solutions, making extensive use of existing inter-institutional sourcing channels;
- In the area of supervisory technology (SupTech), EIOPA and its members regularly exchange views and build solutions upon shared knowledge and experience. In concrete terms, EIOPA set up a platform to facilitate sharing programming codes for specific solutions among NCAs and EIOPA and actively engage in joint investigations on potential projects using innovative technologies. Following a SupTech study in 2021, EIOPA's register of undertakings will be made more efficient. In the area of Conduct of Business supervision, EIOPA has embarked on a project to build an automated PRIIPs KID extractor tool.

Collaboration and User Experience:

- In the domains of cross-border notifications and the information exchange for fitness and propriety, projects are underway together with the other ESAs and NCAs.
- With the help of other agencies, EIOPA chose a new e-Recruitment solution which is expected to lead to very substantial efficiencies in the area of HR.

Infrastructure and Operations:

- EIOPA and the EBA have shared the same data centre supplier for seven years and moved to the inter-agency cloud service procured by the European Food Safety Authority afterwards. Following the approval of their common Cloud Strategies, the most recent step has been the initiation of a common cloudification programme enabled by joint procurement under the Commission's "CLOUD II" framework.
- In the all-important area of procurement, the ESAs have joined forces on additional strategic initiatives such as software application development, network infrastructure, IT consultancy, managed workplace services and data protection advice. This will lead to process alignment and cost savings (e.g. by evaluating in joint evaluation committees).
- Further deepening existing synergies, a joint Security Operations Centre service has been set up.
- When staff turnover leads to shortages, EIOPA and EBA are actively sharing resources, e.g. the Security Officer.
- EIOPA chose to make use of ESMA's 'HUB' when implementing its solution for data collection. It is currently participating in an ESMA project to select a new solution when the current one reaches its end of life.
- EIOPA has introduced a new tool to streamline the process, capture synergies and efficiencies in the on-boarding process of newcomers, internal moves, etc. and is currently working on the development of a similar off-boarding tool.

1.5. NEGATIVE PRIORITIES

EIOPA has continuously strengthened its methodological approach to prioritisation as it is an essential step in realising efficiency gains and enabling a dynamic (re)deployment of resources based on needs.

However, in view of the constant increase in the Authority's tasks as well as in case of further unforeseen developments, EIOPA will have to apply de-prioritisation in both core business and support areas. These negative priorities are work that EIOPA could undertake within its mandate, but that need to be postponed or deleted to achieving its strategic ambitions. At the same time, EIOPA will focus more resources on core business products (e.g. implementation of DORA), where new responsibilities are coming with limited resources.

Supervision:

In the area of conduct of business supervision, EIOPA will continue to place particular emphasis in driving practical supervisory convergence and mitigation of potential consumer detriment and harmful business practices. However, due to resource constraints, some initially envisaged activities have been postponed or scaled down. Examples include, work on exploring the use of technologies for regulatory compliance (RegTech) and the monitoring of disclosure related requirements – with the exception of sustainability. . In 2023, EIOPA will also not carry out any thematic reviews to focus on monitoring the implementation of supervisory measures issued following previous thematic reviews.

Additionally, and if necessary due to unforeseen developments, EIOPA may descale activities related to sharing of expertise in conduct data analysis, data mining, assessments and consumer-behaviour and postpone projects relating to conduct of business revision of EIOPA Supervisory Handbooks on Solvency II.

EIOPA has a strong focus on cross border insurance activity oversight, thus will continue to have a regular and open dialogue with national supervisory authorities and colleges of supervisors responsible for supervision of cross-border insurance groups. In accordance with its resource capacity, however, EIOPA will further prioritise the establishment of cooperation platforms for selected undertakings offering cross-border insurance where concerns arise as well as the direct participation into College activities and lower the number of internal model country visits. Moreover, the Authority will limit the number of peer review exercises to maximum one per year. Very often, projects carried on by NCAs under the aegis of the EC DG Reform match with EIOPA oversight activities. In these cases there are synergies that can be realized in performing those projects together. This efficient approach will continue with a specific attention however to manage the workload (e.g. maximum two projects per year).

In the area of supervisory convergence, if necessary due to unforeseen developments, EIOPA may need to postpone the delivery of certain projects as for example the CIU data collection (subject to legislative process).

EIOPA remains flexible in the use of resources in priority areas that workload is dependent on external developments (e.g. equivalence assessments).

Policy:

In the area of conduct of business policy, due to resource constraints, some initially envisaged activities have been postponed or scaled down. For example, work on consumer testing within the scope of the Sustainable Finance Disclosure Regulation (SFDR) will need to be postponed while additionally IDD cooperation between NCAs would need to be scaled down. Moreover in case of unforeseen developments, the enhancement of IDD rulebook and the consumer protection section on EIOPA website, as well as the collection of information on financial education from the NCAs will be postponed.

In the area of prudential policy, conscious of the increasingly globalised nature of insurance business, EIOPA will continue its active engagement with third party jurisdictions and relevant international organisations. However, due to resource constraints and in case of unforeseen developments, the focus will be further aligned with those areas which are mostly linked to EIOPA's strategic priorities.

Additionally, EIOPA will postpone the publication of IORP II Rulebook on website and if necessary will postpone work on best practices for defined contribution pensions and scale down IAIS discussions on new trends and issues.

Financial stability:

In the area of risks and financial stability, limitation of resources at both EIOPA and NCA level, require scaling down the scope or postponement of certain activities. Although, a full crisis simulation exercise would provide an operational test for EIOPA's and NCAs crisis management capacity, instead a more streamlined exercise (walkthrough or desktop exercise) will be favoured. Additionally, multi-period stress test needs to be deprioritized thus prolonging the completion of the methodological framework for its application in the insurance sector instead of relying exclusively on instantaneous shocks. Also, although the cooperation with academia remains a very important element on building a solid methodological framework, new research project will need to be postponed in favour of focusing resources in providing analytical input relating to the current macroeconomic environment.

Digital transformation:

In the area of digitalisation and cyber the development of supervisory convergence tools on ICT and cyber security governance was deprioritised to allow EIOPA resources to focus on the policy work and implementation of DORA together with the other ESAs. For similar reasons, as the resources working on cyber underwriting are the same ones working on cyber resilience, the implementation of the Cyber Underwriting Strategy will focus mainly on the areas with linkages to DORA, in particular the cyber incident reporting and future EU Hub for major ICT related incident reporting, to gain synergies in this area of expertise. The Supervisory Convergence Plan for 2023 will also need to be very focused and targeted considering the involvement of the colleagues in the DORA implementation.

Despite the efficiency gains and prioritisation exercises the effective contribution to the Digital Finance Strategy and European Data Strategy is highly dependent on the availability of sufficient resources. In particular, the future projects arising from the Supervisory Data Strategy may only be possible if additional resources on data and IT areas are made available to EIOPA. New potential data regular tasks have to be delayed or considered carefully considering the impact of Data related activities expected in a near future (such as ESAP or Open Financial Data Space).

Two national secondment positions originally identified for Supervisory Convergence and Data Analysis and Processes areas were reallocated to DORA project resulting on further impact on the two areas identified above.

Lastly, in case of unforeseen developments, EIOPA may need to postpone the delivery of certain projects such as following up of Supervisory Statement on the treatment of non-affirmative cyber risk, sound underwriting practices and accumulation risk as well as the new project on machine learning and use of data to access conduct of business risks. Also, if needed, EIOPA will keep to a minimum the preparatory work on ESAP for 2023, focusing on supporting ESMA when needed.

Sustainable finance:

The area of sustainable finance remains EIOPA's priority and the Authority will continue its analysis of the prudential treatment of investments associated with environmental and/or social objectives as well as the prudential treatment of the risks managed by insurers. However, in case of unforeseen developments, EIOPA may need to postpone the delivery of certain deliverables such as the reassessment of the natural catastrophe risk standard formula capital charges, the monitoring the application of the EIOPA Opinion on the supervision of climate change risk scenarios in ORSA the contribution to the European Commission initiative on double materiality perspective across the EU financial system, the analysis of consumers' understanding of natural catastrophe insurance coverage and the revision of EIOPA Supervisory handbook chapter on Supervision of Climate Change Risks.

Additionally, if necessary EIOPA may need to limit participation on Networks NGFS, SIF and IAIS in the context of sustainable finance.

Governance:

In the horizontal support areas and if needed, EIOPA could potentially deprioritise and descale non-legally mandated activities.

SECTION III: ANNUAL WORK PROGRAMME 2023

OPERATIONAL PRIORITIES

EIOPA further elaborates the strategic priorities set into the EIOPA strategy 2023-2026 into concrete strategic activity areas.

1. Integrating sustainable finance considerations across all areas of work

This area constitutes a strategic priority for EIOPA in line with EU political priorities. The insurance and pensions sector have a unique opportunity and responsibility to address sustainability-related challenges and thus facilitate the transition to a more sustainable and resilient economy. Within this context, EIOPA will strive to become a centre of expertise in the identification and assessment of sustainability risks.

Prioritised activities:

- Prudential regulation: Report on analysis of the prudential treatment of assets and activities associated with environmental and/or social objectives or which are associated substantially with harm to such objectives. Progress the reassessment of the natural catastrophe risk standard formula capital charges. Advise Commission on sustainability aspects of the fiduciary duties and stewardship rules of pension funds, considering long-term best interests of members and beneficiaries and the notion of double materiality in the 'prudent person rule'.
- Risk assessment: Initiate a one-off stress test exercise on transition risks in coordination with the ESAs, the ESRB and ECB. Promote access to open source modelling of climate change risks and improve the collection of uniform and comprehensive insured loss data, harnessing innovation in collection and use of data.
- Risk prevention and conduct risks: Further raise consumer awareness on risk-based prevention measures to reduce insured losses. Analyse and advise on issues related to greenwashing, as well as to the implementation of corporate sustainability reporting and the application of sustainability-related provisions in the insurance sales process.
- Supervision: Start monitoring the application of the EIOPA Opinion on the supervision of the use of climate change risk scenarios in ORSA.

2. Supporting the market and supervisory community through the digital transformation

In order to reduce the gap between financial market developments on one side, and regulators and supervisors on the other side, EIOPA will strive to keep abreast with the latest financial innovations and digital trends, so to continue to provide up-to-date supervisory guidance and good practices, while taking into account ethical and financial health considerations.

EIOPA's main priority is to contribute to a safe transformation into a digitally resilient society – and, equally important, operationally resilient industry, including through the implementation of DORA.

Prioritised activities:

- Start developing a sound regime for the use of AI by the insurance sector, complementary to the AI Act to be approved;
- Continue to promote financial inclusion by working on areas such as differential pricing, data bias and inclusion and other ethical issues;
- Finalise the development of an Open Insurance use case and draw conclusions for an Open Finance framework;
- Monitoring of market innovations and training of supervisors in the context of EU Digital Finance Academy;
- Review Digital Transformation Strategy, integrating it with Data and IT Strategy, SupTech Strategy and partially also Cyber Underwriting Strategy;
Assessment of financial stability and systemic implications of cyber risk

3. Enhancing the quality and effectiveness of supervision

In order to preserve the consumers' trust in the single market and to achieve an even higher and more effective level of supervision across the EU, EIOPA will continue to strengthen supervisory convergence by ensuring consistent reviews and proportionate application of supervisory convergence tools.

Within this context, EIOPA will continue to fully leverage all the tools and powers at its disposal, and thoroughly assess their effectiveness together with the supervisory community.

Consistent with the growth of the cross-border activity in the EU internal market, EIOPA's work on supervisory convergence with a focus on cross-border, will continue to increase reinforcing collaboration and building a common European supervisory culture.

Prioritised activities:

- Addressing consumer detriment from cross-border activities.
- Adequate product design, including in relation to value for money for in the unit-linked products and exclusions for non-life insurance products.
- Ensure consistent and effective application of Solvency II regulation thanks to the Q&A process.

4. Ensuring technically sound prudential and conduct of business policy

EIOPA aims at creating an ecosystem that supports financial resilience and enhances consumers' financial health, taking into account diversity and inclusion considerations. EIOPA will aim to deliver high-quality advice in a timely manner for all new files including activities associated with environmental and/or social objectives and analysis on taxonomy-related issues.

Prioritised activities:

- Focus on delivering its advice in relation to the review of IORP II Directive.
- Focus on good practices for defined contribution pensions.

5. Identifying, assessing, monitoring and reporting on risks to the financial stability and promoting preventative policies and mitigating actions

Leveraging on existing data, EIOPA will strive to provide supervisors with a state of the art analysis of market vulnerabilities, risk identification and proposed mitigating actions.

Prioritised areas:

- Follow-up on potential materialization of downside risk stemming from the ongoing crises in the context of high inflation and low/potentially negative growth.
- Enhance and use top-down modelling for financial stability risk assessment and prepare- simulation of impact of adverse developments relying on Solvency II reporting.
- Continue to monitor the developments, following the EC proposal for an Insurance Recovery and Resolution Directive, and subject to the adoption, prepare to carry out work the level 2 and 3 measures, as well as other more permanent tasks.

6. Ensuring good governance, agile organisation, cost-effective resource management and a strong corporate culture

EIOPA strives to be a great and sought-out EU employer. EIOPA will focus on creating the necessary conditions for a high-performing, diverse and inclusive work environment, which delivers the best outcomes for European citizens.

ANNUAL ACTIVITIES 2023

1. Integrating sustainable finance considerations across all areas of work

Regarding the integration of ESG risks in the prudential framework of insurers and pension providers, for pensions EIOPA will advise Commission on sustainability aspects of the fiduciary duties and stewardship rules of pension funds, considering long-term best interests of members and beneficiaries and the notion of double materiality in the 'prudent person rule'. On insurance, EIOPA will continue its analysis of the potential for a dedicated prudential treatment of assets and activities associated substantially with environmental or social objectives, thereby focusing on investment and underwriting risks as well as progress the work on the inclusion of climate change in the natural catastrophe standard formula.

To consolidate the macro and micro-prudential risk assessment of ESG risks, EIOPA will initiate a one-off stress test exercise on transition risks in coordination with the ESAs, the ESRB and ECB. EIOPA will build on earlier work supporting the modelling and management of climate change risks to improve the collection of uniform and comprehensive insured loss data and facilitate access to open source natural catastrophe models. Loss data and models on climate-related risks are crucial to improve the accuracy of climate risk assessment for the industry and supervisory community.

EIOPA will continue engaging with Member States, the industry and consumers to raise awareness and contribute to find possible solutions to close insurance and pension protection gaps: ageing population, as well as climate change, cyber or pandemic. To address the insurance protection gap for natural catastrophes, following the completion of its dashboard on the insurance protection gap for natural catastrophes, and its pilot exercise on impact underwriting, EIOPA's work will continue to focus on climate change adaptation in terms of reducing climate-related risk exposures. In that regard, EIOPA will strive to raise the awareness of consumers, public actors and the insurance industry on the existence and effects of climate-related risk and related prevention measures on physical risk exposures. EIOPA will conduct micro- and macro-prudential risk

assessments to test the resilience of market players to the risks posed by environmental and social challenges from a broader systemic perspective.

To promote a sustainable conduct of business framework, EIOPA will work on advice relating to the supervision of greenwashing and focus on identifying and addressing greenwashing cases in the market. Further work will include advising on final aspects of sustainable finance disclosure and following up on the implementation of corporate sustainability reporting and the application of sustainability-related provisions in the insurance sales process.

To promote the supervision of ESG risks and supervisory convergence, building on EIOPA opinion and application guidance on the supervision of climate-related risks through the inclusion of climate risk materiality assessment and scenario analysis in ORSA, climate risk discussions will continue to take place in supervisory college meetings. EIOPA will start monitoring the application of the EIOPA Opinion on the supervision of the use of climate change risk scenarios in ORSA.

As a member of the Network for Greening the Financial System (NGFS), the Sustainable Insurance Forum (SIF) and the International Association of Insurance Supervisors (IAIS), EIOPA will continue to build synergies and contribute to global standard-setting, reflecting the broadening of the scope of activity towards nature-related risks and social risks. Sustainable finance is expected to continue to feature on the agenda of EIOPA's bilateral dialogues with third countries.

Annual Operational Objective 1.1	
Integrate ESG risks in the prudential framework of insurers and pension funds	
Planning Priorities: Prudential treatment of climate risk in assets, activities, and liabilities for insurers. IORPII review with regard to the integration of sustainability considerations in pension funds' investments.	
Legal basis: Article 1(3), 8(1), 23, 29, 32 of the EIOPA Regulation, according to which EIOPA shall take into account sustainable business models and integration of ESG related factors in the areas of its competence, develop criteria for a stress testing regime incl. potential environmental-related systemic risk and develop common methodologies for union-wide assessment of resilience of financial institutions taking into account risks stemming from adverse environmental developments and of the effect of environmental risks on the financial stability of financial institutions.	
Actions: Following an initial focus on governance and risk management, EIOPA will conclude its analysis of the prudential treatment of assets and activities associated substantially with environmental or social objectives, or associated substantially with harm to such objectives. Continued reassessment of capital charges for natural catastrophe underwriting.. This should ensure the integration of sustainability in all pillars of the prudential frameworks.	
Outputs:	Due date:
Assess the prudential treatment under Solvency II of assets and activities associated substantially with environmental and social objectives or which are associated substantially with harm to such objectives	tbc(subject to the deadline in the final version of SII)
Initiate reassessment of the natural catastrophe risk standard formula capital charges	Q4 2024
Contribute on taxonomy-related issues as member of the EU Platform on Sustainable Finance	Contingent on demand

Advice to Commission on the sustainability aspects of the fiduciary duties and stewardship rules of pension funds, considering long-term best interests of members and beneficiaries and the notion of double materiality in the “prudent person rule” into IORPII review	Q2
FTEs: 2.99	

Annual Operational Objective 1.2	
Consolidate the macro/micro-prudential risk assessment of ESG risks	
Planning Priorities: Focused attention on coordinated climate stress testing for insurance.	
Legal basis: Article 1(3), 8(1), 23, 29, 32 of the EIOPA Regulation, according to which EIOPA shall take into account sustainable business models and integration of ESG related factors in the areas of its competence, develop criteria for a stress testing regime incl. potential environmental-related systemic risk and develop common methodologies for union-wide assessment of resilience of financial institutions taking into account risks stemming from adverse environmental developments and of the effect of environmental risks on the financial stability of financial institutions.	
Actions: Coordinated cross-sectoral initiatives on climate change stress testing.	
Outputs:	Due date:
Contribute to ESRB work streams on climate change risks	Continuous
Initiate one-off climate change stress test in cooperation with ESRB, ECB, EBA, ESMA (link to AOO 5.1)	2023/2024
Contribute to the European Commission initiatives to develop a common methodological base and consistently integrate the double materiality perspective across the EU financial system	Contingent on demand
FTEs: 0.29	

