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European Insurance and Occupational Pensions Authority

Revised Single Programming Document 2017-2019 (AWP 2018)

Disclaimer: EIOPA's Single Programming Document 2017-2019 includes resources information for the years 2019 and 2020 as foreseen in two legislative proposals from the Commission regarding the outcome of the review into the European Supervisory Authorities and the Pan-European Personal Pension product (PEPP). It should be noted that: a) the allocation of resources accompanying new tasks may be subject to change pending the outcome of ongoing negotiations; and b) the estimations do not necessarily reflect EIOPA's own view regarding the required resources to deliver the proposed new tasks and powers. EIOPA therefore stands ready to adapt the resource estimations in its relevant Single Programming Documents as and when the outcome of negotiations is made clear. Furthermore, EIOPA will conduct its own in depth analysis of resource requirements associated with the assumption of new tasks and powers, which it will provide to the EU Institutions to inform their decision-making.

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Foreword

EIOPA's work is designed and developed to provide value to Europe and its citizens. The way to do so is to act as a modern, competent and professional organisation, with sound and effective governance arrangements, efficient processes and a positive reputation. To achieve its goal our Authority is following the principles of independence, transparency and accountability.

To develop EIOPA further as a credible supervisory Authority within the European System of Financial Supervision we are following three main strategic priorities: First, enhancing supervisory convergence, second, reinforcing preventive consumer protection and third, preserving financial stability.

Supervisory convergence becomes key in a period where effective implementation of Solvency II is both a challenge and an opportunity, and we want to make the utmost out of the latter. A true Single Market demands level playing field and quality regulation and supervision.

The trust of consumers in the area of financial sector, including insurance and pensions, deserves being enhanced, and EIOPA is targeting a range of measures to be a key contributor to its enhancement, with the customer interest at its centre.

Coming out of an unprecedented financial crisis, that has severely affected the economy and the people, we are fully committed to contribute anticipating and mitigating unintended developments for the financial sector and will make use of stress tests, risk indicators and other tools to be in the frontline of action for the Insurance and Pensions sectors.

The Single Programming Document (SPD) consists of two parts. The first part sets up the direction of the development of our Authority and the relevant business strategic objectives and actions for the period 2017 - 2019. The second part outlines the tasks EIOPA is mandated to, and will perform, in the course of the specific year in which the SPD applies (2017, 2018 and then 2019).

The current document combines the aim of providing clear information to stakeholders on our goal and mandate, including a transparent description of deliverables, together with concrete business objectives for the teams and individuals working at EIOPA, key for internal management.

This SPD is the reflection of efficient internal governance, planning and coordination followed within EIOPA in the past years. All the actions and deliverables indicated have undergone a solid prioritisation assessment and were carefully checked against required and available financial and human resources, expertise and skills. Each work stream and project indicated in the SPD is monitored by robust performance indicators supported by clear internal control standards. In order to ensure business continuity and high-quality deliverables, dedicated focus is given to associated risks and how they are managed within EIOPA.

In line with EIOPA's principles of transparency and accountability, the SPD presents our revenues, expenditures, staffing and organisational structure in a detailed and comprehensive manner. Full transparency, efficiency and accountability are building blocks for managing public resources, as they belong to all European citizens.

The needle in our compass when performing our tasks has been, and will continue to be, bringing added value to the European Union financial supervision and by that contributing to financial stability and addressing the needs of European citizens.

Mission

EIOPA's mission is to protect the public interest by contributing to the short, medium and long-term stability and effectiveness of the financial system for the Union economy, its 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 the public confidence in the European Union's insurance and occupational pensions sectors.

Acronyms

3CB – 3r country branches	IORP - Institutions for Occupational Retirement Provision
ABAC - Accrual Based Accounting	IRSG – Insurance and Re-insurance Stakeholder Group
AD – Administrator	ITS – Implementing Technical Standards
AML – Anti-Money Laundering	KID – Key Information Document
AST - Assistant	MDP – Market Data Provider
ATC – Advisory Technical Committee	MFF – Multi-annual Financial Framework
AWP – Annual Work Programme	MS – Member States
AWG – Analytical Working Group	NA – Not applicable
BI – Business Intelligence	NCA – National Competent Authority
CA – Contract agent	NTNI – Non-Traditional Non-Insurance
DC – Defined Contribution	OPSG – Occupational Pensions Stakeholder Group
DB – Defined Benefit	ORSA - Own Risk and Solvency Assessment
DPM – Data point model	POG – Product oversight and governance
EBPR – Evidence-based policy review process	PRIIPs – Packaged retail and insurance-based investment products
ECB – European Central Bank	PWC – Price Waterhouse Coopers
EEA – European Economic Area	QRT – Quantitative Reporting Templates
EFTA – European Free Trade Association	RFR – Risk Free interest Rate
EIOPA – European Insurance and Occupational Pensions Authority	RTS – Regulatory Technical Standards
ESRB – European Systemic Risk Board	SAA – Strategic Action Area
FICOD - Financial Conglomerates Directive	SNE – Seconded National Expert
FTE – Full time equivalent	SPV – Special Purpose Vehicle
GIS – Global Insurance Supervision	SRP – Supervisory Review Process
GSIIIs – Globally systemically important insurers	SSM – Single Supervisory Mechanism
HR – Human resources	TA – Temporary Agent
IAIS – International Association of Insurance Supervisors	XBRL – eXtensible Business Reporting Language
IBIPs - Insurance-based investment products	
ICS – Insurance Capital Standards	
IDD – Insurance Distribution Directive	
IMOGAPIs' - Internal Model On-going appropriateness indicators'	

Section I: General Context

Triggered by the implementation of Solvency II, a new phase is marked in the development of EIOPA. Already starting in 2015, the organisation is shifting its focus in the insurance area from regulation to supervision. This creates an opportunity to further improve the functioning of the internal market, in particular by ensuring a high, effective and consistent level of supervision, preventing supervisory arbitrage, guaranteeing a level playing field and ensuring a similar level of protection to all policyholders.