Annual Operational Objective 1.3	
Promote sustainability disclosures and a sustainable conduct of business framework	
Planning Priorities: Focus on addressing greenwashing, implementation of corporate sustainability reporting and supervision of application of sustainability-related provisions in the insurance sales process.	
Legal basis: Article 1(3), 8(1), 23, 29, 32 of the EIOPA Regulation, according to which EIOPA shall take into account sustainable business models and integration of ESG related factors in the areas of its competence, develop criteria for a stress testing regime incl. potential environmental-related systemic risk and develop common methodologies for union-wide assessment of resilience of financial institutions taking into account risks stemming from adverse environmental developments and of the effect of environmental risks on the financial stability of financial institutions.	
Actions: The sustainable finance ecosystem relies on transparent communication on the sustainability or taxonomy compliance of financial products and activities. EIOPA will engage in providing further guidance on sustainability-related disclosures and reporting. While the industry is facing the challenge of integrating sustainability preferences in insurance and pension products, supervisors will be facing the challenge of fighting greenwashing. EIOPA will work on delivering advice to the COM on the supervision of greenwashing and will also work on identifying and addressing greenwashing related cases.	
Outputs:	Due date:
Sustainable Finance Disclosure Regulation: update the regulatory technical standards to clarify environmental and social indicators	Q2

Possible analysis on minimum sustainability criteria or a combination of criteria for financial products with green characteristics (Art. 8 of the SFDR)	tbc
Contribute to European Commission's initiative regarding the Corporate Sustainability Reporting Directive (CSRD), including EFRAG's work to develop sustainability reporting standards	Q4
EIOPA input to Commission's call for advice on greenwashing risks and supervision of sustainable finance policies	Q2 2023 (interim report) Q2 2024 (final report)
FTEs: 1.19	

Annual Operational Objective 1.4	
Support supervision of ESG risks and supervisory convergence in the EU	
Planning Priorities: Monitor supervision of climate risks, and review where necessary supervisory guidance (Handbook). Build on conduct analysis to continue assessment of performance of ESG products to support supervision of greenwashing.	
Legal basis: Article 1(3), 8(1), 23, 29, 32 of the EIOPA Regulation, according to which EIOPA shall take into account sustainable business models and integration of ESG related factors in the areas of its competence, develop criteria for a stress testing regime incl. potential environmental-related systemic risk and develop common methodologies for union-wide assessment of resilience of financial institutions taking into account risks stemming from adverse environmental developments and of the effect of environmental risks on the financial stability of financial institutions.	
Actions: Climate change and social challenges impact the longer term sustainability of insurers and pension funds' business models as well as consumers' demand for risk solutions. Climate risk discussions will take place in supervisory college meetings and, gradually, EIOPA will start monitoring the offer of sustainable products.	
Outputs:	Due date:
Start monitoring the application of the EIOPA Opinion on the supervision of the use of climate change risk scenarios in ORSA.	From Q2 2023 onwards
EIOPA Sustainable Finance Conference	Q4
Climate risk discussions in supervisory college meetings	Continuous
EIOPA Monitoring and supervision of greenwashing cases	Continuous
Revision of EIOPA Supervisory handbook chapter on Supervision of Climate Change Risks	Q4
FTEs: 0.59	

Annual Operational Objective 1.5	
Address protection gaps	
Planning Priorities: Use of protection gap tools, incl. behavioural analysis, and applying EIOPA's shared resilience solutions framework for analysis and engagement with NCAs, consumers and stakeholders to reduce protection gaps.	
Legal basis: Article 1(3), 8(1), 23, 29, 32 of the EIOPA Regulation, according to which EIOPA shall take into account sustainable business models and integration of ESG related factors in the areas of its competence, develop criteria for a stress testing regime incl. potential environmental-related systemic risk and develop common methodologies for	

union-wide assessment of resilience of financial institutions taking into account risks stemming from adverse environmental developments and of the effect of environmental risks on the financial stability of financial institutions.

Actions: Use the dashboard on the insurance protection gap for natural catastrophes to support prudential and conduct analysis. Assess consumer behaviour towards coverage for natural catastrophes or climate-related risks. Contribute to enhanced risk awareness and understanding of risk-based prevention measures.

Outputs:	Due date:
Analysis of consumers' understanding of natural catastrophe insurance coverage (behavioural study) and identify solutions to improve clarity on contractual terms and conditions.	Q1
Contribute to COM Climate Resilience Dialogue	Contingent on demand
Enhance the knowledge and understanding of both supply and demand perspectives regarding cyber insurance	Q4
Study possible tools to enhance climate-related risk awareness and understanding of related prevention measures, with the aim to reduce insured losses	Q4

FTEs: 0.84

Annual Operational Objective 1.6

Promote the use of open source modelling and data in relation to climate change risks

Planning Priorities: Seek use of data and establishment of tools for sharing data and models to support climate risk assessment and adaptation initiatives.

Legal basis: Article 1(3), 8(1), 23, 29, 32 of the EIOPA Regulation, according to which EIOPA shall take into account sustainable business models and integration of ESG related factors in the areas of its competence, develop criteria for a stress testing regime incl. potential environmental-related systemic risk and develop common methodologies for union-wide assessment of resilience of financial institutions taking into account risks stemming from adverse environmental developments and of the effect of environmental risks on the financial stability of financial institutions.

Actions: Data and models on climate-related risks are crucial to improve the accuracy of climate risk assessment for the industry and supervisory community. EIOPA aims to support the modelling and management of climate change risks, by positioning itself as a relevant open source data hub providing relevant aggregate data, such as for example climate-related insured loss data, in a transparent and easily accessible manner. In addition, if available open source climate-related data or models are not always accessible in a user-friendly way. EIOPA aims to bring scientific climate-related data or models closer to the insurance world. Bringing climatologist and the insurance sector together will ensure that proper tools are developed to supervise climate change risks and develop adequate insurance products.

Outputs:	Due date:
Develop ways to improve the collection of uniform and comprehensive insured loss data	tbc
Promote the interface developed for the use of Climada	Q2

FTEs: 0.29

Annual Operational Objective 1.7

Contribute to international convergence for the assessment and management of sustainability risks

Planning Priorities: Contribute to relevant international activities.

Legal basis: Article 1(3), 8(1), 23, 29, 32 of the EIOPA Regulation, according to which EIOPA shall take into account sustainable business models and integration of ESG related factors in the areas of its competence, develop criteria for a stress testing regime incl. potential environmental-related systemic risk and develop common methodologies for union-wide assessment of resilience of financial institutions taking into account risks stemming from adverse environmental developments and of the effect of environmental risks on the financial stability of financial institutions.

Actions: There is a need for globally convergent practices on the supervision and management on sustainability risks from an early stage. As a member of the Network for Greening the Financial System (NGFS), the Sustainable Insurance Forum (SIF) and the International Association of Insurance Supervisors (IAIS), EIOPA seeks to build synergies and contribute to global standard-setting. Reflecting the broadening scope of sustainability risk analysis, EIOPA aims to contribute, for example to the NGFS Task force on nature-related risks and has joined the IAIS Climate Risk Steering Group, contributing to initiatives to promote scenario analysis. Sustainability will also figure prominently on the agenda of EIOPA’s bilateral dialogues with third countries.

Outputs:	Due date:
Contribute to the Network for Greening the Financial System (NGFS), the Sustainable Insurance Forum (SIF) and the International Association of Insurance Supervisors (IAIS) in the context of sustainable finance.	Continuous
Engage bilaterally with third countries on ESG	Continuous
FTEs: 0.59	

2. Supporting the market and supervisory community through digital transformation

EIOPA will continue implementing actions from the digital finance strategy through the development and implementation of a strategy towards digital transformation. EIOPA will consider the pace and breadth of change of the industry, leveraging work already completed in recent years. In developing its strategy, EIOPA will focus on areas where it can add value within a general strategic concentration on consumer outcomes. The aims are to build the right foundations for an appropriate regulatory framework for the longer term and to ensure supervisors have the right tools to identify and address the new emerging risks.

In this context, in line with EIOPA Digital Transformation Strategy five dimensions warrant highlighting:

- Leveraging on the development of a sound European data ecosystem: EIOPA will collaborate with the European Commission on the development of financial data spaces, including in areas such as sustainable finance and pension data tracking systems, and also linked developments such as open insurance;
- Supporting Artificial Intelligence and promoting financial inclusion: as Artificial Intelligence is expected to play a pivotal role in the digital transformation of the insurance and pension markets, EIOPA will seek to ensure the use of trustworthy Artificial Intelligence systems, while ensuring financial inclusion;
- Ensuring a forward looking approach to strengthen and harmonize the safeguards to operational resilience: EIOPA considers that it is important to assess the prudential framework in view of the digital transformation, seeking to ensure its continued financial soundness, while further promoting greater supervisory convergence in the appropriate assessment of digital activities and risks.
- Realising the benefits of the European single market: EIOPA will continue to support the development of the single market in times of transformation, facilitating cross-border and cross-sector cooperation,

supporting the development of innovation facilitators and addressing the opportunities and challenges of fragmented value chains and the platform economy.

- Enhancing the supervisory capabilities of EIOPA and national competent authorities: EIOPA and NCAs must seek to become digital, user-focused and data-driven organisations, so they can meet their strategic objectives effectively and efficiently.

In addition, societal changes following the wider digitalisation transformation and the impact of COVID-19 – new working, transport and living arrangements – are leading to new needs for insurance and pensions.

To support the digital transformation the industry needs to have in place a strong digital operational resilience. Therefore, the implementation of the Digital Operational Resilience (DORA) will remain a strategic objective. By 2023-2024, EIOPA, together with other ESAs and the Joint Committee, will deliver on a number of technical standards which will need to reflect the reality of the sectors under its remit, will develop or review relevant guidelines and as part of the implementation will also develop supervisory convergence tools. Additionally, EIOPA, together with the other ESAs, will prepare the joint report assessing the feasibility of further centralisation of incident reporting through the establishment of a single EU Hub for major ICT-related incident reporting by financial entities currently foreseen in DORA. This might be instrumental to the implementation of EIOPA's Strategy on Cyber Underwriting.

EIOPA will implement and be ready to play an active role in the establishment of an oversight framework for critical third party providers, focusing on the identification of insurance, pension and intermediary specific risks, risks affecting the stability of the financial sector and ensuring the digital resilience of the sectors within its remit.

For the insurance sector to be a facilitator of the transition to a digital economy, a proper assessment of risks is necessary, including the potential vulnerabilities related to the provision of cyber insurance. In this regard, EIOPA will gradually develop methodologies for scenario analysis and stress testing such risks in cooperation with NCAs and the ESRB, and will continue to monitor the development of the cyber insurance market. Supervisory data to be available from end-2022 should also contribute to better understanding the supervisory challenges.

EIOPA will continue to engage with the Commission to contribute and implement the Commission's supervisory data strategy and reflect in its own Data and IT Strategy in full cooperation with the Commission and other European Supervisory Authorities (ESAs). Areas such as data standardisation, data sharing frameworks, European data spaces, reduction of overlaps and inconsistencies will be part of the implementation of such a strategy.

Annual Operational Objective 2.1

Accompanying the development of a sound European data ecosystem

Planning Priorities:

Finalise the development of an Open Insurance use case and draw conclusions for an Open Finance framework;

Digital Regulatory Reporting Tool

Commission request- feasibility study for integrated reporting preparation (SII review package)

ESAP implementation, pending approval by the co-legislators

Legal basis: Article 1(6) of the EIOPA Regulation, according to which EIOPA shall, inter alia, (i) contribute to the improved functioning of the internal market; (ii) ensure the integrity, transparency and efficiency of the financial markets; (iii) prevent regulatory arbitrage; (iv) ensure the appropriate regulation and supervision of taking risks; and

(v) enhance consumer protection. Article 8 of the EIOPA Regulation following the review of the ESAs regarding technological innovation, enhance the legal basis for work EIOPA is already undertaking in this area. .

Actions: EIOPA will collaborate with the European Commission on the development of the financial data space, possibly focusing on specific use cases leading to significant benefits for consumers. It will also support any development of pensions' data tracking systems in the EU and support the transition to a sustainable economy with the help of Data and Digital technologies. It will contribute to all data related work addressing the different perspectives of data.

Outputs:	Due date:
Finalise the development of an Open Insurance use case and draw conclusions for a future possible Open Finance framework to be proposed by the Commission	Q4
Data Point Modelling (DPM) Re-fit and development of DRR tooling in cooperation with EBA	Q2 2023
Contribute to the Union Financial Data Strategy, in particular the Strategy on Supervisory Data, and embed it in its own IT and Data Strategy	Continuous
Preparatory work on report on potential measures, including legislative changes, to develop an integrated data collection within the context of Solvency II Review	tbc
Start preparatory work on the European Single Access Point (ESAP)	tbc
FTEs: 1.27	

Annual Operational Objective 2.2

Preparing for a proliferation of Artificial Intelligence

Planning Priorities:

Develop a sound regime for the use of AI by the insurance sector, complementary to the AI Act to be approved
Continue to promote financial inclusion by working on areas such as differential pricing, data bias and inclusion and other ethical issues

Legal basis: Article 1(6) of the EIOPA Regulation, according to which EIOPA shall, inter alia, (i) contribute to the improved functioning of the internal market; (ii) ensure the integrity, transparency and efficiency of the financial markets; (iii) prevent regulatory arbitrage; (iv) ensure the appropriate regulation and supervision of taking risks; and (v) enhance consumer protection. Article 8 of the EIOPA Regulation following the review of the ESAs regarding technological innovation, enhance the legal basis for work EIOPA is already undertaking in this area. .

Actions: EIOPA will seek to leverage the AI governance principles recently developed by its consultative expert group on digital ethics, to develop further sectorial work on specific AI use cases in insurance.

EIOPA will assess the topic of financial inclusion from a broader perspective i.e. not only from a digitalisation angle, seeking to promote the fair and ethical treatment of consumers, in particular in front-desk applications and in insurance lines of businesses that are particularly important due to their social impact.

Outputs:	Due date:
Develop a sound regime for the use of AI by the insurance sector, complementary to the AI Act to be approved, possible guidelines in the area of AI, the ethical use of data, and impacts for consumers and vulnerable consumers in particular	Q4
FTEs: 5.44	

Annual Operational Objective 2.3

Ensuring a forward looking approach to strengthen and harmonise the safeguards to operational resilience

Planning Priorities:

Implementation of the Digital Operational Resilience Act (DORA) and of the ESRB Recommendation of 2 December 2021 on a pan-European systemic cyber incident coordination framework for relevant authorities.

Ensuring effective market monitoring in view of emergent business models, and risks to consumers and financial stability.

Contributing to increased capacity within the supervisory community to identify, assess and mitigate risks and opportunities arising out of the digital transformation.

Legal basis: Article 1(6) of the EIOPA Regulation, according to which EIOPA shall, inter alia, (i) contribute to the improved functioning of the internal market; (ii) ensure the integrity, transparency and efficiency of the financial markets; (iii) prevent regulatory arbitrage; (iv) ensure the appropriate regulation and supervision of taking risks; and (v) enhance consumer protection. Article 8 of the EIOPA Regulation following the review of the ESAs regarding technological innovation, enhance the legal basis for work EIOPA is already undertaking in this area. .

Actions: EIOPA will implement the DORA It will assess the prudential and conduct framework of the sector, seeking to ensure its financial soundness, promote greater supervisory convergence and also assess whether digital activities and related risks are adequately captured and if there are any undue regulatory barriers to digitalisation in this area.

Outputs:	Due date:
Deliver the Regulatory and Implementing Technical Standards from DORA	2023-2024
Develop a threat-led cyber resilience testing in the insurance sector	2023-2024
Implement a cyber-incidents report system – Centralised Data Hub	2025 (subject to funding discussion with the other ESAs)
Prepare Oversight implementation	2025
Implement the ESRB Recommendation of 2 December 2021 on a pan-European systemic cyber incident coordination framework for relevant authorities	2023-2025
Information exchange on cyber security and attacks	Continuous
Follow-up and monitoring of Supervisory Statement on the treatment of non-affirmative cyber risk, sound underwriting practices and accumulation risk addressing undertakings	Continuous
Cyber risk stress testing framework and enhancing the incorporation of cyber risk assessment into the current risk dashboard framework conducted within the context of improvement of methodological framework for identifying, assessing, mitigating and managing risks (please refer to AOO 5.2)	Q4

FTEs: 3.87

Annual Operational Objective 2.4

Realising the benefits of the European single market

Planning Priorities: Follow-up from the ESAs Advice on Digital Finance to the European Commission and continue to support the work of EFIF and of Digital Finance Platform.

Legal basis: Article 1(6) of the EIOPA Regulation, according to which EIOPA shall, inter alia, (i) contribute to the improved functioning of the internal market; (ii) ensure the integrity, transparency and efficiency of the financial markets; (iii) prevent regulatory arbitrage; (iv) ensure the appropriate regulation and supervision of taking risks; and

(v) enhance consumer protection. Article 8 of the EIOPA Regulation following the review of the ESAs regarding technological innovation, enhance the legal basis for work EIOPA is already undertaking in this area. .

Actions: EIOPA will focus on developing the digital single market and supporting the innovation of facilitators ensuring transparency and consumer friendly environment.

Outputs:	Due date:
Assessment of possible regulatory barriers impacting innovation, and continued assessment of the effectiveness of actions already taken in view of the Commission Fintech Action Plan and as a follow-up of the ESAs Report on the CfA on Digital Finance	Continuous
Technological Innovation and Cybersecurity as defined in the Joint Committee Work Programme	Continuous
Contribution to the European Forum for Innovation Facilitators (EFIF), and Digital Finance Platform and contribution to other EU-wide and international fora, including the EU FinTech Lab and the IAIS FinTech Forum	Continuous
Monitoring of digital market innovations	Continuous
Monitoring of distributed ledger technology (DLT)/Blockchain, focusing on Decentralised Finance developments in insurance	Continuous
Review Digital Transformation Strategy, integrating it with Data and IT Strategy, SupTech Strategy and partially also Cyber Underwriting Strategy	Q1-2024

FTEs: 1.89

Annual Operational Objective 2.5
Enhancing the supervisory capabilities of EIOPA and NCAs

Planning Priorities: Deliver the Digital Finance Academy programme

Legal basis: Article 1(6) of the EIOPA Regulation, according to which EIOPA shall, inter alia, (i) contribute to the improved functioning of the internal market; (ii) ensure the integrity, transparency and efficiency of the financial markets; (iii) prevent regulatory arbitrage; (iv) ensure the appropriate regulation and supervision of taking risks; and (v) enhance consumer protection. Article 8 of the EIOPA Regulation following the review of the ESAs regarding technological innovation, enhance the legal basis for work EIOPA is already undertaking in this area. .

Actions: As outlined in its SupTech strategy and Data and IT strategy, EIOPA will continue to leverage on data and technology for a more efficient supervision and regulatory compliance. It will aim to increase the understanding of new technologies and business models by supervisors and it will continue to reinforce its close cooperation with stakeholders.

Outputs:	Due date:
Supervisory workshops	Tbc
InsurTech Roundtable	tbc
SupTech Conduct of Business project – PRIIPs KID	Q4
SupTech – New project on Machine Learning and use of data to assess conduct of business risks	tbc
Manage the platform of data analysis coding sharing	Continuous
EU-Digital Finance Academy	Continuous till 2025

3. Enhancing the quality and effectiveness of supervision

To further strengthen supervisory convergence – in practices as well as outcomes – EIOPA will continue:

- Building common benchmarks for supervisory practices using the different supervisory convergence tools at its disposal, with a main focus on the revision of supervisory convergence materials related to the Solvency II review, continuous focus on IORPs and conduct of business areas as well as emergent risks such as sustainability;
- Reviewing of practices and outcomes: thematic reviews or other tool (e.g. mystery shopping) aiming at the assessment of market practices or the gathering of quantitative and qualitative data on consumer outcomes and the drivers of these outcomes; and peer reviews, consolidating the governance structure based on EIOPA expertise, and aiming the assessment of supervisory practices of national supervisory authorities as well as the adequacy of supervisory resources and the degree of independence of those competent authorities in key areas to be identified;
- EIOPA's own independent assessment: EIOPA's oversight work focuses on monitoring and challenging supervisory practices and supporting NCAs. The tools used include amongst others bilateral visits, dialogues with group supervisors and participation in colleges.

EIOPA will focus on conduct risks in the unit-linked market and contract complexity and exclusions in the non-life markets, triggered the ongoing and emerging issues.

With regard to oversight, EIOPA's focus is to address potential consumer detriment through insurance services provided cross border via Freedom of Service/Establishment. Cross-border cooperation platforms will continue to serve as a collaboration tool to coordinate the supervisory response to deal with potential failures of undertakings operating cross border. Recent failures and continuous growth of cross-border business have highlighted the need for the harmonisation of insurance guarantee schemes, as advocated by EIOPA in its recent Solvency II advice, but not yet sufficiently embraced at political level.

EIOPA's role in Colleges of Supervisors will focus on increasing support to group supervisors, ensuring the appropriate risks are tabled for discussion and ensuring follow-up where needed. EIOPA will actively promote the use of joint on-site inspections where needed, both in platforms and colleges to ensure risks are identified in good time so supervisory interventions can be taken.

EIOPA will coordinate supervisory activities in relation to PEPP, focusing on supervisory approaches, coordination of supervisory plans, and monitoring the market, using – among other data sources – the first PEPP prudential data, with the reference date of end of 2022.

On conduct risk, EIOPA will increase its focus on acting directly on identified issues, concentrating on follow through. Proceeding to 'Conduct Risk 2.0' will include agreeing the supervisory handbook text, developing a conduct risks assessment process, carrying out coordinated mystery shopping activities, promoting a more and more outcome focused approach to supervision, establishing increasingly mature process for setting conduct Strategic Supervisory Priorities and a conduct risk dashboard to be published by EIOPA.

EIOPA will continue to calculate and publish key information necessary for the effective application of the Solvency II Directive, maintaining and improving the production processes according to the methodologies in place. EIOPA will improve the sharing of experiences cross-departmentally, with the other ESAs and NCAs and

increase the scope of the use of data and of the analytical supervisory tools at EU level, while at the same time strengthening the security of EIOPA’s infrastructure.

The three ESAs will continue to closely liaise on a regular basis with the aim to strengthen cooperation among each other and to foster cross-sectoral consistency, as well as supervisory convergence.

Lastly, EIOPA will offer on annual basis a tailored Training & Events Programme, comprising of seminars, workshops and other activities, including events open to the public. It is foreseen to organise most events in 2023 in a digital-only format.

Annual Operational Objective 3.1	
Sharing of experiences and building a common supervisory culture promoting high quality and effective supervision	
Planning Priorities: Priorities in the area of supervisory convergence are decided according to the risks identified. Focus will be on supervision of new digital business models.	
Continue re-assessment of confidentiality of Supervisory Handbook and increase transparency starting with the revision of the EIOPA Guidelines on Supervisory Review process and Chapter of the Supervisory Handbook on Risk Assessment Framework.	
Legal basis: This objective is delivered as part of EIOPA’s responsibility under Article 29 of the EIOPA Regulation to build a common supervisory culture and promote consistent supervisory practices.	
Actions: To further strengthen supervisory convergence – in practices as well as outcomes – EIOPA will continue building common benchmarks for supervisory practices using the different supervisory convergence tools at its disposal, with a main focus on the revision of supervisory convergence materials considering the Solvency II review, continuous focus on IORPs and conduct of business areas as well as emergent risks.	
Outputs:	Due date:
Annual Supervisory Convergence Plan 2023 (SCP)	Q1
Preparatory work for Annual Supervisory Convergence Plan 2024	Q4
Annual Supervisory Activities Report including functioning of colleges	Q2
Annual Statistics on the use of Capital Add-ons	Q3
Annual Report on the use of limitations and exemptions from reporting	Q4
Finalisation of open projects addressing priority areas identified in the Annual Supervisory Convergence Plan 2022	tbd
Projects addressing priority areas to be identified in the Annual Supervisory Convergence Plan 2023 (SCP)	tbd
Further development and on-going revision of EIOPA Supervisory Handbooks on Solvency II, on IORPs and on Conduct of business supervision	Continuous
Improve awareness of the Supervisory Handbook through training on the Handbook and other “advertising” tools	Contingent on demand
Questions and Answers on implementation of the insurance and pensions supervision and regulatory framework	Continuous
Support MB coordination groups (when applicable)	Contingent on demand
Review of EIOPA Guidelines on supervisory review process and EIOPA handbook Chapter on Risk Assessment Framework and further develop EIOPA’s approach on public disclosure of the handbook	2023-2024

Chapter on multi-sponsor IORP providers for the IORPs' Supervisory Handbook	Q1
FTEs: 10.57	

Annual Operational Objective 3.2	
Increase overall quality of national supervision, ensure NCAs operate according to Union law and achieve greater supervisory convergence in specific areas	
Planning Priorities:	
Risk based assessment and Union-wide Strategic Supervisory Priorities	
Proactive monitoring of NCAs compliance with Union law based on information and findings gathered in EIOPA's oversight activity, convergence work and peer reviews. EIOPA will engage in an early dialogue with NCAs when an issue is detected.	
Legal basis: Article 29 of the EIOPA Regulation gives the Authority an active role in building a common supervisory culture and consistent supervisory practices and EIOPA's decision on the collaboration of the insurance and pensions supervisory authorities provides the mandate to monitor its implementation with a specific focus on cross-border issues. This activity is an important element of that work, targeting the Authority's efforts where they can have most impact. Additionally, Article 17 of the EIOPA regulation mandates EIOPA to investigate potential breaches or non-application of relevant Union law by NCAs, and issue recommendations to the authority concerned, setting out the action necessary for it to comply with Union law. Article 19 of the EIOPA regulation also obliges EIOPA to help NCAs settle disagreements. As an impartial mediator with expertise in insurance legislation, EIOPA's support can be invaluable in reaching joint decisions in the colleges of supervisors or settling disputes related to cross-border business. Lastly, EIOPA can also provide non-binding mediation based on Article 31 of its founding regulation.	
Actions: EIOPA will continue to support the increase of quality of supervision by issuing recommendations, reports and lessons-learnt exercises while also running dedicated project based on specific supervisory requests. Additionally EIOPA will provide structured follow-up on recommendations to NCAs (potentially including guidelines, recommendations to NCAs) in relation to the identified Strategic Supervisory Priorities and recommendations stemming from peer reviews and EIOPA's other oversight activities. Additionally, Proactive monitoring of NCAs compliance with Union law based on information and findings gathered in EIOPA's oversight activity, convergence work and peer reviews.	
Outputs:	Due date:
Regular supervisory risk and issue reports to enable prioritisation by EIOPA's management	Contingent on demand, at least Q2 and Q4
Supervisory recommendations	Contingent on demand
Reports on bilateral visits	Contingent on demand
Lessons learned exercises	Contingent on demand
Dedicated project based on specific supervisory requests	Contingent on demand
Identify and report on Union-wide Strategic Supervisory Priorities in cooperation with NCAs	Q4
Conduct inquiries under Art. 22.4	Contingent on demand
Projects delivered to address the prioritised issues and themes	Contingent on demand

Specific projects to support NCAs or the Commission to improve the effectiveness of supervision	Contingent on demand
Support and advice to NCAs on specific supervisory issues	Contingent on demand
Structured follow-up on recommendations to NCAs (potentially including guidelines, recommendations to NCAs) in relation to the identified Strategic Supervisory Priorities and recommendations stemming from peer reviews and EIOPA's other oversight activities	Continuous
Recommendations on how the NCA concerned should comply with Union Law	Contingent on demand
Decisions towards NCA concerned on how they should settle their disagreements by taking specific action or to refrain from action	Contingent on demand
Individual decisions addressed to a financial institution requiring the necessary action to comply with its obligations under Union law including the cessation of any practice, in case NCA do not comply with EIOPA's decisions and/or opinions from the European Commission	Contingent on demand
Settlement agreements or opinions from EIOPA's Mediation Panel in non-binding mediation proceedings	Contingent on demand
Early engagement with NCAs concerned in case of potential non-compliance with Union law.	Contingent on demand
Regular dialogue with the European Commission in enforcement matters.	Contingent on demand
Assessment of complaints	Contingent on demand
Breach of Union law investigations	Contingent on demand
Providing the Panel secretariat to the Mediation Panel and to the Breach of Union Law Investigations Panel	Contingent on demand
In-house training for relevant EIOPA staff to raise awareness about EIOPA's powers in case of non-compliance with Union law	Contingent on demand
FTEs: 12.93	

Annual Operational Objective 3.3

Enhance cooperation and communication between supervisory authorities where there are concerns regarding specific undertakings offering cross-border insurance.

Planning Priorities: Cross border issues

Legal basis: Article 29 of the EIOPA Regulation gives the Authority an active role in building a common supervisory culture and consistent supervisory practices and EIOPA's decision on the collaboration of the insurance supervisory authorities provides the mandate to monitor its implementation with a specific focus on cross-border issues.

Actions: EIOPA's focus is to address potential consumer detriment through insurance services provided cross border via Freedom of Service/Establishment. Cross-border cooperation platforms will continue to serve as a collaboration tool to coordinate the supervisory response to deal with potential failures of undertakings operating cross border.

Outputs:	Due date:
Facilitation of notification process through IT solution and database	<u>Continuous</u>
Launch and coordinate cooperation platforms	Continuous
Conduct in-depth analysis on supervisory issues	Continuous

Joint on-site inspections	Continuous
Supervisory recommendations	Contingent on demand
FTEs: 11.24	

Annual Operational Objective 3.4	
Advance high-quality, consistent and efficient functioning of colleges of supervisors	
Planning Priorities: EIOPA will continue its engagement with the colleges on a risk-based approach	
Legal basis: This objective is part of EIOPA’s responsibility under Article 21 of the EIOPA Regulation, as well as the broader responsibility under Article 29 to build a common supervisory culture.	
Actions: EIOPA’s role in Colleges of Supervisors will focus on increasing support to group supervisors, ensuring the appropriate risks are tabled for discussion and ensuring follow-up where needed. EIOPA will actively promote the use of joint on-site inspections where needed, both in platforms and colleges to ensure risks are identified in good time so supervisory interventions can be taken.	
Outputs:	Due date:
Maintaining the risk-based engagement model for colleges and integrating conduct aspects in colleges when relevant	<u>Continuous</u>
Participation as full members of colleges, and provide feedback in college meetings, crisis management groups	Continuous
Sharing of best practice and training	Continuous
Bilateral advice and support to the group supervisor	Continuous
Participate in joint on-site inspections	Continuous
FTEs: 8.69	

Annual Operational Objective 3.5	
Promote a level playing field in the use of internal models and between internal model users and standard formula users, so that risks are captured consistently and appropriately by undertakings.	
Planning Priorities:	
Comparative studies	
Supervisory convergence initiatives	
Collaborate on IM approvals and provide technical assistance	
Legal basis: This objective is part of EIOPA’s responsibility under Article 29(1) to build a common supervisory culture and consistent supervisory practices; and under Article 29(2) to develop new practical instruments and convergence tools to promote common supervisory approaches and practices.	

Actions: In the area of internal models, EIOPA will further work on comparative studies and convergence tools to promote common supervisory approaches and will engage with NCAs to promote effectiveness and convergence of supervision.	
Outputs:	Due date:
EIOPA staff, in cooperation with the IM Forum develops a 2-3 years road-map for IM activities. Additionally provides intelligence to the EIOPA Board in the area of IMs developing an annual IM Dashboard.	Q4
Reports on bilateral visits to NCAs and follow up activities over previous visits	Continuous
Consistency projects addressing priority areas in relation to Internal Models including public reports	Continuous
Further develop the EIOPA Supervisory Handbook in the Internal Model area to improve the quality of supervision in relation to Internal Models	Continuous
Issue opinions or other action necessary to address general inconsistencies if required	Continuous
Development of quantitative and qualitative tools for NCAs in cooperation with them	Continuous
Provide expertise, support and advice on Internal Models to NCAs and colleges	Continuous
Provide technical advice on specific model applications, such as new models or model change approvals, on NCAs on request	Upon request
Provide support to the potential development of Regulation and guidelines related to internal models	Upon request
FTEs: 10.44	

Annual Operational Objective 3.6	
Ensure effective monitoring of the application of equivalence decisions by third countries and of market or regulatory developments impacting equivalence.	
Planning Priorities:	
Specific priorities will be based on planning prioritised in the 3 year cycle for equivalence monitoring Annual report on application of equivalence decisions	
Legal basis: This objective is undertaken under Article 33 of the Authority's founding regulation (revised following a review of the ESAs).	
Actions: The Authority will continue its work within its enhanced responsibility to monitor regimes where there is an equivalence decision in place.	
Outputs:	Due date:
Individual Third country reports	Q4
Annual report on application of equivalence decisions	Q4
Plan for 2024 regulatory and supervisory practices equivalence monitoring	Q4
Maintain model administrative arrangements with third countries	Contingent on demand

Third country on-site visits	Continuous
Sharing of legal, regulatory and supervisory developments and practices	Continuous
Follow-up assessment on application in countries where there is already an equivalence decision in place	Continuous
FTEs: 2.89	

Annual Operational Objective 3.7	
Deliver peer reviews to strengthen the consistency and effectiveness of supervisory outcomes in the application of EU law and promote best practices.	
Planning Priorities: Deliver the peer reviews to be identified in the Plan 2023-2025 and use the peer reviews and follow-ups as efficient and effective supervisory convergence tools.	
Legal basis: Articles 8 and 30 of the EIOPA Regulation set out the requirements for peer reviews, as a tool for fostering consistency in the application of the regulation and promoting convergent supervisory practices.	
Actions: EIOPA will deliver Peer Reviews in line with the two-year plan consolidating the governance structure based on its expertise, and aiming the assessment of supervisory practices of national supervisory authorities as well as the adequacy of supervisory resources and the degree of independence of those competent authorities in key areas to be identified.	
Outputs:	Due date:
Review by peers on supervisory practices relating to some aspects of the prudent person principle (PPP) in insurance	Tbc - 2023
Review by Peers on supervision of technical provisions (TP): stochastic valuation	Tbc - 2024
Follow up on the review by peers on supervisory practices with respect to the application of the prudent person rule for IORPs	Q3
Follow up on the review by peers on the Decision on collaboration	Q1-2024
Maintain the methodology for the conduct of peer reviews	Continuous
Monitor previous peer reviews: monitoring the implementation of NCAs and EIOPA Recommendations	Continuous
FTEs: 6.09	

Annual Operational Objective 3.8	
Provide training to strengthen stakeholder understanding of the practical supervisory use of EIOPA's framework and instruments	
Planning Priorities: Deliver cross-sectoral training and events programme	
Legal basis: Article 29(1)(e) of the EIOPA Regulation states that the Authority shall establish a sectoral and cross-sectoral training and events programme, including with respect to technological innovation. Through training, EIOPA can take an active role in building a common supervisory culture and consistent supervisory practices, and ensure uniform procedures and consistent approaches throughout the Union.	

Actions: EIOPA will offer on annual basis a tailored Training & Events Programme, comprising of seminars, workshops and other activities, including events open to the public. It is foreseen to organise most events in 2023 in a digital-only format.

Outputs:	Due date:
Setting up the sectoral and cross-sectoral training and events programme 2024	Q4
Running/operating the sectoral and cross-sectoral training and events programme 2023	Continuous
FTEs: 3.49	

Annual Operational Objective 3.9

Ensure early identification of potential consumer detriment, allowing swift action, where necessary, including undertaking supervisory measures to correct detriment or threats.

Planning Priorities: Strengthening of conduct risk assessment practices and the conduct supervisory convergence toolbox, including supervision of PEPPs, alongside action and follow up on crystallising conduct risks

Legal basis: Within Article 9 of the EIOPA Regulation to take a leading role in promoting transparency, simplicity and fairness, EIOPA may also issue warnings where financial activities threaten EIOPA's objectives, or issue temporary prohibitions/restrictions where specifically mandated under Union law (Article 9(3) and (5) of the EIOPA Regulation). To fulfil its mandate in a robust and proportionate manner, EIOPA must develop and maintain the capability to monitor, analyse and report on developments likely to result in consumer detriment and then be ready to take swift action.

EIOPA is required to contribute to the establishment of high-quality common regulatory standards and to contribute to the consistent application of legally binding Union acts as well as to build a common supervisory culture and consistent supervisory practices in ensuring uniform procedures and consistent approaches (Article 1(a) and (b), and Article 29 of the EIOPA Regulation).