This shift is impacting the whole of the organisation, also the tasks and responsibilities not directly affected by the introduction of Solvency II, such as the tasks related to consumer protection and financial activities or its role in the monitoring and assessment of market developments. The main focus for the organisation for the period covered by this document will be the transition to more focus on oversight and supervision to build EIOPA as a credible European supervisory authority.

Also the other areas covered by EIOPA's wide ranging tasks and responsibilities will continue to develop in these years. In the pensions area the challenge remains regarding ensuring safe, sustainable and adequate pensions for European citizens, and we will see national reforms incentivising the creation of funded complementary pension schemes, be it 2nd pillar occupational pensions or 3rd pillar personal pensions. This creates the opportunity to strengthen the EU regulatory framework in order to regain the trust and confidence of EU citizens in private pension savings. In the insurance sector the gradual development of risk based international capital standards will over time be a major evolution.

The insurance and pensions regulatory frameworks will face developments in the consumer protection area, where the shift of focus for the Authority is reflected by a stronger emphasis on convergence in the supervision of conduct of business. Regulatory developments in this area will focus amongst others on good product oversight and governance, fairness and transparency, reinforcing the cross sectoral consistency.

Overall, the focus on better and smart regulation will create more scrutiny on the regulatory agenda and will put more pressure on post-evaluation in order to access cumulative effects and unintended consequences. The review of Solvency II will be a critical project.

Insurance companies and pension funds will continue to face a challenging economic and financial environment, with persistent low interest rates contributing to a search for yield behaviour. Simultaneously, insurers and pension funds will be called to provide further funding to the economy and will play an important role in the emergence of a Capital Markets Union. These developments call for an active and engaged supervisory community. In addition, EU supervisors should prepare in case of an abrupt change of interest rates as well as regarding the risks/vulnerabilities linked to technological innovations. Also sustainable or "green" finance will play an evolving role.

Finally, EIOPA must consider the impact of UK EU membership referendum across all areas of its work. EIOPA will continue to closely monitor the developments and any possible effects on financial stability and consumer protection applying a risk-based approach and using information collected from

the national supervisory authorities. EIOPA will conduct its analysis and make use of its powers and oversight tools to support supervisory convergence through bilateral engagements with the supervisory authorities, providing opinions and initiating investigations as the need arises. Based on the EIOPA Opinion on the withdrawal of the UK from the EU, issued in 2017, EIOPA will work on further aspects and implications of Brexit to the insurance and pensions sector as well as on consumer protection. At the end of 2018, EIOPA will be ready, prepared and have assessed the impact and taken measures to facilitate the withdrawal of the UK by March 2019 without major implications to the sectors and consumers in the UK and EU27.

Section II: Multi-Annual Work Programme

1. Planning assumptions

The forthcoming years will be marked by a number of major strategic developments that will likely impact on EIOPA, its tasks and powers and funding. This includes the outcomes of the Brexit negotiations and of the review into the European Supervisory Authorities. It also includes political decisions on new areas of work, such as EIOPA's role in relation to the Pan-European Personal Pension product (PEPP). At the time of preparing this Single Programming Document, concrete information on the outcome of these developments is not available. As the level of uncertainty on these topics is particularly high, it is not considered feasible or prudent to attempt, at this early stage, to factor any preparations for them into EIOPA's Annual Work Programme 2018. Should EIOPA receive new tasks or powers, or need to change features of its governance or funding model, the Authority expects commensurate additional resources to undertake these additional tasks. When concrete information on the tasks, powers and resources allocated becomes available, EIOPA stands ready to adapt and revise its planning. Should EIOPA not receive additional resources to match any new requirements placed on it, it will need to revise down its level of ambition in areas of lesser priority. The starting point for this exercise will be the objectives, products and services as defined in this Single Programming Document.

2. Multi-annual objectives

Strategic Objective 1: to strengthen the protection of consumers

Significant reputational and financial damage has resulted from consumer mis-selling scandals in Europe. Consumers have lost confidence and for it to return, the financial service sectors need to move away from seeing the consequences of sub-optimal and mis-sold products as just another operational expense. Instead, they must perceive that there are real benefits for industry itself and for consumers in providing quality services and products to satisfied consumers. This means the senior management of companies taking on responsibility for ensuring proper product oversight and governance arrangements, whereby for all phases of the life of a product the consumer's best interest are decisive for the decision of the undertaking and intermediary, as relevant. EIOPA must therefore, amongst others, work to engender a more consumer-centric culture in firms to ensure transparency, simplicity, accessibility and fairness across the internal market for consumers. To this end, and subject to resource availability, EIOPA will carry out conduct of business oversight cultural visits in 2018 or at the latest in 2019.

Strategic Objective 2: to improve the functioning of the EU internal market in the field of pensions and insurance

An effective internal market is important for the future economic well-being of the European Union. In the field of pensions and insurance, it means that consumers in every member state can expect a similar high standard of protection of their expectations and supervision of the providers in the market. For those providers, it means a proportionate level of regulation, applied consistently across the Union so there is a level field of competition. In the near

future, an evidence-based feedback loop will support the assessment of the effectiveness and quality of the implemented insurance regulation.

EIOPA has played a leading role in the development of a modern, risk-based regime for insurance (Solvency II) and will now focus on overseeing its effective and consistent implementation. The regulatory cycles for pensions and for the international capital standards for insurance, despite being at different stages of development, have evolved with the publication of the IORP II Directive, the release of version 1.0 of the International Capital Standard for extended field testing purposes and the legislative proposal on PEPP. However, EIOPA’s priorities remain the same: the development and implementation of risk-based regimes to protect consumers.