Actions: EIOPA's focus is to identify, assess and address potential consumer detriment, supporting national competent authorities in their risk based and preventative supervisory steps on consumer detriment, whilst also concentrating on insurance services provided cross border via Freedom of Service/Establishment. On conduct risk, EIOPA will increase its focus on acting directly on identified issues, concentrating on follow through

Outputs:	Due date:
Launch of a coordinated mystery shopping exercise	Q4
Continue to work on financial inclusion initiatives including study on data bias and financial inclusion	Q2
Annual trends report and heat- map and annual net performance and fees of long-term retail and pension products report	Q4
Work to monitor value for money in the markets for insurance based investment products	Q4
Dedicated project(s) based on specific supervisory requests	Contingent on demand

Identify Conduct of business Strategic Supervisory Priorities in cooperation with NCAs [Links to Union Wide Strategic Supervisory Priorities work]	Q4
Diagnostic work on conduct risks emerging from digital distribution channels	Q4
Monitoring the implementation of follow up measures adopted in light of the thematic review on credit protection insurance products sold via bank distribution channels	Q4
Consumer protection work as defined in the Joint Committee Work Programme	Continuous
Periodic conduct risk assessment including retail risk indicators, incl. review of data collected, including development of conduct risk dashboard for monitoring the indicators and possible publication of heat-maps of risks with an increased focus on digitalisation and ESG related risks	Continuous
Facilitation and coordination of national market monitoring and of market-wide and company specific monitoring activities, including those aimed at monitoring risks stemming out of digitalisation and greenwashing risks.	Continuous
Conduct of business visits to NCAs to foster the exchange of ideas and experiences and identify issues in convergence between the different authorities	Continuous
Preparation of draft decisions in the case of the use of product interventions on insurance based investment products	Continuous
Conduct of Business Supervisory workshops	Continuous
Sharing of expertise in conduct data analysis, data mining, assessments and consumer-behaviour / behavioural economics work	Continuous
FTEs: 16.69	

Annual Operational Objective 3.10	
Ensure consistent and intrusive supervision of PEPPs	
Planning Priorities: Assessment of PEPPs	
Legal basis: EIOPA has an important role in the effective implementation of the PEPP Regulation. This activity represents the tasks EIOPA will undertake to deliver this important role.	
Actions: EIOPA will coordinate supervisory activities in relation to PEPP, focusing on supervisory approaches, coordination of supervisory plans, and monitoring the market, using – among other data sources –the first PEPP prudential data and data on the register of PEPPs	
Outputs:	Due date:
Process for product intervention powers set up	Q1
Promoting cooperation between NCAs and EIOPA and coordination of supervisory plans via dedicated supervisory convergence process	Continuous
Prepare Annual Report on PEPP Market	Q4
Registration and monitoring of PEPPs provided or distributed in the European Union	Continuous
Monitoring proportionality and consistency of actions taken by NCAs, including, where relevant, issuing an opinion on whether a prohibition or restriction is justified and proportionate	Continuous

Monitoring the market for PEPPs and where necessary, exercising the power to temporarily prohibit or restrict in the Union the marketing, distribution or sale of certain PEPPs or PEPPs with certain specified features	Continuous
Functioning database of authorised PEPPs, including web-based comparison tool	Continuous
Functioning up-to-date registers of NCA actions and national regulations	Continuous
Functioning up to date registers of national regulations concerning PEPP	Continuous
FTEs: 3.5	

Annual Operational Objective 3.11	
Maintain the methodology and production of key information fundamental to effective application of the Solvency II Directive and ensure a timely publication.	
Planning Priorities: Prepare/reflect, depending on the Solvency II review timing, the necessary developments arising from changes in the Solvency II framework affecting the methodology of RFR structure, the fundamental spread and the volatility adjustment.	
Maintain the high level confidence of the full methodology and production cycle.	
Legal basis: : The effective implementation of the Solvency II Directive depends on EIOPA providing a set of technical information on which undertakings will base their calculations of capital requirements and technical provisions. The RFR structure, the fundamental spread and the volatility adjustment determine the value of the liabilities of the undertakings and, to a great extent, the amount of capital that European insurers need to hold against their liabilities. The Solvency II Directive mandates EIOPA to provide this information. Based on Solvency II legislation, EIOPA also currently publishes the level of the symmetric adjustment of the equity capital charge (or equity dampener) on a monthly basis as part of the Solvency II technical information.	
Actions: EIOPA will continue to further develop the methodology, perform the monthly production calculate and publish key information necessary for the effective application of the Solvency II Directive, maintaining and improving the production processes according to the methodologies in place.	
Outputs:	Due date:
Implement any improvement of the data management platform solution dedicated to support the RFR production process	Continuous
Development/annual update of Risk Free Rate according to the agreed Methodological policy - in respect of representative portfolios, deep/ liquid transparent criteria, and ultimate forward rate	Q4
Updates to the RFR and Equity Dampener production tool	Contingent on demand
Risk Free Rate production	Continuous
Equity Dampener production	Continuous
Implementation of methodology changes into the production process regarding the regular update of representative portfolios, deep/ liquid transparent criteria, and ultimate forward rate	Continuous
Prepare/reflect, depending on the Solvency II review timing, the necessary developments arising from changes in the Solvency II framework affecting the methodology of RFR structure, the fundamental spread and the volatility adjustment	Contingent on demand

Annual Operational Objective 3.12

Promote an integrated reporting framework allowing for timely availability of adequate granularity, fit-for-purpose and high quality data to support NCAs and EIOPA's work

Planning Priorities: Receive the first set of information regarding PEPP and maintain PPP Register (in combination with AOO 3.11) and Taxonomy release 2.8.0.

Consider DPM-Refit, CSV format for submission of information and use of new Digital Regulatory Reporting Tool.

Legal basis: : EIOPA's founding regulation and the Solvency II Directive, the Solvency II Delegated Regulation, implementing technical standards and guidelines on reporting collectively define a framework for insurance undertakings to report information to NCAs, along with EIOPA's role in collecting, managing, using and reporting on this data; and the decision of the BoS on EIOPA's regular requests to NCAs to provide occupational pensions information defines a framework for NCAs to report information on pension funds to EIOPA. Specifically, Article 8 of the EIOPA Regulation mandates it to collect and report information about financial institutions in the area of its competence. To deliver against its mandate, EIOPA must have in place the necessary information systems and tools to securely receive and manage data. Article 29 of its founding regulation also requires EIOPA to contribute to 'developing high quality and uniform supervisory standards, including reporting standards'.

Actions: Keep fit-for-purpose reporting requirements under Solvency II, IORPs and PEPP.

Delivery of XBRL Taxonomy releases and maintenance of EIOPA central repository.

Ensure the continuous update and smooth operation of all functioning registries, including updates on its legal instruments and working documents.

Outputs:	Due date:
Regular review of Reporting and Disclosure Commission Implementing Regulation, Decision on IORPs reporting and other related documents	Contingent on demand (not planned for 2023 unless linked to SII review)
Updates to the EIOPA taxonomy (insurance, IORP, PEPP and FiCo) if needed	Q3
Central Repository – release for updated EIOPA taxonomy	Q4
Implement information exchange for fitness and propriety	Q4 (tbc)
Data collection and validation for Central Repository	Continuous
Functioning Central Repository	Continuous
Functioning Register of Insurance Undertakings	Continuous
Functioning Register of Insurance Groups List of Internationally Active Insurance Groups	Continuous
Functioning Register of IORPs Prudential Provisions	Continuous

Functioning Register of Institutions for Occupational Retirement Provision	Continuous
Functioning Register of Financial Conglomerates	Continuous
Functioning Database of Pension Plans and Products	Continuous
Functioning Single Electronic Register for Passporting Intermediaries	Continuous
Functioning Register of PEPP	Continuous
FTEs: 7.19	

Annual Operational Objective 3.13	
Develop continuously and maintain a data analysis framework that provides analytical reports to NCAs and EIOPA business areas with a fully functioning business intelligence system.	
Planning Priorities: Priority is put on access to and use of good-quality data. This is delivered through a comprehensive data analysis tool based on the Solvency II Directive and pensions and PEPP reporting and maintaining the capacity to provide reliable risk as well as supervisory analysis, at individual, group and system-wide levels. Furthermore, EIOPA will use the reporting data received to create added value for NCAs by increasing the scope and improving the analytical reports at national and EU levels provided to them. Similar processes need to be defined for PEPP data, which EIOPA is to receive for the first time by 2023.	
Legal basis: Duty to monitor and assess market developments in the area of its competence including where relevant, developments relating to trends in insurance, reinsurance and occupational pensions, in particular, to households and SMEs and in innovative financial services duly considering developments relating to environmental, social and governance related factors; to undertake market analyses to inform the discharge of the Authority's functions..	
Actions: EIOPA will continue the gathering of quantitative and qualitative data and increase the scope of the use of data and of the analytical supervisory tools at EU level. EIOPA will contribute to the increase of data quality and use of innovative tools in data analysis.	
Outputs:	Due date:
Internal regular reports and indicators for EIOPA's business areas	Continuous
Pensions Business Intelligence	Continuous
CIU data collection (subject to legislative process)	tbc
PEPP Business Intelligence	Continuous
Cooperation and Exchange of information platforms	Continuous
Data Quality measurement and control of data (insurance)	Continuous
Functioning Business Intelligence system including system support and maintenance of data marts Business Intelligence Standard Reports and ad-hoc reports on request of business user or on own initiative	Continuous
Data and information dissemination with third parties (e.g. other authorities)	Continuous
Information exchange in colleges for group supervisors	Continuous

Peer group indicators for NCAs	Continuous
Information on cross-border business for NCAs	Continuous
Data quality reports based on the Centralised Securities Database data for NCAs for insurance and pensions reporting data	Continuous
Indicators for European Systemic Risk Board	Continuous
Data for IAIS on behalf of EIOPA Members	Continuous
Data for OECD on behalf of EIOPA Members (from 2022 year-end)	Continuous
FTEs: 7.89	

Annual Operational Objective 3.14	
Implement the data governance framework and manage information and cyber security risks while maintaining EIOPA's IT infrastructure, supporting the core business data framework.	
<p>Planning Priorities: Ensure alignment and compliance with the regulations on information and cyber security applicable to EU institutions</p> <p>Perform cyber-security maturity exercise</p> <p>Implement security controls in line with EIOPA Security Strategy and operational plans</p>	
<p>Legal basis: EU regulations on information and cyber security, archives, data protection, public access to documents, staff and finance all lay down the requirements for proper and compliant management of information, which is delivered through this activity.</p>	
<p>Actions: EIOPA will continuously improve its information and cyber security capabilities in order to ensure adequate levels of protection of sensitive data, critical IT infrastructure and systems.</p> <p>EIOPA will improve the sharing of experiences cross-departmentally, with the other ESAs and NCAs, while at the same time strengthening the security of EIOPA's infrastructure.</p>	
Outputs:	Due date:
ESMA TRACE System implementation	Q4
Functioning core IT infrastructure (e.g. data centre, email)	Continuous
Management of security risks to information and information systems	Continuous
Functioning extranet	Continuous
External helpdesk	Continuous
Functioning document management system	Continuous
Further developing EIOPA's document/information/knowledge management framework	Continuous
FTEs: 9.04	

4. Ensuring technically sound conduct of business and prudential policy

EIOPA will seek to maintain the integrity of the insurance regulatory framework as the review of Solvency II reaches its next stages. It will update, and if part of the final legislative text, provide new technical standards and guidelines in accordance with amendments to Solvency II.

When it comes to completing the single European Rulebook, EIOPA will focus on conduct regulation and keeping up-to date the already developed Rulebooks.

EIOPA will continue to use its experience and lessons learned from supervisory convergence work to feed the regulatory cycle, towards a sound, smart and robust regulatory framework which is responsive to market developments. In this context, EIOPA will focus on further analysing the application of the IDD and preparing the ground for providing input to its future revision. As regards to pensions EIOPA expects to provide the Commission with advice in relation to the review of IORP II and will continue its work in relation to the development of good practices for defined contribution pensions. EIOPA will continue to play an active role in the International Association of Insurance Supervisors (IAIS), notably with reference to the Insurance Capital Standard of the IAIS as its monitoring period comes to an end in 2024.

EIOPA will continue to build synergies and foster efficient cooperation within the EU and globally. EIOPA will particularly enhance collaboration with the International Association of Insurance Supervisors (IAIS), where the ambition is to create a common worldwide language for supervision and a level playing field for internationally active insurance groups. At the same time, EIOPA will continue its dialogue with the political level and supervisory community in the EU, as well as with third country supervisors.

Annual Operational Objective 4.1

Support convergent and consistent application of the Solvency II Directive and develop the regulatory work needed as a follow-up of the Solvency II review

Planning Priorities:

Initiate work to update, and as needed work on new technical standards, technical documents and guidelines following the 2020 review, keep up to date the single European Rulebook.

Implement security controls in line with EIOPA Security Strategy and operational plans

Legal basis: EIOPA is required to contribute to the establishment of high-quality common regulatory standards and to contribute to the consistent application of legally binding Union acts as well as to build a common supervisory culture and consistent supervisory practices in ensuring uniform procedures and consistent approaches (Article 1(a) and (b), and Article 29 of the EIOPA Regulation).

Actions: EIOPA will seek to maintain the integrity of the insurance regulatory framework as the review of Solvency II reaches its next stages. The intention is to initiate a comprehensive review of the technical standards, technical documents and guidelines in accordance with amendments to Solvency II and supervisory experience since the entry into force of Solvency II, making use of the Q&A process to identify the areas where revised and new guidelines are desirable. This work will be carried out with the aim of streamlining the guidelines in order to achieve greater clarity for end users.

When it comes to completing the single European Rulebook, EIOPA will focus on conduct regulation and keeping up-to date the already developed Rulebooks.

Finally, EIOPA will continue to provide policy advice to the European Commission, including on securitization, which is due by Sept. 1, 2022.

Outputs:

Due date:

Follow-up to wide-ranging call for advice from the European Commission in the context of the Solvency II 2020 Review	Contingent on demand
Initiate work to update of technical standards, technical documents and guidelines following the 2020 review.	tbc (Depending on the SII legislative proposals)
Development of the methodology to produce the scenarios to be used in the prudent deterministic valuation	Q4
Regular ECAI mapping update to ensure that credit rating agencies' assessments are correctly mapped to the credit quality steps specified in Solvency II	Q4
No-action-letters (in exceptional circumstances)	Contingent on demand
Development of a Proportionality Rulebook	tbc (depending on the SII legislative proposals)
Regulatory work to promote the establishment of a Capital Markets Union addressing securitisation and recovery and resolution issues building as appropriate on the advice delivered in 2022.	Contingent on demand
Ongoing input into European Financial Reporting Advisory Group Board on accounting and deliver of comment letters on International Accounting Standards Board exposure drafts and/or discussion papers incl. International Financial Reporting Standards 17 implementation	Continuous
Maintenance of the Solvency II Rulebook on website	Continuous
FTEs: 7.7	

Annual Operational Objective 4.2	
Coordinate the European position and contribute to the implementation of a common ICS, the convergence of international supervisory standards and building trust and understanding with third countries.	
Planning Priorities: The key projects in this area will continue to be the completion of the ICS for adoption by the IAIS in 2024 as well as the finalization of a robust, data-based and transparent comparability assessment between the ICS and the Aggregation Method. In terms of third-country relations, the main priorities will continue to be the bilateral relations with the UK and the US.	
Legal basis: EIOPA's regulation requires that the Authority reaches out to third countries to address key global issues in the supervision of insurance and pensions. Article 33 of EIOPA's regulation provides the mandate to '...develop contacts and enter into administrative arrangements with supervisory authorities, international organisations and the administrations of third countries.	
Actions: EIOPA will continue to play an active role in the International Association of Insurance Supervisors (IAIS), notably with reference to the Insurance Capital Standard. EIOPA will also continue its engagement with third countries, seeking to enhance the mutual understanding and cooperation with key counterparts.	
Outputs:	Due date:
Contribute to the monitoring of the ICS 2.0	Continuous
Contribute to a robust, data-based and transparent comparability assessment between the Aggregation Method and the ICS	Continuous

Contribute to IAIS discussions on new trends and issues as required	Continuous
Equivalence and professional secrecy assessments of other third countries (as required)	Continuous
EU-US dialogue with one public event / EU US Insurance Project lead (EU-side) and coordination	Continuous
Supervisory dialogues with third country supervisors (UK, Japan, China, etc.)	Continuous
EU US Covered Agreement – Monitoring after full entry into force	Continuous
Global Insurance Supervision Conference	Q3
Reach Out Conference	Q1
FTEs: 2.99	

Annual Operational Objective 4.3	
Lead the development of a sound and prudent regulatory framework for pensions	
Planning Priorities: To complete the expected advice on review of IORP II as well as continue to develop good practices in relation to defined contribution pensions.	
Legal basis: The EIOPA Regulation requires the Authority to act in the field of IORPs in order, among other objectives, to be actively involved in facilitating effective regulation and supervision.	
Actions: EIOPA expects to provide the Commission with advice in relation to the review of IORP II as well as any possible follow-up work to its advice on pensions tracking services and pensions dashboard and in relation to the development of good practices for defined contribution pensions.	
Outputs:	Due date:
Technical advice on the scheduled review of the IORP II Directive	Q4
Work on good practices for defined contribution pensions	tbc
Monitoring of cross-border pension schemes following UK withdrawal from the EU	Contingent on demand
Roundtable on defined contribution pensions	tbc
FTEs: 3.84	

Annual Operational Objective 4.4	
Achieving good and consistent good outcomes for consumers through a smart regulatory framework	
Planning Priorities: To support the delivery of the CMU action plan	
Legal basis: Article 9 of the EIOPA Regulation states that the Authority shall take a leading role in promoting transparency, simplicity and fairness across the internal market within its fields of competence. A central tool to achieving this is building the regulatory framework.	
Actions: EIOPA will continue to support the further development of a single rulebook in the insurance and pensions sectors by working on draft regulatory technical standards and other policy instruments and provision of technical advice for the European Commission.	

EIOPA will continue to use its experience and lessons learned from supervisory convergence work to feed the regulatory cycle, towards a sound, smart and robust regulatory framework which is responsive to market developments.

Outputs:	Due date:
IDD: Annual report on national sanctions imposed under the IDD	Continuous Q4
IDD: Second report on the application of the IDD	Q4 2023/ Q1 2024
IDD: RTS adapting the base euro amounts for professional indemnity insurance and for financial capacity of insurance and reinsurance intermediaries	Q2
PRIPs: Annual report on national sanctions imposed under the PRIPs Regulation	Continuous Q4
Policy work on the implementation of findings reached under conduct oversight work	Contingent on demand
Co-ordinating role in facilitating how financial education measures are promoted by NCAs at national level in line with the CMU action plan	Continuous
Enhancing the functionality of the IDD Rulebook on website	Continuous
Collection of information on national financial education and literacy initiatives and maintenance of the related interactive webpage on website	Continuous
Enhance the Consumer Protection section of the EIOPA website	Continuous
Possible consumer testing exercises when required	tbc
FTEs: 3.84	

Annual Operational Objective 4.5

Where a matter is cross-sectoral, ensure consistency of supervisory standards and practices.

Planning Priorities: N/A

Legal basis: Article 54(2) of the EIOPA Regulation lays down the following non-exhaustive list of areas for ESA cooperation on cross-sectoral themes: financial conglomerates, accounting and auditing, financial stability, consumer protection, anti-money laundering and information exchange with the European Systemic Risk Board (ESRB). The aim of this cooperation is to build consistency from a supervisory perspective across the financial markets.

Actions: The Joint committee ensures ESA cooperation on cross-sectoral themes

Outputs:	Due date:
Bi-annual Joint Report on Risks and Vulnerabilities (presented at the Council's Economic and Financial Committee's Financial Stability Table)	Q2/Q4
Joint ESAs Consumer Protection Day 2023	tbc
Financial conglomerates: updated list of financial conglomerates (in close coordination with the European Central Bank/Single Supervisory Mechanism) and reporting templates for Fico (e.g. capital adequacy)	Continuous
Active consultative support in Anti-Money Laundering work lead by the Anti-Money Laundering Authority in accordance to the agreed MoU	Continuous

Fully functioning Joint Committee website area in the main EIOPA website	Continuous
FTEs: 1.74	

5. Identifying, assessing, monitoring and reporting on risks to the financial stability and promoting preventative policies and mitigating actions

EIOPA will continue monitor, analyse, and assess risks and vulnerabilities in the insurance and occupational pensions sector, adopting a preventive approach and taking facilitation and coordination actions if needed. In this respect, it will be crucial to further enhance the risk assessment toolkit covering not only traditional, but also new emerging risks, such as cyber or ESG related risks. Moreover, the lessons learnt from the COVID-19 crisis and the ongoing geopolitical crisis need to be factored in. Finally, cross-sectoral dimensions capturing risk spill-overs from other economic sectors need to be taken into account. This implies:

- Identifying, assessing, monitoring and reporting risks to the financial stability of the European insurance and occupational pensions sectors;
- Further develop systemic risk monitoring and assessment methodologies and indicators, building up on the experience from the recent crises, the cooperation with the ESRB and the IAIS;
- Develop and refine top-down modelling to enhance financial stability related analyses based on the regular Solvency II reporting;
- Enhance the cooperation with external bodies on cross-sectoral assessments and contagion analyses;
- Further enhancement of bottom-up stress testing methodologies enriching the framework with additional components such as cyber risk;
- Develop risk assessment tools in the area of cyber risk as one of the crucial risk with increased digitalisation that further intensified with the COVID-19 crisis and Russian invasion to Ukraine;
- Identifying and reporting risks that environmental, social and governance factors pose to financial stability to become integral part of the EIOPA risk assessment framework;
- Prepare and initiate a one-off coordinated climate stress test with the ESRB, ECB and the other ESAs.
- Reflect on the potential spill-overs from other economic sectors to insurance and IORPs sector;
- Enhancing EIOPA's crisis prevention and preparedness;
- Preparing for the implementation of the EU recovery and resolution framework;
- Providing guidance for monitoring and analysing sources of risk to financial stability in the EU, arising from the macroeconomic developments and financial markets to insurance undertakings as well as IORPs;
- Steering the follow-up process on the analysis, e.g. development of recommendations, opinions or mitigating actions;
- Continuation of developing economic research within the EIOPA External research platform programme with the aim to improve the financial stability toolkit and leverage on capacity of external researchers.
- Publication of Insurance and IORP indicators and statistics

Annual Operational Objective 5.1

Provide timely and accurate financial stability analysis and risk assessment.

Planning Priorities: Financial stability report, risk dashboard, Assessment of emerging risks and vulnerabilities for the insurance and pensions sectors

Legal basis: EIOPA is mandated to identify potential risks and vulnerabilities under Article 42 of the EIOPA Regulation. By analysing and assessing the potential for adverse market developments, this activity is the chief means by which EIOPA fulfils this requirement. It is also the basis for coordinating Union-wide stress tests to assess the resilience of financial institutions to such developments.

Actions: EIOPA will continue its work towards identifying, assessing, monitoring and reporting risks to the financial stability while also performing stress tests to assess the resilience of financial institutions.

Outputs:	Due date:
Financial Stability Report (first half covering all sectors and risks, second half focused on key topics)	Q2,Q4
Insurance Risk Dashboard	Q1,2,3,4
IORPs Risk Dashboard	Q4
Internal Risk Updates	Continuous
Implementation and operationalization of the Holistic Framework in the EU	Continuous
Ad hoc analysis to assess and monitor emerging financial stability risks	Continuous
Liquidity monitoring exercise	Q3
Follow up on implementation of the Holistic Framework in the EU - Systemic Risk Assessment Framework	Continuous
Contribution to financial stability agenda of the Financial Stability Board (FSB), International Association of Insurance Supervisors (IAIS), and cooperation with Single Resolution Board (SRB)	Continuous
Active participation in Macroprudential Supervision and Macroprudential Monitoring Working Groups (MSWG, MMWG) of IAIS	Continuous
Cooperation with the European Systemic Risk Board (ESRB) and participation in insurance related work-streams	Continuous
Assessment of emerging risks and vulnerabilities for the insurance and pensions sectors	Continuous
Initiate one-off climate Stress Test assessing climate-change related risks in cooperation with the other ESAs, ECB and the ESRB.	2023/2024 Dependent on Commission's request

FTEs: 10.5

Annual Operational Objective 5.2

Further develop a robust methodological framework for identifying, assessing, mitigating and managing risks and threats to the insurance and occupational pensions sectors.

Planning Priorities: Improved methodological framework for bottom-up and top-down insurance Stress Tests, Cooperation with academia

Legal basis: EIOPA's role (Article 42 of the EIOPA Regulation) of safeguarding financial stability necessitates the early identification of trends, potential risks and vulnerabilities. Article 32 specifies what assessments of market developments the Authority shall undertake and the common methodologies it should develop. To deliver accurate and valid assessment, EIOPA needs a robust methodological framework that accounts for the latest developments with new and improved tools and techniques to undertake financial stability analysis. EIOPA must also put in place a monitoring system to assess material environmental, social and governance-related risks (Article 29) and through this activity, EIOPA will develop that system.

Actions: EIOPA will continue to develop new risk monitoring and assessment methodologies, enhance bottom-up and top-down stress testing methodologies, and provide guidance for monitoring and analysing sources of risk to financial stability in the EU.

Outputs:	Due date:
Further improvement of methodological tools for the assessment and reporting of risks in the insurance and pensions sectors based on different econometric techniques including the development of Artificial Intelligence and Machine Learning Techniques.	Continuous
Thematic articles in the Financial Stability Report	Q2
Enhancement of methodological framework for bottom-up insurance Stress Tests with reference to cyber risk	Q1
Further improvement of methodologies for top-down insurance sector risk assessments to be used for Financial Stability Reports, stress testing as well as specific studies and sensitivity analyses	Continuous
Cooperation with academia	Continuous
Further enhancement of cyber risk assessment within the EIOPA insurance and IORPs risk dashboard framework	Continuous
Econometric modelling to underpin financial stability analysis and assessment for the insurance sector	Continuous
Ongoing review of early warning indicators for the insurance sector	Continuous
Enhancement of the Systemic Risk Assessment Framework (SRAF) for assessing systemic risk developments in the insurance sector	Continuous
Enhancement of bottom-up stress test methodologies for pension sectors	Continuous
Further enhancement of methodological framework and tools for assessing ESG risks, including the EIOPA Risk Dashboard and Stress Testing methodological framework	Continuous

FTEs: 4.59

Annual Operational Objective 5.3

Provide in-depth analysis of key themes related to risks in the insurance sector and high-quality insurance and occupational pensions statistics

Planning Priorities: For 2023, we expect to maintain increased focus on climate-change related risks including supporting potential stress-testing, but some capacity will also be reserved to react to immediate and unforeseen events (e.g. nat cats, pandemics, financial turmoil). For statistics, resources will be devoted to transition to the data platform.

Legal basis: Article 8 of the EIOPA regulation requires the Authority to monitor and assess market developments in the area of its competences and to undertake economic analyses of markets. Moreover, Article 1 prescribes EIOPA's role in ensuring the integrity, transparency, efficiency and orderly functioning of financial markets. Monitoring market developments and publishing statistics help to fulfil these provisions and safeguard financial stability.

Actions: EIOPA will continue the publication of financial stability and IORP indicators and statistics while conducting studies to monitor vulnerabilities and analysis of emerging risks.

Outputs:	Due date:
Ad hoc studies to monitor vulnerabilities and analysis of emerging risks (ESG and/or other)	Continuous
Descriptive overviews and reports of the European insurance and IORP sector	Continuous
Annual Financial Stability Indicators Publication	Q3
Annual Group Statistics Publication	Q3
Annual Solo Statistics Publication	Q3
Quarterly Group Statistics Publication	Quarterly
Quarterly Solo Statistics Publication	Quarterly
Annual Insurance Sector Overview Report	Q3
Annual IORP statistics publication	Q3
Quarterly IORP statistics publication	Quarterly
Up-to-date statistical database on the insurance and IORP sectors, including updating the technical infrastructure when required.	Quarterly
Publication of studies of emerging risks	Contingent on demand
FTEs: 6.44	

Annual Operational Objective 5.4

Strengthen crisis prevention, management and resolution including coordination between EIOPA and NCAs.

Planning Priorities: In 2023, we will continue to focus on crisis preparedness and/or management, taking facilitation and coordination where needed, contributing to and actively participating in development of policies to mitigate risks to financial stability. An increased focus on the work related to recovery and resolution is expected, depending on the legislative process with regard to the Insurance Recovery and Resolution Directive.

Legal basis: EIOPA shall contribute to ensuring a coherent and coordinated crisis management and resolution regime in the Union (Article 24 of EIOPA's Regulation). In particular, EIOPA has a coordination and facilitation role if adverse developments risk the orderly functioning and integrity of financial markets or the stability of the financial system in the Union (Article 18). If the Council declares an emergency situation and a coordinated action by NCAs is necessary to respond to adverse developments, EIOPA can adopt individual decisions that require national supervisors to take actions necessary to address the emergency. If a NCA does not comply with such individual decisions and further conditions are met, the Authority can adopt an individual decision directly addressed to a financial institution,

requiring the necessary action to be taken, including the cessation of any practice. EIOPA must also contribute to and participate actively in the development and coordination of effective and consistent recovery and resolution plans, procedures in emergency situations and preventive measures to minimise the systemic impact of any failure, helping to bring consistency among the NCAs with the identification of best practices aimed at facilitating the resolution of failing institutions (Article 25). It is also empowered to declare an exceptional adverse situation under Article 138 of the Solvency II Directive. The Authority may also contribute to the assessment of the need for a European network of national insurance guarantee schemes, which is adequately funded and sufficiently harmonised (Article 26 of EIOPA's Regulation). Where appropriate, EIOPA can also address recommendations to competent authorities to correct issues identified in the stress test, including a recommendation to conduct specific assessments; it may recommend that competent authorities carry out on-site inspections, and may participate in such on-site inspections to ensure comparability and reliability of methods, practices and results of Union-wide assessments (Article 21).

Actions: EIOPA will continue enhancing its crisis prevention and preparedness, among others, focusing on its internal process and procedures as well as on recovery and resolution related topics.

Outputs:	Due date:
Updated insurers' failures and near misses database and perform of quality checks	Q3
Opinions and recommendations in response to critical risks	Contingent on demand
Update of crisis prevention and management process and procedures where needed	Contingent on demand
Promote consistency for implementation of a holistic framework in the assessment of systemic risk in insurance by hosting relevant fora	Continuous
Participate in Crisis Management Groups	Continuous
Initiate further crisis preparedness exercises, including facilitation and coordination where needed.	Contingent on demand
Contribution to recovery, resolution and Insurance Guarantee Scheme (IGS) related topics, including the follow up of the IRRD proposal	Continuous for recovery and resolution, contingent on demand for IGS
Contribution to macroprudential policy in insurance related topics	Continuous
Follow-up on possible developments regarding a cyber-risk framework	Contingent on demand
FTEs: 4.27	

6. Ensuring good governance, agile organisation, cost-effective resource management and a strong corporate culture

To enable the achievement of EIOPA's objectives, the Authority will operate as a modern agile organisation ensuring sound public administration. The COVID-19 impact will require solutions to accommodate the new and better normal, i.e. processes will need to be adjusted to facilitate swift decision-making and to proactively

allocate resources towards key priorities; intensified remote working and cooperation will be part of the new reality calling the Authority to reinforce its policies and methods such as for collaboration and managing performance. In 2023, the organisation will need to be ready to absorb new tasks, for example for DORA. To address resource constraints, EIOPA will maintain a cost-effective operating model and introduce further efficiency gains. EIOPA will ensure that competent and engaged staff will benefit from efficient, effective and secure services and working methods, supported by advanced digital solutions. The fast pace of technological developments will offer both opportunities as well as risks (cyber threat) which are to be carefully managed. EIOPA will further grow as an attractive employer, with a strong corporate culture, valuing internal and external cooperation and meeting high standards of integrity. As a responsible EU public organisation EIOPA is committed to help fighting climate change. Measures to reduce the carbon footprint are at the heart of the organisation’s activities across all areas.

EIOPA will continue ensuring transparency and accountability in its governance arrangements and stakeholder relations, seeking to be positioned as a strong and credible supervisory authority. This will be complemented with sound and consistent interpretation of applicable legal or regulatory provisions falling under EIOPA’s remit and compliance with applicable European legislation.

Annual Operational Objective 6.1	
Ensure good governance with effective and efficient management of tasks and resources.	
Planning Priorities: The products and services under this objective constitute legal obligation of the Authority and they cannot be de-prioritised.	
Legal basis: The EIOPA Regulation sets out the standards to which EIOPA shall comply in terms of management and governance, including provisions on planning and decision-making processes, internal control arrangements, risk and performance monitoring, accountability towards the EU institutions as well as governance bodies.	
Actions: In the new normal the organisation will have reinforced its internal and external governance arrangements and controls and seize opportunities to increase efficiency in its working methods. EIOPA will further work on its relationship with the EU Institutions, including monitoring and advising on all legislative processes within EIOPA’s remit. EIOPA will continue to be accountable vis-a-vis the European Parliament and the Council of the European Union. It will continue to ensure effective relationship with all relevant key stakeholders in particular by providing support to EIOPA’s two Stakeholder Groups (OPSG and IRSG). EIOPA will chair the network of EU Agencies in 2023 and be part of the agencies network TROIKA in the period 2022-2024. Legal advice fosters sound and consistent interpretation of applicable legal or regulatory provisions falling under EIOPA’s remit. Particular attention will be given to advising on the implementation of legislative reforms impacting EIOPA and how to make best use of EIOPA’s toolbox in a legally sound way. Legal reviews will ensure the legal quality and soundness of EIOPA’s work. Compliance with applicable European legislation and EIOPA’s internal rules will be further promoted. Finally, successful representation of EIOPA before the European Ombudsman, EIOPA’s Board of Appeal and eventually the European Court of Justice is key for the support of EIOPA’s decisions and the protection of Union interests.	
Outputs:	Due date:
EIOPA to Chair the EU Agencies Network	Q1-4
Corporate planning, including the delivery of the Single Programming Document 2023-2025 and draft Single Programming Document 2024-2026	Q1-4

Corporate reporting, including the Consolidated Annual Activity Report 2022 and the quarterly activity reports to MB on main developments and progress against the AWP 2023	Q1-4
Managing EIOPA's portfolio of change initiatives	Continuous
Risk management and reporting	Quarterly
Proactively promoting EIOPA's role, business strategy and activities towards the European institutions	Continuous
Ensuring efficient and effective support to EIOPA's Stakeholder Groups	Continuous
Managing all mandatory contacts and relations with European institutions, including i.a. public hearings and parliamentary questions	Continuous
Support to EIOPA's governance bodies and internal management meetings	Continuous
Internal Control Management	Continuous
Legal advice in relation to EIOPA's products and services including Anti-fraud prevention, detection and response measures	Continuous
Data Protection	Continuous
Access to Documents	Continuous
Litigation and legal institutional support	Continuous
Managing external and internal whistleblowing channels	Continuous
Management of processes and internal governance arrangements to ensure the well-functioning of the Authority	Continuous
Ensure meeting high standards regarding corporate sustainability and responsibility	Continuous
FTEs: 10.29	

Annual Operational Objective 6.2	
Provide sound financial management of EIOPA's processes as well as establishment of sound financial annual accounts.	
Planning Priorities: The products and services under this objective constitute legal obligation of the Authority and they cannot be de-prioritised.	
Legal basis: the EIOPA Regulation and Financial Regulation set down the rules on the management of the budget and the accounts.	
Actions: Sound financial management will remain at the core of EIOPA's operational and administrative expenditure, supported by strong and proportionate internal control and anti-fraud measures. Activity-Based Budgeting will form part of the regular planning and reporting processes and will help to keep in place a cost-effective organisational model. The usage of e-workflows will further improve efficiency and facilitate business continuity in case of crisis. EIOPA will seek to benefit from shared services with external parties, in particular with other EU organisations.	
Outputs:	Due date:
Budget, finance and procurement management and reporting, including delivery of the EIOPA Draft estimate of revenues and expenditures 2023 and EIOPA Procurement Plan 2023	Continuous

E-Finance workflows implementation	Continuous
Management of EIOPA accounts, including delivery of the EIOPA Accounts 2022	Continuous
VAT recovery management	Continuous
Administration of EIOPA's finance systems	Continuous
Travel management support	Continuous
FTEs: 8.32	

Annual Operational Objective 6.3	
Provide effective recruitment, management and development of EIOPA's human capital.	
Planning Priorities: Continue to develop staff and management to perform at their best in an agile manner, increasing diversity and inclusion, process review and automation.	
Legal basis: The EU Staff Regulations and HR Implementing Rules approved by the MB provide the legal framework in which EIOPA operates.	
Actions: To successfully implement its work programme EIOPA employs a competent and engaged workforce. An integrated talent management approach will ensure to attract and manage the required talents to achieve EIOPA's strategic and operational goals. Processes to manage performance and provide supportive and healthy working conditions will need to be adjusted to accommodate the new-normal reality. EIOPA will strive to have a diverse and inclusive workforce in place, with gender balance among staff and within management functions. A strong corporate culture will be maintained, fostering agility and collaboration in planning and daily work.	
Outputs:	Due date:
HR strategic and operational planning, monitoring and reporting services	Continuous
HR implementing rules, policies and procedures	Q4
Further implementation of SYSPER, EIOPA's electronic HR management system	Q4
Talent management services, including recruitment, learning and development	Continuous
Staff performance & retention services	Continuous
Health & work/life balance support	Continuous
HR Business Partnership and coaching services	Continuous
Staff Committee relations management	Continuous
HR Administration	Continuous
FTEs: 8.62	

Annual Operational Objective 6.4

Provide EIOPA a safe ,secure work and environmentally friendly environment with adequate resources.

Planning Priorities:

Implementation of the Cloud Strategy. Review and test EIOPA’s incident response, business continuity and disaster recovery capabilities.

Legal basis: As a EU authority, EIOPA must comply with the rules laid down in its founding regulation, the EU staff regulations and implementing rules.

Actions: EIOPA’s digital transformation aims at becoming a digitally transformed, user-focused and data driven organisation. Security of its staff, physical assets, information and technology are of primordial importance for the organisation. EIOPA will update its business continuity plans, taking account of the new normality and avoid disruption of operations at all times. A new flexible approach will be implemented to the workplace to facilitate in the ‘new normal’ the combination of office and remote work with the introduction of activity-based workspaces and desk-sharing at the EIOPA premises. Lastly, the Authority is committed to reduce its carbon footprint.

Outputs:	Due date:
IT solutions services supporting efficient and effective processes	Continuous
IT workplace and helpdesk service management	Continuous
Physical, IT and information security management	Continuous
Business continuity management	Continuous
Facility management	Continuous
Office management and reception services	Continuous
Event management and meeting support	Continuous
Implementation of EIOPA’s environmental management system and processes	Continuous

FTEs: 3.32

Annual Operational Objective 6.5

Strategically support the achievement of the Authority’s business objectives through the use of relevant communication tools, techniques and approaches

Planning Priorities: Strategic and executive communication, media relations, outreach activities and digital communications.