Strategic Objective 3: to strengthen the financial stability of the insurance and occupational pensions sectors

Preventive supervision is based on anticipating risks and ensuring action is taken in advance to mitigate or eliminate them. EIOPA continually monitors and assesses risks and vulnerabilities to the stability of the insurance and occupational pensions sectors, and broader financial stability with a view to facilitate and coordinate supervisory action. To fulfil its role EIOPA must maintain a broad awareness of the developing risks through the provision of regular risk assessments and reports to inform the Authority’s key stakeholders, e.g. the European Systemic Risk Board (ESRB), the European Parliament and the European Council, on whether action is necessary.

Strategic Objective 4: EIOPA to be a responsible, competent and professional organisation

Achievement of EIOPA’s core business strategic objectives is only possible when supported by strong, effective and efficient internal governance and management mechanisms. During the period of the Multi-Annual Work Programme, EIOPA will be developing in line with its vision to become a credible supervisory authority. This means a shift from being an organisation primarily focused on delivering regulation to one that is capable of supporting the strengthening in convergence and quality of supervision in the European Union. This will place additional demands on the effective and efficient internal functioning of the Authority during the period of change, as new and developing tasks will require adaptation in EIOPA’s working processes, information technology infrastructure and most importantly in its staff. All this will need to be undertaken whilst EIOPA continues to deliver against its mandate.

3. Key Performance Indicators

Strategic Objective 1: to strengthen the protection of consumers

Average number and diversity of respondents to public consultations on consumer protection topics per consultation.			
Target	2017	2018	2019
	20	20	20
Rationale	Indication of engagement of EIOPA with stakeholders and useful feedback by a sufficient diversity of respondents on topics in the domain of consumer protection to enable the Authority to factor in the broadest possible views for Better Regulation		

Number of national initiatives taking inspiration from deliverables (reports, thematic reviews etc. ...) of EIOPA's conduct of business supervision framework and broader consumer protection work.			
Target	2017	2018	2019
	3	5	5
Rationale	Demonstrates the value of EIOPA's strategic framework in providing a trigger for more intensified conduct of business supervision at the national level through e.g. national surveys, thematic reviews, intensified on-site supervision, policy/legislative initiatives etc.		

Strategic Objective 2: to improve the functioning of the EU internal market in the field of pensions and insurance

A technically sound and participatory review of the Solvency II insurance regulation by EIOPA.			
Target	2017	2018	2019
	EIOPA's proposals for changes to Solvency II implementing measures are supported by evidence received in the formal consultation process.	Timely and high quality advice, striving to reduce complexity whilst preserving risk-sensitivity and avoid pro-cyclicality, as well as enabling proportionality, delivered to the Commission on the changes to Solvency II implementing measures.	EIOPA technical advice and annual reports provide a sound basis for regulatory review of Solvency II. An evidence-based feedback loop allows for the assessment of the effectiveness and quality of the implemented regulation.
Rationale	EIOPA strives for solution by involving stakeholders but that, in the end, it is an independent EIOPA making decisions on sound technical grounds and on the basis of evidence.		

Pursuit of Solvency II as the practical implementation of the International Association of Insurance Supervisors' (IAIS) International Capital Standard.			
Target	2017	2018	2019
	Final ICS 1.0 and emerging outcomes from the review of Solvency II capital requirements to be in line.	Ongoing development of the ICS remains in line with Solvency II principles: market consistency and risk-based.	IAIS international capital standard to be published in 2019 (but not yet be binding) is in line with the principles of Solvency II: market consistency and risk-based.
Rationale	Demonstrates the coordination role of EIOPA in the development of an international capital standard on a global level and reducing burden for undertakings to cope with several layers of regulations.		

EIOPA contributes to the development of the internal market in pensions.			
Target	2017	2018	2019
	Outline of ideas to improve cross-border Defined Contribution IORPs.	Proposals delivered by EIOPA on facilitating the implementation of IORP II, in particular on improved standardised information to members and beneficiaries, governance, risk management as well as cross-border activities.	Implementation of EIOPA's vision on pensions data.
Rationale	EIOPA has an important role in support of development of an internal market for pensions and through its proposals and strengthening of the data it collects and uses to inform policy-making, EIOPA can strengthen the evidenced based regulation that can bring about this objective.		

Percentage of insurance undertakings reported on with valid data by national competent authorities, as evidenced by the completeness ratio of technically valid reports of the Quantitative Reporting Templates (QRTs).			
Target	2017	2018	2019
	95%	97%	100%
Rationale	This measure will provide an indication of the extent of coverage of the European insurance sector EIOPA maintains in its Central Repository. This is a valuable measure in relation to the functioning of the common supervisory reporting and data framework.		

Timely and high quality publication of the Risk Free Rate.			
Target	2017	2018	2019
	12 Publications a year	12 Publications a year	12 Publications a year
Rationale	A mandated task for EIOPA stemming from Solvency II the timely provision of the information is of strategic importance to the Authority.		

Number of supervisory or policy actions taken by National Competent Authorities following observations and feedback from EIOPA's Oversight team.			
Target	2017	2018	2019

	10	15	20
Rationale	This KPI demonstrates EIOPA's impact in influencing National Competent Authority approach to supervision.		

Number of bi-lateral engagements with National Competent Authorities on oversight topics.			
Target	2017	2018	2019
	15	20	25
Rationale	Capturing all substantive engagements with National Competent Authorities in support of higher quality and more consistent supervision, this is a measure of the effort EIOPA invests in directly working with National Supervisors.		

Strategic Objective 3: to strengthen the financial stability of the insurance and occupational pensions sectors

Citations of EIOPA's Financial Stability products in research journals and publications from other public institutions in the field of financial stability.			
Target	2017	2018	2019
	3	3	4
Rationale	EIOPA's goal within this SAA is to provide valuable and insightful assessments of the stability of the insurance and occupational pensions sectors. The quality and broader acceptance of EIOPA's financial stability analysis can be indicated by the use and reporting of EIOPA's works in publications on the two sectors.		

The number of financial stability risks with a material impact, within the agreed scope of the Stress Test, not identified by the exercise materialising within one year of the publish date of the results.			
Target	2017	2018	2019
	N/A	0	0
Rationale	EIOPA will run insurance and pensions stress tests on a revolving basis i.e. insurance stress test one year and pensions the next – subject to BoS decision. The exercises should serve as a basis for supervisory or policy actions, where deemed necessary, or trigger further work within the European System of Financial Supervision. This KPI assesses the extent to which this is happening.		

Strategic Objective 4: EIOPA to be a responsible, competent and professional organisation

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 twelve months of the finding being issued.			
Target	2017	2018	2019

	100%	100%	100%
Rationale	A key priority of EIOPA is to demonstrate its maturity and compliance and its ability to address audit findings represents this.		

Implementation rate of EIOPA budget: Percentage of the approved budget committed.			
Target	2017	2018	2019
	99%	99%	99%
Rationale	A concrete measure of the effectiveness of the management of EIOPA's budget.		

4. Multi-annual programme

Strategic Action Area 1.1: develop and strengthen the regulatory framework for the benefit of protection of consumers

Product oversight and governance (POG) arrangements refer to internal processes, functions and strategies of manufacturers in their system of governance aimed at designing and bringing products to the market and monitoring and reviewing them over their life cycle. EIOPA is empowered under the Insurance Distribution Directive (IDD) to develop delegated acts in 2017 on POG relating to internal approval processes, the identification of target markets for each product together with regular reviews of the products. EIOPA stands ready to develop Level 3 guidance as a follow-up to ensure a Union-wide consistent approach to the detailed implementation and application of such POG arrangements. Moreover, further investigations into the functioning of such arrangements and the cultural change POG will bring about in board rooms of industry is foreseen. Such further analysis may be undertaken jointly by staff responsible for conduct regulation and supervisors together, ensuring the necessary expertise and insight to assess compliance.

One of the elements necessary to ensure fairness across the internal market for consumers is the accessibility of insurance and pension products including for low-income households. In this manner, access to insurance services can play an important role in mitigating welfare losses. One way of facilitating such access is by fostering a supervisory framework that promotes fair products e.g. by means of standardisation measures.

EIOPA will actively take part in ensuring that European consumers are well informed, as this remains a pre-condition for sound insurance and pension markets. Information for consumers, whether prior to purchasing an insurance contract or throughout the duration of an insurance or pension contract, should objectively address the purpose, risks and the costs of the products, relevant regulatory requirements and complaints-handling procedures, as relevant. Consumers should also be able to understand the information that is given i.e. it should be clear, fair and not misleading. Comparability of information between products can also be important, so standardisation of information is often desirable. In addition, EIOPA will provide information on the performance of insurance-based investment products and pension products and how costs reduce the performance of these products.

In deciding what might be the appropriate level of protection for consumers, there is a general principle that consumers should take responsibility for their decisions. However, ordinary consumers do not behave as the so-called perfectly rational person ('homo economicus') who reads terms and conditions, makes optimal purchasing decisions and has a perfect knowledge of the market. Therefore, EIOPA will take into account the lessons from behavioural economics in pursuing its objectives. As an example, when addressing the overly complex, obscure and incomparable information regarding the risks, rewards and costs of different investment products, the use of consumer testing is an indispensable element for developing a Key Information Document (KID). The work is mandated under the packaged retail and insurance-based investment products (PRIIPs) Regulation with EIOPA leading the cross-sectoral work.

Advice to consumers should best suit their profile and their needs, taking into account the complexity of the contract and the risks involved, with a view to purchasing an appropriate product. This means that selling practices, whether through intermediaries or direct selling, should be up to standard.

In this respect, rapid Information Technology developments are a trigger for reshaping the financial services, creating the conditions for new types of products and distribution channels, potentially leading to new types of risks to consumers. This should be seen in the context of the increasingly digital lives led by consumers, and the rapid development of new communication and business modes. This may facilitate consumers' increased access to information but, at the same time, new sales models incorporating algorithmic or automated recommendations may blur the boundary between advice and self-service. For these reasons, the digitalisation of financial services is an area of enhanced importance also for supervisors on a going forward basis and a development closely followed by EIOPA from a horizontal perspective, taking into account not only the impact on consumers but also more widely financial stability, oversight and supervisory policy.

A specific aspect of digitalisation relates to accessibility to insurance cover, due to the increased access by third parties to information about individuals via their use of smartphones, social media, and the internet. This holds the potential risk that some consumers may face difficulties, through the application of more and more sophisticated profiling, in getting access to insurance and pension products. EIOPA will be actively monitoring the issue of inclusion from a preventive point of view, pursuing supervisory consistency, as required.

EU retail financial services legislation is less harmonised than other areas within the financial sector, and the current and recent financial turbulence has underlined the importance of ensuring effective consumer protection across all financial sectors. In this respect, it is important, in order to raise consumer protection standards and thereby rebuild trust in consumers, to make the regulatory treatment of the distribution of insurance products more uniform across the EU. IDD seeks to achieve these objectives and provides a large number of deliverables for EIOPA, enabling it to contribute to such protection measures. More specifically, EIOPA will be delivering on four detailed empowerments in early 2017, together with one Regulatory Technical Standard, one Implementing Technical Standard and one set of Guidelines. Despite the key focus of work being carried out in 2016 it is likewise conceivable that additional Level 3 measure will be needed going-forward. In addition, IDD contains a number of requirements for EIOPA to establish various registers, updates and

reports either as one-off measures or as recurrent tasks. These deliverables require additional staff also in 2017 with a high level of technical and practical expertise in order for EIOPA to deliver on its mandate and empowerments.