Legal basis: As a EU authority, EIOPA must comply with the rules laid down in its founding regulation, the EU staff regulations and its own HR implementing rules. These defines the good governance of human resources and provide transparency and equal treatment on their application.

Actions: The work will focus on the communication of EIOPA’s work in support of its overall objectives and priorities to key audiences using different (digital) communications channels, developing an overall corporate communications strategy, including the definition and implementation of its external and internal communications strategies. In support of these strategies, and its outreach to stakeholders, the website will be further improved facilitating increased digital and multimedia output. The use of digital communication (infographics, factsheets etc.) and multimedia such as videos will be intensified as well as EIOPA’s presence on its social media channels.

EIOPA will also continue to provide effective media and press outreach by providing press with the relevant information. To attract and raise attention of journalists throughout Europe, in 2023 EIOPA will continue to organise more online press conferences.

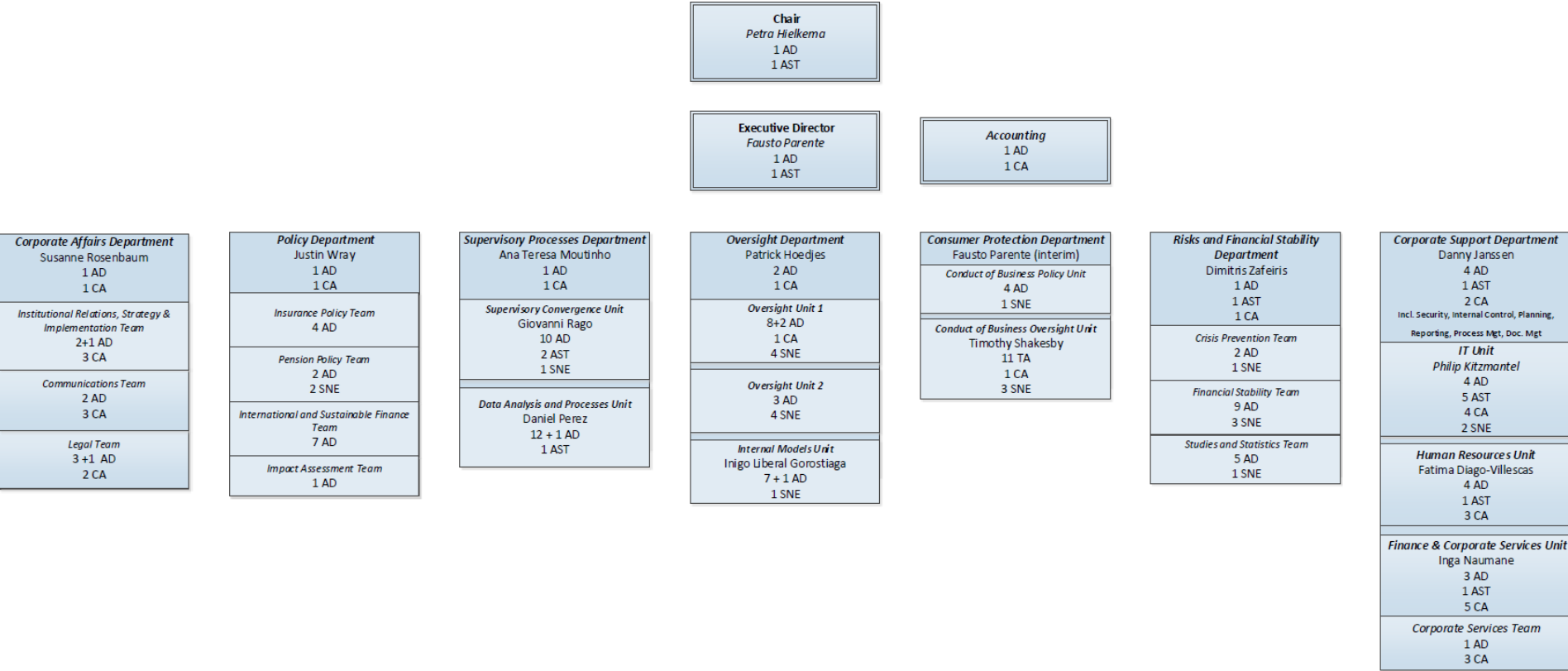
In its communication, EIOPA will continue to create content that will be helpful for consumers and will continue to engage with public by answering questions from citizens and public.

An internal communications strategy and priorities for supporting the organisation in change management and organisational culture will also be defined, as well as supporting its delivery to staff.

Outputs:	Due date:
Strategic and executive communication, including speech writing and corporate communication	Continuous
Media relations, media analysis and issues management	Continuous
Outreach, activities (speaking engagements, public enquiries, visits/meetings, etc.	Continuous
Drafting, editing and graphic design	Continuous
Digital communications, including content for and management of website, intranet and social media channels	Continuous
Multi-media deliverables – e.g. film, HTML publications and infographics	Continuous
Internal communication	Continuous
Crisis communication including crisis communication manual	Continuous
Communication for flagship events	Continuous
FTEs: 5.19	

ANNEXES

I. ORGANISATIONAL CHART – DECEMBER 2021



Contracts sent but not yet actively filled indicated by '+' in the relevant function and category

II. RESOURCE ALLOCATION PER ACTIVITY

Strategic Action Area 2020-2021	FTE 21	Finance 21
0.1&0.2 Cross cutting themes: Digitalisation/cyber and Sustainable Finance ¹³	6.00	761,923.31
SAA 1.1 Developing and strengthening the regulatory framework for protection of consumers	5.25	667,961.65
SAA 1.2 Developing and strengthening a comprehensive risk-based and preventive approach to conduct of business supervision	18.75	2,539,831.60
SAA 2.1 Enabling supervisory convergence with a sound, smart and robust regulatory framework which is responsive to market developments	23.10	3,458,442.25
SAA 2.2 Enhancing the evolution towards a digitally transformed, user-focused and data driven organisation that meets its strategic objectives effectively and efficiently"	30.65	8,132,083.98
SAA 2.3 Improving quality and consistency of supervision to ensure same level of consumer protection throughout the EU and contribute to a level playing field in the insurance and pension market	65.50	8,818,258.83
SAA 3.1 Identifying, assessing, monitoring and reporting risks to the financial stability of the European insurance and pensions sectors	19.00	2,515,412.16
SAA 3.2 Preventative policies and actions to mitigate risks to financial stability	4.00	516,953.88
SAA 4.1 Ensuring proper governance, agile organisation, cost-effective resource management and a strong corporate culture, proper governance and skilled and committed staff	38.75	5,428,757.98
Total	211	32,839,625.64

Strategic Action Area 2022-2025	FTE 22	Budget 22	FTE 22 Amended	Budget 22 Amended	FTE 23	Budget 23	FTE 23 Revised	Budget 23 Revised	FTE 24	Budget 24	FTE 25	Budget 25
SAA 1 Integrating sustainable finance considerations across all areas of work	5.88	773,411.16	5.88	761,092.71	5.88	804,330.46	6.78	939,727.78	6.78	844,757.60	6.78	989,935.51
SAA 2 Supporting the market and supervisory community through the digital transformation	11.96	1,568,837.67	5.96	771,391.25	11.96	1,631,518.22	14.16	1,957,879.29	14.16	1,713,521.73	18.16	2,643,984.11
SAA 3 Enhancing the quality and effectiveness of supervision	117.11	21,562,262.77	117.11	21,575,264.60	115.11	21,628,620.82	116.41	22,598,836.80	114.41	21,584,902.77	114.41	21,289,877.68
SAA 4 Ensuring technically sound prudential and conduct of business policy	20.31	3,187,399.47	20.81	2,920,079.19	20.31	3,299,225.04	20.11	3,242,405.54	20.11	3,347,994.93	20.11	3,384,322.72
SAA 5 Identifying, assessing, monitoring and reporting on risks to the financial stability and promoting preventative policies and mitigating actions	25.65	3,544,241.97	25.65	3,490,505.89	25.65	3,679,629.41	25.80	3,749,322.48	25.8	3,866,531.63	25.8	3,950,777.02
SAA 6 Ensuring good governance, agile organisation, cost-effective resource management and a strong corporate culture	36.09	5,416,846.96	36.09	5,474,705.35	36.09	5,576,834.06	35.74	5,597,490.11	35.74	5,875,194.32	35.74	5,932,400.97
Total	217	36,053,000.00	211.5¹⁴	34,993,039.00¹⁵	215	36,620,158.00	219¹⁶	38,085,662.00¹⁷	217	37,232,903.00	221	38,191,298.00

¹³ 2020-2021: sustainable finance related resources are spread over various activities, 2022-2024: sustainable finance related resources are included in the FTE sum of SAA 1.

¹⁴ The Amending Budget subtracts 6 TAs for DORA activities and adds the 0.5 CA for DF REFORM activities.

¹⁵ The Amending Budget subtracts DORA fees and adds the DG REFORM SLA revenues.

¹⁶ This includes 6 TAs for DORA activities although the relevant fee collection is not foreseen until October 2025. This approach aims for consistency with Commission's draft budget already submitted to European Council and Parliament. It also includes 1 TA and 3 CAs related to DG REFORM activities. The number will be updated to reflect the adoption of final budget and DORA legislative proposal by the European Parliament at the end of 2022.

¹⁷ This includes 1,305,000 EUR for DORA activities although the relevant fee collection is not foreseen until October 2025. This approach aims for consistency with Commission's draft budget already submitted to European Council and Parliament. It also includes 1,121,874 EUR DG REFORM SLA revenues. The amount will be updated to reflect the adoption of final budget and DORA legislative proposal by the European Parliament at the end of 2022.

III. FINANCIAL RESOURCES

Table 1: Revenue

Revenues overview

REVENUES	2022	2022 Amended ¹⁸	2023 Budget January 22 request ¹⁹	2023 Revised Budget ²⁰
	Revenues estimated by the agency	Revenues estimated by the agency	Agency request	Budget Forecast
EU contribution	12,932,000	12,932,000	13,190,550	13,470,715
Other Revenue	23,121,000	22,061,039	23,429,608	24,614,946
TOTAL REVENUES	36,053,000	34,993,039	36,620,158	38,085,662

General revenues

¹⁸ The Amending Budget subtracts DORA fees and adds the DG REFORM SLA revenues.

¹⁹ The Budget Forecast 2023 includes DORA and REFORM/AA2020/001 SLA signed in 2020

²⁰ The Budget Forecast 2023 includes DORA, REFORM/AA2020/001 SLA signed in 2020 REFORM/AA2022/003 SLA signed in 2022

REVENUES	General revenues							
	2021 ²¹	Budget 2022	Budget 2022 Amended ²²	2023		VAR 2023/2022 (%)	Envisaged 2024	Envisaged 2025
				Agency request ²³	Budget forecast ²⁴			
1 REVENUE FROM FEES AND CHARGES²⁵		1,305,000	0	1,305,000	1,305,000	0.00%	1,811,000	1,611,000
2 EU CONTRIBUTION	12,140,600	12,932,000	12,932,000	13,190,550	13,470,715	4.17%	13,454,361	13,723,448
<i>- Of which assigned revenues deriving from previous years' surpluses</i>	0	79,768	0	102,838	102,838	0.00%	0	0
3 THIRD COUNTRIES CONTRIBUTION (incl. EEA/EFTA and candidate countries)²⁶	608,349	638,228	638,228	651,376	666,308	4.4%	665,692	680,456
<i>- Of which EEA/EFTA (excl. Switzerland)</i>	0	638,228	638,228	651,376	666,308	4.4%	0	0
<i>- Of which assigned revenues deriving from previous years' surpluses</i>	0	0	0	0	0	0.00%	0	0
<i>- Of which candidate countries</i>	0	0	0	0	0		0	0

²¹ Unless differently specified, figures refers to the 2021 second budget amendment throughout the whole document

²² The Amending Budget takes out the DORA fees and add the DG REFORM SLA revenues

²³ The Budget Forecast 2023 includes DORA and REFORM/AA2020/001 SLA signed in 2020

The Budget Forecast 2023 includes DORA, REFORM/AA2020/001 SLA signed in 2020 REFORM/AA2022/003 SLA signed in 2022

²⁵ Stemming from Digital Operation Resilience Act (DORA) pending the adoption of the legislative proposal

²⁶ EFTA pension contributions: 2021: EUR 44,544, 2022: EUR 55,705, 2023: EUR 59,520, 2024: EUR 59,640, 2025: EUR 62,282

REVENUES	General revenues							
	2021 ²¹	Budget 2022	Budget 2022 Amended ²²	2023		VAR 2023/2022 (%)	Envisaged 2024	Envisaged 2025
				Agency request ²³	Budget forecast ²⁴			
4 OTHER CONTRIBUTIONS²⁷	19,649,677	20,614,772	20,614,772	21,039,449	21,521,764	4.4%	21,501,850	21,978,716
<i>- Of which assigned revenues deriving from previous years' surpluses</i>	0	0	0	0	158,824	0.00%	0	0
5 ADMINISTRATIVE OPERATIONS	0	0	0	0	0		0	0
<i>- Of which interest generated by funds paid by the Commission by way of the EU contribution (FFR Art. 61)</i>	0	0		0	0	0.00%	0	0
6 REVENUES FROM SERVICES RENDERED AGAINST PAYMENT	441,000	563,000	808,039	433,783	1,121,874	38,84%	341,123	197,678
7 CORRECTION OF BUDGETARY IMBALANCES	0	0	0	0	0	0.00%	0	0
TOTAL	32,839,626	36,053,000	34,993,039	36,620,158	38,085,661	8.84%	37,774,026	38,191,298

Table 2: Expenditure

Expenditures overview

²⁷ NCA pension contributions: 2021: EUR 1,438,777, 2022: EUR 1,799,294, 2023 : EUR 1,922,480, 2024 : EUR 1,926,360, 2025: EUR 2,011,718

Expenditure	2022		2022 Amended		2023 Budget January 22 request ²⁸		2023 Revised Budget ²⁹	
	Commitment appropriations	Payment appropriations	Commitment appropriations	Payment appropriations	Commitment appropriations	Payment appropriations	Commitment appropriations	Payment appropriations
Title 1 - Staff expenditure	24,900,400	24,900,400	24,572,482	24,572,482	25,926,883	25,926,883	26,788,189	26,788,189
Title 2 - Infrastructure and operating expenditure	3,489,000	3,489,000	3,438,750	3,438,750	3,324,000	3,324,000	3,425,250	3,425,250
Title 3 - Operational expenditure	7,663,600	7,663,600	6,981,807	6,981,807	7,369,275	7,369,275	7,872,223	7,872,223
TOTAL EXPENDITURE	36,053,000	36,053,000	34,993,039	34,993,039	36,620,158	36,620,158	38,085,662	38,085,662

Commitment appropriations

EXPENDITURE	Budget 2021 (after second amendment)	Budget 2002	Amending Budget 2022	Draft Budget 2023		VAR 2023/2022 (%)	Envisaged 2024	Envisaged 2025
				Agency request ³⁰	Budget forecast ³¹			
Title 1 - Staff expenditure	22,475,488	24,900,400	23,755,916	25,926,883	26,788,189	12.76%	27,410,105	28,400,182

²⁸ The Budget Forecast 2023 includes DORA and REFORM/AA2020/001 SLA signed in 2020

²⁹ The Budget Forecast 2023 includes DORA, REFORM/AA2020/001 SLA signed in 2020 REFORM/AA2022/003 SLA signed in 2022

³⁰ The Budget Forecast 2023 includes DORA and REFORM/AA2020/001 SLA signed in 2020

³¹ The Budget Forecast 2023 includes DORA, REFORM/AA2020/001 SLA signed in 2020 REFORM/AA2022/003 SLA signed in 2022

EXPENDITURE	Budget 2021 (after second amendment)	Budget 2002	Amending Budget 2022	Draft Budget 2023		VAR 2023/2022 (%)	Envisaged 2024	Envisaged 2025
				Agency request ³⁰	Budget forecast ³¹			
Salaries & allowances	18,467,417	21,384,600	20,051,496	22,412,683	23,196,989	15.69%	23,728,805	24,709,182
- Of which establishment plan posts	14,556,250	16,550,000	16,136,791	17,424,659	18,145,825	12.45%	18,591,581	19,385,045
- Of which external personnel	3,911,167	4,834,600	3,914,705	4,988,024	5,051,164	29.03%	5,137,224	5,324,137
Expenditure relating to Staff recruitment	280,000	240,000	240,000	178,000	178,000	-25.83%	162,000	144,000
Employer's pension contributions	1,483,321	1,895,000	1,855,000	1,945,000	2,022,000	9.0%	2,079,000	2,167,000
Mission expenses	25,000	60,000	60,000	66,000	66,000	10.00%	63,000	66,000
Socio-medical infrastructure	121,200	121,200	109,200	121,200	121,200	10.99%	121,300	124,000
Training	235,000	226,000	226,000	235,000	235,000	3.98%	230,000	230,000
External Services	1,163,200	292,000	549,676	235,000	235,000	-57.25%	295,000	226,000
Receptions, events and representation	9,550	4,000	3,000	4,000	4,000	33.33%	4,000	4,000
Social welfare	690,800	657,600	641,544	710,000	710,000	10.67%	707,000	710,000
Other Staff related expenditure	0	20,000	20,000	20,000	20,000	0.00%	20,000	20,000
Title 2 - Infrastructure and operating expenditure	4,177,160	3,489,000	3,470,850	3,324,000	3,425,250	-1.31%	3,529,750	3,721,500

EXPENDITURE	Budget 2021 (after second amendment)	Budget 2002	Amending Budget 2022	Draft Budget 2023		VAR 2023/2022 (%)	Envisaged 2024	Envisaged 2025
				Agency request ³⁰	Budget forecast ³¹			
Rental of buildings and associated costs	2,683,000	2,664,000	2,717,600	2,562,000	2,562,000	-5.73%	2,612,000	2,822,000
Information, communication technology and data processing	876,000	510,000	459,750	510,000	611,250	32.95%	663,750	643,500
Movable property and associated costs	102,000	40,000	25,000	38,000	38,000	52.0%	38,000	38,000
Current administrative expenditure	78,000	65,000	108,000	70,000	70,000	-35.19%	70,000	70,000
Postage / Telecommunications	432,000	163,000	113,500	99,000	99,000	-12.78%	101,000	103,000
Meeting expenses	0	10,000	10,000	10,000	10,000	0.00%	10,000	10,000
Running costs in connection with operational activities	0	0	0	0	0	0.00%	0	0
Information and publishing	6,160	37,000	37,000	35,000	35,000	-5.41%	35,000	35,000
Studies	0	0	0	0	0	0.00%	0	0
Other infrastructure and operating expenditure	0	0	0	0	0	0.00%	0	0
Title 3 - Operational expenditure	6,186,978	7,663,600	7,766,273	7,369,275	7,872,223	-5.11%	6,834,171	6,069,616
Common Supervisory Culture and International Relations	73,100	215,000	249,000	180,000	180,000	-27.71%	175,000	240,000