As regards the specific case of insurance-based investment products (IBIPs), the IDD requires that they are 'suitable' for the consumer, which inter alia means a need for sales staff to take a number of elements into account, when providing advice with the ultimate aim of ensuring that products are not sold unduly. These include the need to obtain the necessary information regarding the consumer's knowledge and experience with the specific type of product or service, that person's financial situation, including his ability to bear losses and risk tolerance. EIOPA is empowered under the IDD to develop delegated acts on suitability of IBIPs and also stands ready to develop Level 3 guidance as a follow-up to ensure a Union wide consistent approach to their detailed implementation and application.

EIOPA will continuously work to ensure that there are effective redress procedures for consumers. As facilitated by EIOPA's Complaints-Handling Guidelines, consumers should be able to lodge complaints, and insurance undertakings and intermediaries have to put in place a complaints management policy dealing with such complaints. Moreover, internal functions have to ensure that the investigation of a complaint is done fairly and that consequential follow-up is initiated, where relevant. Firms should also make available information on how to complain. Ultimately, subject to existing national specificities, consumers should be able to have access to an independent and competent alternative dispute resolution mechanism in addition to going to court.

Strategic Action Area 1.2: develop and strengthen a comprehensive risk-based and preventive framework for conduct of business supervision that serves as basis for appropriate supervisory action

EIOPA's comprehensive risk-based and preventive framework for conduct of business regulation and supervision focuses on the whole product life cycle. Traditional approaches to conduct of business regulation and supervision, focussed on point of sale (disclosure and selling practices) with a tick-box approach that has proven insufficient to prevent mass mis-selling, and too reactive to keep up with changing business realities. Smarter regulation and supervision is needed. Therefore, EIOPA's approach seeks to focus on improving outcomes for consumers through a more preventive and risk-based approach.

By being risk-based, the objective is to focus priorities and resources where they matter most to build a common European supervisory perspective and approach, with constant monitoring and 'dynamic' capacity to respond to innovation and change. The focus on prevention means anticipating consumer detriment early, rather than just reacting following the emergence of problems. This can only be done through a forward-looking approach, which concentrates on how to best identify and tackle, in a timely and effective manner, emerging risks for consumers. Market monitoring, data gathering and the ability to read data intelligently are crucial to this approach. International developments are also mirroring EIOPA's approach – for example, the work of the International Association of Insurance Supervisors (IAIS) on conduct of business risks, emphasising the increasing importance of adequate monitoring of retail risks.

Better prevention will be achieved by a greater understanding of the underlying dynamics across national markets and improved market monitoring to observe detriment at an earlier stage. This will be facilitated by ensuring better data via the retail risk indicators, renewed strategic impetus for the consumer trends framework together with a rethink of the monitoring obligation under EIOPA's founding Regulation, the PRIIPs Regulation and IDD.

Furthermore, EIOPA will perform thematic reviews as part of its supervisory role, allowing a deeper analysis to explore issues that go beyond purely one national market either because those issues have a cross-border element to them or, due to the fact that they arise or are likely to arise in several national markets. Recalling EIOPA's mandate to foster supervisory convergence across the EU also in the conduct of business area, additional tools to thematic reviews will be developed to facilitate supervisory convergence, e.g. by collecting supervisory examples and good practices and offering a forum for discussion and exchange.

In this respect, EIOPA may further investigate, through a thematic review, whether firms have in place appropriate claims-handling procedures to ensure effective and fair treatment of claims. Consumers are often not familiar with the procedures relating to the process of claims and/or do not have the sufficient level of financial literacy to fully understand what happens when the need to claim arises. The thematic review would need to consider the key steps of the claims-handling process: initial notification of the loss by the policyholder, assessment of the loss and settlement of the claim.

An enhanced monitoring regime will ultimately also ensure that, where detriment does arise and where it is of a material nature, EIOPA will be informed and able to take action under its warning and banning powers.

Strategic Action Area 2.1: leading the development of a sound and prudent regulatory framework

The development of a sound and prudent regulatory framework can be structured according to the following areas: development of the framework, implementation, and assessment of its effectiveness. Throughout this process liaising with all relevant stakeholders and having a thorough understanding of the market is essential to provide for smart and effective regulation.

The 'frontier' of development of capital standards shifted from Solvency II – where the focus is increasingly on supervision and reviewing implemented regulation – to the development of version 2.0 of the international capital standard by the International Association of Insurance Supervisors (IAIS). In the area of pensions, the sustainability of pension funds is monitored and regularly tested by bi-annual stress tests which assess the impact of adverse economic scenarios on pension funds and by moving towards measurement on a European basis of the assets and liabilities of pension funds. Another area where development of a regulatory framework to address necessary guidance on the implementation and eventual application will be ongoing is the IORP II Directive, with a specific focus on information to members of pension funds, risk assessment and the role of ESG (Environmental, Social and Governance) factors in the pension funds' structures and processes. Finally, the development of an internal market in personal pensions will continue, in which EIOPA is keen to support a relevant and appropriate implementation of the PEPP Regulation. In all these areas, policy will be developed during 2018-2020.

Consistent with a shift of focus from regulation to supervision will be the assessment of a number of activities under the Solvency II framework. These include the provision of long term guarantees by insurance undertakings and the on-going assessment since 2016 of the regulatory framework underpinning these. In addition, the review of the solvency capital requirements for the different elements of the standard formula under Solvency II will have been finalised. More generally, the improved provision of data will play an important role in assessing the new regulatory framework for insurance and in the development of policy on pensions. The assessment of third countries via the equivalence procedure will continue as well as the monitoring of those having been granted equivalence in the past. Finally, the implementation by undertakings and National Competent Authorities of specific aspects of Solvency II will be assessed. More generally, towards the end of the relevant period, a review of the standards and guidelines under Solvency II will have been initiated, on the grounds of a solid evidence-based process, involving National Competent Authorities and stakeholders alike but also benefiting from outcomes from EIOPA peer reviews and oversight activities. Internationally the review of the methodology to determine globally systemically important insurers (GSIIIs) will be finalised and the activities-based approach (ABA) be reflected in the framework for systemic relevance.

One key part of the Solvency II framework is the requirement on EIOPA to provide risk free rate curves for various currencies and the associated measures of the fundamental spread and the volatility adjustment. Robust and stable operational processes by which the risk free rates and associated curves are produced will have been implemented. This includes on-going reviews of methodology and of production.

On pensions, there will be a continued focus on the extent and activities of cross-border pension schemes and on the enhanced and streamlined collection of high-quality, meaningful and reliable pensions data.

The close cooperation of the European Supervisory Authorities under the forum of the Joint Committee ensuring cross-sectoral consistency will continue to grow in importance, in particular in the area of consumer protection, in line with the outcome of the first European System of Financial Supervisors review in 2014.

EIOPA's stakeholder groups will continue to play a key role in EIOPA, including via the provision of opinions, focussing more and more on consumer protection and financial stability areas. EIOPA's dialogues with third countries will continue with a particular focus on fast growing economies including China. The important dialogue with the US will continue.

During this period EIOPA will continue to contribute to developments on accounting and auditing, in the field of insurance and pensions. EIOPA's work on IFRS 17 and its endorsement will be on-going with the aim to achieve a common supervisory culture in this respect.

Strategic Action Area 2.2: to maintain and develop a common supervisory reporting and data framework

The introduction of Solvency II will lead to the availability of undertaking specific detailed and harmonised information to EIOPA, which will completely change the way it executes its tasks in the area of financial stability, market monitoring and

data dissemination. It also entrusts EIOPA to deliver on specific tasks involving processing and analyses of large sets of data, such as the determination of the Risk Free interest Rate curves (RFR). The information framework needed for these tasks will comprise Registers, Central Repository and Business Intelligence (BI) projects.

By 2017 the systems will be in place, the processes developed and a number of regular reports already being produced fulfilling a range of business intelligence needs. From this point on, the focus will shift to operation and maintenance of the new systems. This will generate the need to develop EIOPA's data management capacities and the establishment of a dedicated team, with the required skillset to manage the process of data collection and interact with the national authorities and ensure the timely provision of good quality information. It will establish a central hub with dedicated staff in EIOPA to deal with data dissemination, be it in the form of specific data marts (sets of information for a specific objective) for end-users, ready for analysis, standard reports or the publication of statistics in the area of pensions and insurance.

EIOPA has been entrusted with new duties and powers introduced by the Directive 2014/51/EU (Omnibus II): One of the new requirements is, according to Art. 77(e), the determination of the risk-free interest rate structure to be used as the basis for the calculation of the value of the liabilities of insurance undertakings and, to a large degree, the amount of capital that European insurers need to hold against their liabilities. Differences of decimals quickly lead to large differences in the financial position of undertakings.

Discovery of any error in the risk free rates that generates under-provisioning would cause financial market participants to re-evaluate the strength of both the sector and individual undertakings.

This task has no precedent in any other international public institution due to the impact on companies' balance sheets and the broad array of currencies to be dealt with. It not only requires the production of a RFR, but also requires EIOPA to be able to justify the decisions made and be able to react to unforeseen circumstances. Feedback during 2015 from an external review of EIOPA's risk free rate process concluded that EIOPA calculated the risk free rate accurately but also stated that "The RFR process is dependent on a small number of EIOPA staff" and in particular further work on IT and automated processes should be initiated. In 2017, the comprehensive process analysis for automation would need to be finalised, the building of the respective integrated IT system initiated and its pilot implementation and testing with parallel runs of the current and future systems to be started. Resources are needed for IT and data experts as well as RFR technical experts. A further investment in EIOPA's data collection and processing systems is needed to develop a RFR automated calculation engine.

Strategic Action Area 2.3: leading in convergence to consistent and high-quality supervision

EIOPA's focus will continue to be leading in convergence towards a consistent implementation of Solvency II across Europe that is towards consistent and high-quality supervision of insurers.

On-site activity – EIOPA staff participating in college meetings and inspections or bilateral visits to National Competent Authorities – will continue to be an important part of the oversight approach. As EIOPA’s Business Intelligence capability develops, off-site analysis, research and preparation will grow in importance.

In order to deploy its resources effectively, EIOPA will develop and implement a risk-based, flexible approach to planning. The first part of this will be to collect the evidence and information gathered via its meetings with the colleges and group supervisors and the bilateral visits to the national authorities, issues raised by rating agencies and other market participants, and the insights from in-house analysis of quantitative reporting by undertakings. An aggregated view of this information will enable risks and issues to be identified, understood and prioritised for further action. The planning approach will be flexible to accommodate newly occurring issues.

EIOPA will continue to participate in colleges, although the nature of the participation will vary according to the potential risk and specific issues of each college. The focus of the work will be to promote effective, shared supervision of the group. Information exchange within each college, using best-practice reports and analysis from EIOPA’s central reporting tools, can form the basis of a deep understanding of the risks faced by a group. Increasingly, the college will develop a supervisory plan based on this risk analysis and make best use of the skills within the college to deliver the plan. As one of the tools to increase cross-border cooperation, EIOPA promotes the creation of cooperation platforms in situations where a college of supervisors is not formed but where cross-border risks are identified.