EXPENDITURE	Budget 2021 (after second amendment)	Budget 2002	Amending Budget 2022	Draft Budget 2023		VAR 2023/2022 (%)	Envisaged 2024	Envisaged 2025
				Agency request ³⁰	Budget forecast ³¹			
Operational Information and Data Management	4,873,978	5,492,100	5,792,100	5,288,475	5,333,343	-7.92%	4,955,671	4,226,116
General Operational Expenses	1,239,900	1,956,500	1,725,173	1,900,800	2,358,880	36.73%	1,703,500	1,603,500
TOTAL	32,839,626	36,053,000	34,993,039	36,620,158	38,085,662	8.84%	37,774,026	38,191,298

Table 3: Budget outturn and cancellation of appropriations

Budget outturn	2018	2019	2020	2021
Revenue actually received (+)	25,290,647.12	26,869,513.12	28,827,008.64	33,275,150.28
Payments made (-)	-21,617,667.27	-23,320,568.54	-23,607,834.47	-26,116,432.24
Carry-over of appropriations (-)	-3,749,497.56	-3,991,167.39	-5,044,840.25	-7,039,693.03
Cancellation of appropriations carried over (+)	100,016.65	182,307.76	151,834.63	140,688.32
Adjustment for carry-over of assigned revenue appropriations from previous year (+)	90,129.86	80,855.18	81,830.79	7,877.51
Exchange rate differences (+/-)	-9,385.97	-11,673.09	-4,485.48	-5,720.17
Adjustment for negative balance from previous year (-)			-190,732.96	
Total	104,242.83	-190,732.96	212,780.90	261,870.67

IV. HUMAN RESOURCES – QUANTITATIVE

Statutory staff occupying an establishment plan post³²

Type	2021			2022	2023	2024	2025
	Authorised	Filled	Occupancy rate %	Authorised	Envisaged	Envisaged	Envisaged
Administrators (AD)	124	123	99.19 %	124	124	124	124
Administrators (AD) DORA					5	5	6
Assistants (AST)	14	14	100 %	14	14	14	14
Assistants (AST) DORA					1	1	2
Assistants/Secretaries (AST/SC)	0	0	0	0	0	0	0
Total	138	137	99.27%	138	144³³	144³⁴	146³⁵

Statutory staff and SNE not occupying an establishment plan post³⁶

Type	2021			2022	2023	2024	2025
	Planned	Engaged	Engagement rate %	Authorised	Envisaged	Envisaged	Envisaged
Contract staff	42	30	71.4 %	42	42	42	44
SNE	29	23	79.3 %	29	29	29	29
Total	71	53	74.6 %	71	71	71	73³⁷

³² The 2021 figures are based on headcount as on 31 December

³³ Number includes 6 FTEs for DORA activities although the relevant fee collection is not foreseen until October 2025. This approach aims for consistency with Commission 's draft budget already submitted to European Council and Parliament. The number will be updated to reflect the adoption of final budget and DORA legislative proposal by the European Parliament at the end of 2022.

³⁴ See above.

³⁵ Number includes 8 FTEs for DORA activities. In the context of annual budgetary exercises and if one of the ESAs were to bear a significantly higher workload than the others then the allocation of posts between the three ESAs would be adjusted accordingly.

³⁶ The 2021 figures indicate the average FTE throughout the year.

³⁷ Number includes 2 FTEs for DORA activities. In the context of annual budgetary exercises and if one of the ESAs were to bear a significantly higher workload than the others then the allocation of posts between the three ESAs would be adjusted accordingly.

Additional external staff and SNE financed from grant, contribution or service-level agreements³⁸

Type	2021	2022	2023	2024	2025
	Engaged	Authorised	Envisaged	Envisaged	Envisaged
Temporary staff	0	0	1 ³⁹	1	1
Contract staff	3	3	3	1	1
SNE	0	0	0	0	0
Total	3	3	4	2	2

External service providers⁴⁰

Type of provider	2021	2022	2023	2024	2025
	Engaged	Envisaged	Envisaged	Envisaged	Envisaged
Structural service providers	2.5	2.5	2.5	2.5	2.5
Interim workers	0.5	1	1	1	1
Total	3	3.5	3.5	3.5	3.5

Establishment plan evolution 2021-2025

Function group and grade	Establishment plan in voted EU Budget 2021		Filled by 31.12.2021		Modifications envisaged in establishment plan 2020 in application of flexibility rule		Establishment plan in voted EU Budget 2022		Modifications envisaged in establishment plan 2021 in application of flexibility rule		Establishment plan 2023		Proposed Establishment Plan 2024		Proposed Establishment Plan 2025	
	officials	TA	officials	TA	officials	TA	officials	TA	Officials	TA	officials	TA	officials	TA	Officials	TA
AD 16		1		0				1				1		1		1
AD 15		1		2				1				1		1		1
AD 14		1		0				1				1		2		3
AD 13		4		2				3				4		4		4
AD 12		10		3				5				6		7		8

³⁸ The 2021 figures indicate the average FTE throughout the year.

³⁹ AD6 DG-REFORM Finance Academy (2023-2025).

⁴⁰ The 2021 figures indicate the average FTE throughout the year.

Function group and grade	Establishment plan in voted EU Budget 2021		Filled by 31.12.2021		Modifications envisaged in establishment plan 2020 in application of flexibility rule		Establishment plan in voted EU Budget 2022		Modifications envisaged in establishment plan 2021 in application of flexibility rule		Establishment plan 2023		Proposed Establishment Plan 2024		Proposed Establishment Plan 2025	
	officials	TA	officials	TA	officials	TA	officials	TA	Officials	TA	officials	TA	officials	TA	Officials	TA
AD 11		13		4				6				7		9		11
AD 10		14		11				12				14		15		16
AD 9		19		13				18				18		19		21
AD 8		15		10				15				18		21		22
AD 7		15		25				23				24		23		21
AD 6		20		24				25				21		16		12
AD 5		11		29				14				9		6		4
DORA AD5		0		0								5		5		6
Total AD		124		123				124				129		129		130
AST 11		1		0				0				0		0		0
AST 10		1		0				0				0		0		0
AST 9		2		0				0				0		0		1
AST 8		3		0				0				1		2		2
AST 7		3		1				2				2		2		2
AST 6		2		2				3				4		4		4
AST 5		2		5				6				5		5		4
DORA AST 5		0		0								1		1		2
AST 4		0		5				3				2		1		1

Function group and grade	Establishment plan in voted EU Budget 2021		Filled by 31.12.2021		Modifications envisaged in establishment plan 2020 in application of flexibility rule		Establishment plan in voted EU Budget 2022		Modifications envisaged in establishment plan 2021 in application of flexibility rule		Establishment plan 2023		Proposed Establishment Plan 2024		Proposed Establishment Plan 2025	
	officials	TA	officials	TA	officials	TA	officials	TA	Officials	TA	officials	TA	officials	TA	Officials	TA
AST 3		0		1				0				0		0		0
AST 2		0		0				0				0		0		0
AST 1		0		0				0				0		0		0
Total AST		14		14				14				15		15		16
AST/SC 6																
AST/SC5																
AST/SC4																
AST/SC3																
AST/SC2																
AST/SC1																
Total AST/SC																
TOTAL		138		137				138				144 ⁴¹		144 ⁴²		146 ⁴³

⁴¹ Number includes 6 FTEs for DORA activities although the relevant fee collection is not foreseen until October 2025. This approach aims for consistency with Commission 's draft budget already submitted to European Council and Parliament. The number will be updated to reflect the adoption of final budget and DORA legislative proposal by the European Parliament at the end of 2022.

⁴² See above.

⁴³ Number includes 2 FTEs for DORA activities. In the context of annual budgetary exercises and if one of the ESAs were to bear a significantly higher workload than the others then the allocation of posts between the three ESAs would be adjusted accordingly.

Contract staff plan⁴⁴

Function group	2021		2022	2023	2024	2025
	Planned	Engaged	Planned	Envisaged	Envisaged	Envisaged
IV	21 ⁴⁵	9 ⁴⁶	21 ⁴⁷	19	19	21
III	23 ⁴⁸	23 ⁴⁹	22.5 ⁵⁰	22	22	23
II	1	1	1	1	1	0
I	0	0	0	0	0	0
Total	45	33	44.5	42	42	44⁵¹

SNE plan⁵²

	2021		2022	2023	2024	
	Planned	Engaged	Planned	Envisaged	Envisaged	Envisaged
SNE	29	23	29	29	29	29
Total	29	23	29	29	29	29

Recruitment forecasts for 2023⁵³

Job title	Number per type of contract (official, temporary or contract staff)		Function group/grade of recruitment for official/temporary staff	Function group of recruitment for contract staff
	Due to foreseen retirement/mobility	New posts requested due to additional tasks	Internal (brackets) and external (single grade) foreseen for publication	

⁴⁴ The 2021 figures are based on headcount as on 31 December

⁴⁵ Including 2 CA FGIV for DG REFORM project.

⁴⁶ Including 2 CA FGIV for DG REFORM project.

⁴⁷ Including 2 CA FGIV for DG REFORM project.

⁴⁸ Including 1 CA FGIII for DG REFORM project.

⁴⁹ Including 1 CA FGIII for DG REFORM project.

⁵⁰ Including 0.5 CA FGIII for DG REFORM project.

⁵¹ Number includes 2 FTEs for DORA activities. In the context of annual budgetary exercises and if one of the ESAs were to bear a significantly higher workload than the others then the allocation of posts between the three ESAs would be adjusted accordingly.

⁵² The 2021 figures are based on headcount as on 31 December.

⁵³ The table will be updated following the adoption of the final budget 2023 at the end of 2022.

Interagency mobility from and to the agency⁵⁴

Type	Entries	From agencies	Exits	To agencies
Temporary staff	6	ECB,	1	EASO
Contract staff	4	ECB (3), EMA (1)	2	ELA, Europol
Total	10		3	

⁵⁴ The figures reflect the number of staff joining or exiting the agency during 2020.

V. HUMAN RESOURCES – QUALITATIVE

Recruitment implementing rules in place

Subject	Model decision	Yes	No	If no, which other implementing rules are in place
Engagement of CA	Model decision C(2019)3016	Yes		
Engagement of TA	Model decision C(2015)1509	Yes		
Middle management	Model decision C(2018)2542	Yes		
Type of posts	Model decision C(2018)8800	Yes		

Appraisal and reclassification/promotion implementing rules in place

Subject	Model decision	Yes	No	If no, which other implementing rules are in place
Reclassification of TA	Model Decision C(2015)9560	Yes		
Reclassification of CA	Model Decision C(2015)9561	Yes		

Recruitment policy

Recruitment at EIOPA is based on the Staff Regulations (SR) and Conditions of Employment of Other Servants of the European Communities⁵⁵ and the related HR implementing rules, which are approved by the European Commission under Art. 110 of the SR and the EIOPA Management Board.

EIOPA's recruitment and selection policy reflects EIOPA's commitment to:

- engage staff of the highest standards of ability, efficiency, and integrity, from the broadest possible geographical basis among nationals of the EU Member States and the countries in the European Economic Area, namely Iceland, Liechtenstein and Norway;
- ensure that no job applicant shall be discriminated against, directly or indirectly, on any ground such as sex, race, colour, ethnic or social origin, genetic features, language, religion or belief, political or any other opinion, membership of a national minority, property, birth, disability, age, or sexual orientation.

There are two staff categories - Temporary Agents (AD and AST) and Contract Agents.

Having done an assessment of the AST/SC clerical posts, EIOPA will consider the engagement of AST/SC 1 (AST/SC 2) positions in future cases when the Authority needs support at CAFGII, AST 1 or AST 2 level that could be defined as 'secretarial', in line with the interest of the service and taking into account the Establishment Plan limitations.

⁵⁵ [Staff Regulations and Conditions of Employment of Other Servants of the European Communities](#)

In addition, EIOPA provides working opportunities and benefits from the working experience and contribution by Seconded National Experts, trainees and interim workers.

Recruitment is done at entry grades while ensuring knowledge transfer, unless specific profiles are required.

New staff members are recruited mainly at the following grades: Expert: AD5; Senior Expert: AD7; Principal Expert: AD9; Head of Unit: AD9; Head of Department: AD12.

The contracts are offered for three years, renewable for another three-year period and can lead to indefinite contract following the renewal, subject to the position still available, budget and performance.

The recruitment process itself lasts on average six weeks from deadline of application to decision of the Appointing Authority.

Positions are allocated to the departments based on the establishment plan and work programme.

EIOPA has the following profiles:

- Senior Management: Chairperson, Executive Director;
- Middle Management: Head of Department, Head of Unit;
- Team Leaders;
- Financial Services (core business): Consumer Protection, Oversight, Policy, Risks and Financial Stability, Supervisory Processes, Data Management;
- Corporate Support and Affairs: Finance and Procurement, Accounting, HR, IT, Corporate Services, Legal, Communications, Institutional Relations, Strategy and Implementation, Document Management, Internal Control and Security.

Recruitment at EIOPA is embedded in the agency's talent management framework, allowing advanced understanding of the required competencies to implement the work programme as well as to have strategies in place to effectively have these needed talents in-house. These strategies target both external hiring as well as internal talent development opportunities and mobility.

In a competitive recruitment environment (with other public and private employers in the financial sector targeting similar profiles and in addition more recently after COVID-19 a shift in employees' focus towards more flexibility and increased remote working) EIOPA will further position itself as a renowned EU Authority and attractive international employer. Heightened visibility of career opportunities is achieved by publishing, not only on EIOPA's own website, the Commission's EPSO and EU inter-agency websites, but also on LinkedIn and various other (social) media tools, with targeted recruitment campaigns.

In addition to externally recruiting, EIOPA promotes a collaborative culture, nurturing and developing the talent of all staff through programmes aligned with the organisational mission, vision and strategic planning and fosters internal mobility to enhance staff development. Internal processes and a talent management database have been designed and implemented to this end. The talent management framework reflects a strategic and pro-active view on needs, career plans, learning and development, internal mobility and redeployment as needed.

Lastly, EIOPA has a strong secondment programme (SNEs) in place permitting an exchange of knowledge between people and institutions. SNEs are engaged for an initial period of two years, which can be extended

further. Furthermore, exchange of staff with NCAs and other ESAs is currently being explored and piloted to increase synergies and cross-learning.

Reclassification of temporary staff/promotion of officials

Grade	Average seniority in grade among reclassified staff						Actual average over 5 years	Average over 5 years as per Staff Regulations
	2017	2018	2019	2020	2021	2022		
AD5	3.3	0	3.0	3.1	8.4	2.69	4.3	2.8
AD6	2.6	0	2.6	3.5	4.1	3.94	3.5	2.8
AD7	2.1	6	3.0	2.3	3.7	0	3.8	2.8
AD8	0	2.8	0	0	4.0	0	3.4	3.0
AD9 (Administrator)	0	0	4.0	4.0	6.5	0	4.8	4.0
AD9 (Manager)	0	2.5	5.0	0	0	0	3.8	4.0
AD10 (Manager)	0	0	0	0	2.0	6	4.0	4.0
AD11 (Manager)	0	0	0	7.9	0	0	7.9	4.0
AD12 (Manager)	0	0	0	0	8.6	0	8.6	6.7
AD13	0	0	0	0	0	0	0	
AST1	0	0	0	0	0	0	0	
AST2	0	0	0	0	0	0	0	
AST3		0	0	6.0	0	0	6.0	3.0
AST4		4.5	0	0	3.3	0	3.9	3.0
AST5		0	0	0	0	0	0	
AST6		0	0	0	10	0	10	4.0
AST7		0	0	0	0	0		
AST8		0	0	0	0	0		
AST9		0	0	0	0	0		
AST10		0	0	0	0	0		
AST/SC1		N/A	N/A	N/A	N/A	N/A		
AST/SC2		N/A	N/A	N/A	N/A	N/A		

AST/SC3		N/A	N/A	N/A	N/A	N/A		
AST/SC4		N/A	N/A	N/A	N/A	N/A		
AST/SC5		N/A	N/A	N/A	N/A	N/A		

Reclassification of contract staff

Function Group	Grade	Staff in activity on 1/1/2021	Staff reclassified in 2022	Average seniority in the grade among reclassified staff	
				Actual average number of years	Average number of years as per decision C(2015)9561
IV	17	0			
	16	1	1	5.33	5-7 years
	15	0			
	14 ⁵⁶	6	1	6.25	3-5 years
	13	0			
III	11	1			
	10 ⁵⁷	6	1	3	5-7 years
	9 ⁵⁸	11	1	2.92	4-6 years
	8	3			
II	6	0			
	5	1	1	5.92	5-7 years
	4	0			
I	2	0			
	1	0			

Implementing rules foreseen for adoption in 2023

Subject	Model decision
N/A	

⁵⁶ FGIV 14 Quota 1 staff with 5.25 years.

⁵⁷ FGIII 10 Quota 1 staff with 5.58 years.

⁵⁸ FGIII 9 Quota 2 staff with average 5.21 years.

Gender Representation

EIOPA recognises that a diverse and inclusive workplace is essential for a strong and high-performing organisation. EIOPA has recently adopted a Diversity and Inclusion Strategy giving priority to actions aiming at rebalancing the gender figures within the management team and promoting a culture of inclusion.

As a member of the EU Agencies Network (EUAN) working group on diversity and inclusion, EIOPA is actively involved in promoting a diverse and inclusive working environment, ensuring equal opportunities and gender balance among staff at every step of the career, through selection and recruitment procedures but also in staff development, promotion and mobility. Selection and recruitment is always made on the basis of merit. The process is devoid of bias while respecting the specific measures and rules so as to redress the gender imbalance as needed, such as: gender balanced selection panels, vacancy notices strongly encouraging female applications to ensure diversity among the management team, extending the deadline for application in case there are not sufficient female candidates. Female staff are encouraged and provided with opportunities to lead working groups and projects and enhance their managerial competencies and skills. EIOPA will be launching a female talent development programme including a series of additional support actions aimed at attracting and preparing more female applicants to management functions, including training courses, coaching and mentoring. Diversity ambassadors have been appointed to further raise the awareness of diversity and equal gender opportunities.

In 2022 EIOPA launched its first Female Talent Development Programme aimed at facilitating the career advancement of female colleagues by developing their leadership skills and be ready to apply to management, team leaders or senior/principal roles.