The support for the Globally Systemically Important Insurers (GSII) Forum as a means of direct access to group supervisors and a platform for the discussion of practical supervisory matters will be continued. Over time it is intended to formalise the activities of the Forum in order to identify best/good practice and better understand the specific supervisory issues arising in a GSII context, with a feedback into the Supervisory Handbook.

Bilateral visits and engagement with national authorities will continue. As EIOPA continues to understand and review practices in all authorities, these bilateral engagements will provide tailored challenge and insightful feedback rooted in the extensive expertise and experience of EIOPA’s staff and European level perspective on supervisory and market developments.

Over this period, the number of new, large internal model applications will reduce, although group models may still generate regular major changes that must be approved by the relevant college members. EIOPA’s attention will move to the question of assessing the consistency of the implementation and calibration of internal models, carried out by a series of quantitative and qualitative benchmarking exercises. These exercises, repeated over time, will provide supervisors with the means to detect gradual weakening of model calibrations. Model indicators will be developed and their effectiveness should improve as the number of periods for which there is model data increases. In the area of internal models, where EIOPA staff cannot currently provide deep expertise in all areas, EIOPA will continue to cultivate networks of technical experts to provide input into the consistency projects. In at least some areas,

EIOPA will begin to develop an independent, in-house view of appropriate quantification of risks.

EIOPA will also continue to deliver peer reviews and following the semi-hiatus imposed during the application of Solvency II to reduce the burden on National Competent Authorities, the peer review process will re-focus on insurance and assessing parts of the Solvency II framework.

EIOPA will continue to build and enhance a common supervisory culture and consistent supervisory practices by means of its sectoral and cross sectoral annual training programme, together with the public events it organises such as the annual EIOPA conference, joint consumer protection days, public hearings, etc. In doing so, going forward, the topics covered in the training and events programme implement EIOPA's overall strategy shifting focus from regulation to supervisory convergence. In executing the programme EIOPA will use a state of the art approach to stage arrangements and modern interaction tools, including the recording of video tutorials placed on EIOPA's homepage.

Strategic Action Area 3: identify, assess, monitor, report and mitigate risks and threats to the financial stability of the European insurance and pensions sectors

Identification of system-wide risks and vulnerabilities will increasingly rely on quantitative risk analysis extensively using Solvency II data including the application of the dashboards and early warning indicators to inform EIOPA on strategic risk areas for supervisory or regulatory action. Crisis management in a broad sense would increasingly need to pay attention on the financial soundness of undertakings and the stability of markets, in order to identify in a pro-active manner risks developing. This will involve additional work in the recovery and resolution area, as well as the declaration of exceptional adverse market situations.

EIOPA will further develop the stress testing toolkit and its expertise in using these techniques. The aim here is to devote resources to developing new methodologies for assessing resilience, new validation methods and new reporting/collation and analysis templates. The bar in terms of depth of analysis could also be raised with the publication of individual results.

The transition into Solvency II and the increased data availability will inevitably transform the methodological framework for assessing risks and vulnerabilities. The development of robust analytical toolkits and econometric models will be a major enhancement in that direction while the provision of horizontal risk analysis will be one of the core targets for the identification, assessment and monitoring of risks.

Finally, the challenging financial-economic environment, the geo-political uncertainties around the world and the challenges accompanying a big transition such as Solvency II, will lead EIOPA into a period of increased awareness on the stability of the financial system. The Authority needs to bring its preparedness of crisis management to the next level, amongst others by increasing its capacity in this area and actively engaging in preparatory exercises with its Members. The focus on prevention will need to be further enhanced through risk assessment

techniques and an active role on the shaping of a potential framework on recovery and resolution.

Strategic Action Area 4: effective and efficient internal functioning built upon strong culture, proper governance and skilled and committed people

This strategic area of action has two key elements; the first is to ensure EIOPA delivers both value for money and real added benefit for Europe and its citizens; the second is to manage efficiently the transition from an organisational perspective of EIOPA to become a credible supervisory authority. These will be delivered across three domains; the effective management of EIOPA's work and resources, the provision of services and facilities to staff and stakeholders and the maintenance of a strong and positive culture in a staff population with a high level of expertise and skill commensurate with the demanding tasks of a credible supervisory authority.

In terms of its governance, EIOPA will continue to build upon its positive reputation in order to maintain a strong ethical authority. Transparency and accountability therefore remain central to its operations and management. This will require the support of competent and knowledgeable staff working in corporate functions and delivering effective and compliant budgetary and financial management. EIOPA will also centralise and strengthen the support provided to the core business units in many of these areas e.g. procurement, and obtain efficiencies through collaboration with other European Union agencies and the European Commission.

The increasing demands placed on the Authority in the face of a limited growth in its resources will require an even stronger emphasis on efficient governance in terms of planning, project and process management. The Authority has already strengthened and embedded robust project management principles in response to the complex and demanding work surrounding preparations for Solvency II and will continue to apply its enhanced capability to current and new work streams.

EIOPA is committed to providing its staff and stakeholders, when visiting its headquarters in Frankfurt, the services and facilities they require to undertake their tasks. The further implementation of EIOPA's open office space initiative will increase the number of open plan layouts, with the effect of reducing the floor space to headcount ratio. The Authority will also continue to enhance and support its information technology infrastructure and applications. Effort will be invested in further aligning EIOPA's information technology investments with its business priorities, facilitating relationships with strategic partners and balancing risk with value for EIOPA. EIOPA will continue to update and expand its administrative business solutions bringing increased managerial oversight and efficiencies, implementing for example financial management solutions (ABAC, e-Finance).

EIOPA's credibility is predicated on the reputation of its staff, and they need the requisite skills and competencies to interact with National Competent Authorities on an equal level, providing support and where necessary challenge. EIOPA's recruitment, retention and training will therefore target in a strategic manner areas for development particularly in the field of Solvency II reporting and making best use of the available information to support supervision across

Europe. Competency management within the organisation will gain a greater focus and feature more heavily in strategic planning.