Gender representation among temporary and contract staff⁵⁹

Gender	Staff category	Official		Temporary		Contract		Total	
		Number	%	Number	%	Number	%	Number	%
Female	AD - FG IV	0		47	28.6	6	3.6	53	32.2
	AST - AST/SC - FG I/II/III	0		7	4.3	21	12.8	29	17.1
	Total	0		54	32.9	27	16.4	81	49.4
Male	AD - FG IV	0		70	42.7	3	1.8	73	44.5
	AST - AST/SC - FG I/II/III	0		7	4.2	3	1.8	10	6
	Total	0		77	46.9	6	3.6	83	50.6
Grand total		0		132	79.9	34	20.1	164	100

⁵⁹ Numbers of staff members active on 31/12/2021

Gender evolution in middle and senior management posts⁶⁰

Gender	2016		2017		2018		2019		2020		2021	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Female	2	22.2	5	45.5	5	45.5	5	45.5	4	28.6	5	33
Male	7	77.7	6	54.5	6	54.5	6	54.5	10	71.4	10	67

Geographical balance among temporary and contract staff⁶¹

Nationality	Staff in AD and FG IV categories		Staff in AST, AST/SC and Function Group I/II/III categories		Total	
	Number	% of staff in above categories	Number	% of staff in above categories	Number	% of total staff
Austria	3	2.4%	0	0	3	1.8%
Belgium	6	4.8%	1	2.6%	7	4.3%
Bulgaria	6	4.8%	3	7.9%	9	5.5%
Croatia	1	0.8%	1	2.6%	2	1.2%
Cyprus	1	0.8%	0	0	1	0.6%
Czech Republic	2	1.6%	1	2.6%	3	1.8%
Denmark	2	1.6%	0	0	2	1.2%
Estonia	0	0	1	2.6%	1	0.6%
Finland	1	0.8%	0	0	1	0.6%
France	9	7.1%	2	5.3%	11	6.7%
Germany	16	12.7%	11	29.0%	27	16.5%
Greece	7	5.6%	1	2.6%	8	4.9%
Hungary	3	2.4%	1	2.6%	4	2.4%

⁶⁰ Numbers of staff members active on 31/12/2021

⁶¹ Numbers of staff members active on 31/12/2021

Ireland	4	3.2%	0	0	4	2.4%
Italy	17	13.5%	5	13.2%	22	13.4%
Latvia	2	1.6%	1	2.6%	3	1.8%
Lithuania	0	0	0	0	0	0
Luxembourg	0	0	0	0	0	0
Malta	0	0	1	2.6%	1	0.6%
Netherlands	9	7.1 %	0	0	9	5.5%
Poland	2	1.6%	0	0	2	1.2%
Portugal	10	7.9%	1	2.6%	11	6.7%
Romania	6	4.8%	5	13.1%	11	6.7%
Slovak Republic	1	0.8%	1	2.6%	2	1.2%
Slovenia	2	1.6%	0	0	2	1.2%
Spain	14	11.1%	1	2.6%	15	9.1%
Sweden	0	0	0	0	0	0
United Kingdom	1	0.8%	1	2.6%	2	1.2%
Norway	1	0.8 %	0	0	1	0.6%
Total	126	100 %	38	100 %	164	100 %

Evolution of most represented nationalities among temporary and contract staff

Most represented nationality	2017		2021	
	Number	%	Number	%
Germany	22	16.4%	27	16.5 %
Italy	10	7.5%	22	13.4 %
Spain	12	9.0%	15	9.1 %

France	5	3.7%	11	6.7 %
Portugal	9	6.7%	11	6.7 %
Romania	7	5.2%	11	6.7 %
United Kingdom	11	8.2%	2	1.2%
Total	76	56.7%	99	59.6%

Schooling

Agreement in place with the European School(s) of:	Frankfurt			
	Yes	X	No	
Contribution agreements with Commission on type I European schools	Yes	X	No	
Contribution agreements with Commission on type II European schools	Yes		No	X
Number of service contracts in place with international schools:	None			
Description of any other solutions or actions in place:	None			

VI. ENVIRONMENTAL MANAGEMENT

EIOPA aims to improve its environmental performance and lower the impact of its operations on the environment. In line with the European Court of Auditors' recommendation to all EU institutions and bodies, the Authority is implementing EMAS. With the assistance of external consultants, an environmental aspects register detailing EIOPA's key environmental impacts has been established and an initial action plan has been created. The development and implementation of EIOPA's environmental management system is ongoing. In 2021, the Authority finalised the establishment of its environmental management system and started running related management processes in alignment with EMAS standards. The registration for EMAS certification is indicatively planned for 2022.

In the context of the COVID-19 pandemic, EIOPA reviewed its multiannual environmental targets and has formulated the ambition to reduce its number of on-site meetings and missions by 35% as of 2022. This would imply to reduce the number of on-site meetings with external participants from 300-400 in previous years to around 250 meetings per year. Similarly, the total number of missions is planned to be reduced from 655 approved in 2019 to approximately 425 in future years.

EIOPA has joined an inter-institutional procurement procedure for carbon off-setting. As of 2023, the Authority plans to offset ca. 250-300 tons of carbon emissions per year related to organisational activities whose environmental impact cannot be further reduced, i.e. essential business travel.

As EIOPA does not own and operate its own building and facilities but instead occupies rented office space, the scope for building related environmental improvements is comparatively limited. However, the Westhafen Tower in Frankfurt, which houses all of EIOPA's offices, adheres to very advanced sustainability and environmental standards, as accredited by the building's Leadership in Energy and Environmental Design Gold certification. In addition, EIOPA maintains regular exchanges with the landlord to identify and pursue opportunities for the further environmental improvement of the building infrastructure, especially upgrading automation systems for lights, blinds, heating and cooling.

Within the remit of EIOPA's own office, facility and staff policies and processes, the Authority has already implemented several actions to reduce the impact of its administrative operations on the environment, and is pursuing others. Examples include the following:

- a) Reduced paper use by implementing e-workflows for most financial transactions;
- b) Planned digitalisation of further work processes and awareness campaigns to change staff behaviour;
- c) EIOPA's travel policy encourages staff to use the train for distances of 400 km or less, one way;
- d) EIOPA's meeting room and audio-visual facilities have been upgraded to promote and facilitate the increased use of videoconferencing instead of travelling;
- e) Staff training on the effective use of web conferencing tools has been conducted;
- f) For on-site catering, EIOPA puts increasing emphasis on local produce and offering a greater variety of vegetarian options;
- g) EIOPA has adopted a sustainable public procurement approach and has already trained all interested staff.

VII. BUILDING POLICY

	Name, location and type of building
Information to be provided per building:	Westhafen Tower, Westhafen Platz 1, D-60327 Frankfurt am Main, Germany
Surface area (in square metres) - Of which office space - Of which non-office space	EIOPA currently occupies 5 ½ floors (2nd, 21 st -South, 25th, 26th, 27th, 28th): - 4,664 square meters of office and meeting space; - 46 square meters of basement storage; - 47 parking spaces.
Annual rent (in EUR)	2022 onwards (projected): € 1,973,132.57 (excl. utilities, further indexation to be determined)
Type and duration of rental contract	In June 2019 EIOPA's rental contract was revised, harmonising the fee structure and merging all contract end dates for the rented (half-) floors. The contract duration for all of EIOPA's rental spaces now runs until June 2028. The contract defines the price per square meter, which is subject to indexation.
Host country grant or support	N/A
Present value of the building	N/A

Rental fees

With the contract re-negotiation and conclusion of the 12th contract amendment in 2019, EIOPA initially was able to achieve a rent reduction, setting the harmonised basic rental fee at EUR 29.30/m²/month (excluding management fees and utility costs). The monthly rent is subject to indexation in line with the German consumer price index. The adjustment is prompted if the price index increase exceeds 2% compared to the date of last rental fee adjustment. The extensive inflationary developments in Germany in the 2021/2022 period triggered three indexation rounds with price increases of 2.4% as of April 2021, 2.3% as of October 2021 and additional 4.2% as of March 2022, respectively. The currently applicable basic rental fee therefore has risen to EUR 31.98/m²/month (excluding management fees and utility costs).

Contract duration

The lease contract will terminate on 30 June 2028 for all floors rented by EIOPA, including the additional half-floor acquired in 2020.

Contract termination

The revised contract specifies two exceptional rights to terminate the contract before the agreed lease end date. Firstly, EIOPA is entitled to an early contract termination in case the Authority is closed down or its seat

is transferred to a location outside Germany. Secondly, in case of need for further expansion, an early contract termination can be triggered if the proprietor is unable or unwilling to make up to two additional floors available for renting by EIOPA within a timeframe of 24 months following the request. Under both exceptional termination clauses, compensation payments have to be borne by EIOPA.

Building projects in planning phase

The implementation of adjustments in the context of the ESAs review has resulted in an increase of EIOPA staff and requires the provision of additional workstations and the improvement of existing office facilities. To accommodate the need for an enhanced office space utilisation, more workplaces as well as improved meeting and break-out spaces, EIOPA has implemented the Workplace Strategy 2020-2022 project. The project also addresses COVID-19 related requirements.

Building projects submitted to the European Parliament and the Council

No new building project was submitted to the European Parliament and the Council (information on building policy provided on 1 June 2019 according to Article 266 of the Regulation (EU, Euratom) 2018/104).

VIII. PRIVILEGES AND IMMUNITIES

EIOPA benefits from the privileges granted by the Protocol of Privileges and Immunities to EU organisations and institutions (mainly from the VAT exemption of supplier invoices).

EIOPA concluded a headquarters agreement with the Government of the Federal Republic of Germany on 18 October 2011, capturing the privileges granted to staff.

IX. EVALUATIONS

EIOPA is periodically subject to scrutiny by the EU Institutions.

According to Article 81 in EIOPA's founding regulation, the EC shall publish a general report on the experience acquired as a result of the operation of EIOPA and the procedures laid down in the Regulation. The EC's report was published in May 2022⁶², and positively evaluated the operations of the ESAs. The next report is expected by year-end 2024.

According to Article 3 in EIOPA's founding regulation, EIOPA is furthermore accountable to the European Parliament. For instance, at the request of the European Parliament, the Chairperson of EIOPA shall participate every year, alongside the Chairpersons of the other European Supervisory Authorities, in a hearing before the European Parliament's Committee on Economic and Monetary Affairs on the performance of the Authorities. Furthermore, EIOPA's Chairperson shall make a statement before the European Parliament and answer any questions from its members, whenever so requested.

EIOPA is furthermore subject to review by the European Court of Auditors and the European Commission Internal Audit Service.

In addition to the external evaluations, EIOPA has developed an internal policies and procedures for performance monitoring and evaluation. These policies and procedures addresses strategic, operational and individual performance levels. In accordance with organisational best practices, EIOPA formulates KPIs to enable a structured assessment of performance progress. The KPIs are assessed by EIOPA's Management Board and Board of Supervisors on a regular basis and are included in EIOPA's annual activity reports.

EIOPA establishes on an annual basis an implementation plan that allows monitoring of progress in delivery of products and services as well as the KPIs. Progress is reported to EIOPA's Management Board and Board of Supervisors on a regular basis and allows proactive reprioritisations of resources at both EIOPA and NCA level. The data also feeds into the assessments made by the EIOPA Quality Committee, composed of a sub-set of Board Members, that provide advice to the EIOPA Executive Director on possible organisational adjustments to cater to the needs of the NCAs.

⁶² https://ec.europa.eu/info/publications/220523-esas-operations-report_en

X. ORGANISATIONAL MANAGEMENT AND INTERNAL CONTROL

Compliance and effectiveness of the Internal Control System

In November 2018, the Management Board adopted the revised internal control framework, which is in line with the principle-based model of the European Commission and the Committee of Sponsoring Organizations (COSO)⁶³ and fully harmonized between the three ESA's. The revised framework applies to EIOPA from January 2019 and is implemented through a dedicated internal control strategy, continuous and periodical assessments, corrective actions and internal and external reporting, including to the Management Board.

Management assurance

The building blocks of management assurance at EIOPA consist of several core elements. These are rooted in the implementation of the internal control framework and continued strong management oversight of both operational and horizontal activities, and adherence to principles such as sound financial management. Regular reviews by EIOPA's Internal Control Function, the Quality Control Committee and audits of EIOPA by the Internal Audit Service, the European Court of Auditors and audit firms provide impartial and thorough reviews of these measures, and are a further element of management assurance. With this framework in place, EIOPA is confident there are no significant weaknesses that would create reservations or affect the validity of the Declaration of Assurance found in EIOPA's Consolidated Annual Activity Reports.

Anti-fraud

In 2021, EIOPA conducted a review of what it had achieved with its previous anti-fraud strategies and an assessment of the threats from fraud it is likely to face over the next three years. This informed the definition of EIOPA's Anti-Fraud Strategy 2022-2024 and supporting action plan. Both are based on the following four objectives:

1. **Prevent:** denying opportunities through reliant processes and systems; and building on EIOPA's anti-fraud culture;
2. **Detect and investigate:** enhancing EIOPA's capability to detect irregularities across its processes; and being ready to support investigations by the appropriate authorities;
3. **Recover, mitigate and impose sanctions:** taking measures to recoup losses; managing the risks related to any act of fraud; and providing an appropriate response for those found to have perpetrated an act of fraud;
4. **Exploit:** learning lessons from incidents to help harden processes against fraud; and ensuring EIOPA staff are aware of the consequences of committing fraud.

⁶³ <https://www.coso.org/Pages/aboutus.aspx>

EIOPA will focus the balance of its effort on preventing fraud. We will continue to review, update and automate processes to enhance managerial oversight and engage in ongoing communication with staff so that there is clarity on their obligations and responsibilities. EIOPA will also continue to maintain measures to address ethics and conflicts of interest and encourage staff to make use of existing channels to report any concerns (i.e. whistleblowing).

XI. PLAN FOR GRANT, CONTRIBUTION OR SERVICE- LEVEL AGREEMENTS

General information						Financial and human resource impact						
Date signature	of	Total amount	Duration	Counter-part	Short description	Type of resources	2020	2021	2022	2023	2024	2025
Contribution agreements												
25/03/20		396,000 0 Eur	24 Mon ths	European Commission – Directorate General for Structural Reform Support (DG REFORM)	Administrative Agreement REFORM/AA2020/001 - Targeted training on Insurance Supervision; Support to supervision on market conduct in the insurance sector in Italy.	Amount	56,000 0 Eur	170,000 00 Eur	170,000 00 Eur			
						Contract staff	1 CA for 6 months	1 CA	1 CA for 6 months			
						SNE						
12/05/21		786,000 0 Eur	20 Mon ths	European Commission – Directorate General for Structural Reform Support (DG REFORM)	Administrative Agreement REFORM/AA2021/001: Enhancing conduct supervision in insurance in Portugal; Enhancing insurance supervision of conduct and product risks in Greece; Reform of pillar II pensions in Greece.	Amount		271,000 00 Eur	393,000 00 Eur	122,000 00 Eur		
						Contract staff		1 CA	1 CA			
						SNE						

24/08/22	1,783,714 Eur	48 Months	European Commission – Directorate General for Structural Reform Support (DG REFORM)	Administrative Agreement REFORM/AA2022/003: -EU Supervisory Digital Finance Academy -Transition to forward-looking IOPR supervision in Ireland -Insurance Conduct of Business Supervision - Development of a risk assessment framework and supervisory methodology including mystery shopping in Hungary	Amount			245,039 Eur	999,874 Eur	341,122 Eur	197,678 Eur
					Temporary staff			1 TA for 3 months	1 TA	1 TA	1 TA for 9 months
					Contract staff			1 CA for 3 months	3CA	1 CA for 6 months	1 CA for 3 months

XII. COOPERATION WITH THIRD STATES AND INTERNATIONAL ORGANISATIONS

In recognition of the growing importance of a global (re)insurance market, also for EU undertakings, EIOPA has since its establishment in 2011 prioritised international engagement and cooperation in its work programmes. This has primarily been delivered through activate participation across the committees and workstreams of the International Association of Insurance Supervisors (IAIS), where EIOPA has consistently provided input from a European perspective on a broad array of topics and supported the effort to create a common worldwide language for supervision and a level playing field for internationally active insurance groups.

Building a sound and consistent global insurance regime

EIOPA and its Members as part of the IAIS Executive Committee strongly support(s) a strategic focus beyond the post-crisis reform agenda of policy work to ensuring their proper implementation and implementation assessment of supervisory material. The central driver for this shift was the recent endorsement of the first global frameworks for supervision of internationally active insurance groups (ComFrame), including an Insurance Capital Standard Version 2.0 (ICS 2.0), and for the assessment and mitigation of systemic risk in the insurance sector (Holistic Framework) as a common basis.

ComFrame establishes supervisory standards and guidance, whilst the ICS 2.0 for the monitoring period strives to enhance convergence towards a global group capital standard over time. 2022 will be the third of the 5-year monitoring period of the ICS, with the calculation and confidential reporting of the ICS 2.0 according to the approved technical specifications. On the qualitative element, focus on the collection of feedback from international Colleges of supervisors including a discussion of the performance of the ICS 2.0 will further increase. The definition of specific criteria for the assessment of comparability between the Aggregation Method and the ICS will be finalized in 2022. Work should also be initiated in 2022 concerning the preparation of the final public consultation of the ICS before its final adoption.

In 2022 the IAIS should deliver on the review of Insurance Core Principles 14 and 17, two critical standards addressing the core elements of valuation of assets and liabilities as well as solvency capital requirements.

The Holistic Framework (HF) should supersede the previous methodology to designate Globally Systemically Important Insurers (GSII). The latter is currently suspended, the Financial Stability Board (FSB) will ultimately decide upon the HF by the end of 2022, pending the outcome of a credible implementation assessment. Built on two foci (monitoring of individual (re)insurance undertakings and monitoring at the sector/market level), the assessment will involve peer reviews

(Baseline Assessment – BLA) and members’ assessments (Targeted Jurisdictional Assessment – TJA). The peer review will investigate how the elements of the framework are met by individual jurisdictions in terms of application in law and supervisory practices. A more detailed assessment, including in-depth analysis and on-site visits, will be performed on a selected sample of jurisdictions for the members’ assessment.

Ensuring global insurance supervision remains adaptive and relevant

EIOPA will also continue its cooperation with international organisations and engagement and dialogue with third country supervisors, to address emerging risks and drivers for change in the insurance market. In the field of sustainable finance, it is expected that the IAIS will continue dedicating increasing attention to the topic. The IAIS will also start focusing on other topics such as diversity and inclusion. EIOPA will also maintain its participation in global bodies such as the Sustainable Insurance Forum (SIF) and the Network for Greening the Financial System (NGFS). EIOPA will lead some of the IAIS work on FinTech and Innovation (e.g. cyber underwriting and SupTech) through its leadership of the FinTech Forum and also address these topics through its ongoing dialogues with third country supervisors, including the EU US insurance project. EIOPA will also seek to enhance its level of engagement with developing markets in both Asia and Latin America, with a key focus on discussing, exchanging on and providing support to issues of risk based insurance regimes.

Monitoring third country regimes where there is an equivalence decision

Changes to EIOPA’s regulation which took effect in 2020 enhanced the Authority’s responsibility and specify its mandate in terms of monitoring regimes where there is an equivalence decision in place. EIOPA will continue undertaking on-site visits and delivering individual third country reports, and broader annual assessments. This will be in addition to the ongoing mandate for providing input into the European Commission’s equivalence decisions

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