The way in which EIOPA communicates with its stakeholders will also develop. The implementation of Solvency II has raised the Authority's profile in 2016 and it will be valuable to capitalise on the heightened awareness to advance many of EIOPA's objectives in the public sphere for example in raising awareness of consumer protection issues.

5. Human and financial resource outlook for the years 2017 - 2020

5.1 Overview of the past and current situation

Staff Population overview

In January 2016 the EIOPA Management Board approved a reduction of the AST total number by 1 post and the increase of the AD total number by 1 post. This change, already incorporated in the SPD 2016-18, has not been taken on board by the approved budget 2016. The budget remained neutral as the exchange was done at similar grade.

On 1 November 2016 EIOPA implemented a re-organisation to support the change in EIOPA strategy "From regulation to supervision", to enhance synergies and coordination as well as to improve decision making processes and information flow. The re-organisation implied an increase of the middle managers by 5. Internal recruitment will be favoured to provide for career development and budget neutrality.

In 2017 EIOPA will not make use of the flexibility rule, but will need to capture the exchange done in 2016, which was not included in the approved budget for 2017.

Overview of all categories of staff

Staff population		Filled end 15 ¹	Filled end 2016 ²	In EU Budget 2017 ³	Filled end 2017 ⁴	Voted EU Budget 2018	Draft EU Budget 2019	Envisaged in 2020
Officials	AD	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	AST	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	AST/SC	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TA MFF	AD	73	76 ⁵	86	85 ⁶	96	97	97
	AST	13	13	15	15	16	15	15
	AST/SC	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TA ESA Review ⁷	AD	n/a	n/a	n/a	n/a	n/a	13	23
	AST	n/a	n/a	n/a	n/a	n/a	0	0

¹ Offer letters sent should be counted as posts filled in with a clear reference in a footnote **with a number how many posts/positions it concerns**

² Offer letters sent should be counted as posts filled in with a clear reference in a footnote **with a number how many posts/positions it concerns**

³ As authorised for officials and temporary agents (TA) and as estimated for contract agents (CA) and seconded national experts (SNE), including approved exchange of 1 AST for 1 AD by EIOPA Board of Supervisors on 30.1.2017.

⁴ As authorised for officials and temporary agents (TA) and as estimated for contract agents (CA) and seconded national experts (SNE)

⁵ 4 offer letters sent

⁶ 2 offer letters sent

⁷ Estimation is based on Commission's legislative proposal and does not necessarily reflect the views of EIOPA

	AST/SC	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TA PEPP ⁸	AD	n/a	n/a	n/a	n/a	n/a	3	4
	AST	n/a	n/a	n/a	n/a	n/a	0	0
	AST/SC	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total⁹		86	89	101	100	112	128	139
CA GF IV		9	10	11	8	11	11	11
CA GF III		5	8	6	15	16	16	16
CA GF II		18	16	18	11	8	8	8
CA GF I		0	0	0	0	0	0	0
CA ESA Review ¹⁰		n/a	n/a	n/a	n/a	n/a	7	9
CA PEPP ¹¹		n/a	n/a	n/a	n/a	n/a	0	0
Total CA¹²		32	34	35	34	35	42	44
SNE ¹³ MFF		19	16	25	17	25	25	25
SNE ESA Review ¹⁴		n/a	n/a	n/a	n/a	n/a	1	3
SNE PEPP ¹⁵		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total SNE		19	16	25	17	25	26	28
Structural service providers ¹⁶		2	2					
TOTAL		139	141	161	151	172	196	211
External staff ¹⁷ for occasional replacement ¹⁸		0.9	0.5		2			

External staff:

1. Communication, open tender procedure, 1 FTE for 12 months in 2017
2. IT Service Helpdesk, open tender procedure, 1 FTE for 12 months in 2017

⁸ Estimation is based on Commission's legislative proposal and does not necessarily reflect the views of EIOPA

⁹ Headcounts

¹⁰ Estimation is based on Commission's legislative proposal and does not necessarily reflect the views of EIOPA

¹¹ Estimation is based on Commission's legislative proposal and does not necessarily reflect the views of EIOPA

¹² FTE

¹³ FTE

¹⁴ Estimation is based on Commission's legislative proposal and does not necessarily reflect the views of EIOPA

¹⁵ Estimation is based on Commission's legislative proposal and does not necessarily reflect the views of EIOPA

¹⁶ **Service providers** are contracted by a private company and carry out specialised outsourced tasks of horizontal/support nature, for instance in the area of information technology. At the Commission the following general criteria should be fulfilled: 1) no individual contract with the Commission; 2) on the Commission premises, usually with a PC and desk; 3) administratively followed by the Commission (badge, etc.) and 4) contributing to the value added of the Commission. FTE

¹⁷ FTE

¹⁸ For instance replacement due to maternity leave or long sick leave

Expenditure

The EIOPA Annual Work Programme 2016 and the allocation of the related expenditure that were adopted by the BoS had to be revised at the beginning of 2016 as a consequence of the reduced EIOPA Budget 2016 decided by the EU Budgetary Authority in November 2015. A Re-prioritisation exercise was conducted and alignment was sought with the strategic steer provided by the Management Board in the discussion on the Work Programme 2016. The table below provides with a summary of the main features regarding expenditure during 2016:

Title	Initial 2016 Budget €	2016 Budget after transfers € ¹⁹	Var. %	Committed	% Committed	Paid	% Paid	Carry-forward	% Carry-forward
Title I – Staff expenditure	14,258,975	13,786,939	-3.31%	13,750,028.71	99.73%	13,405,887.89	97.24%	344,140.82	2.50%
Title II – Administrative expenditure	3,627,300	3,742,455	3.17%	3,739,641.79	99.92%	3,021,325.29	80.73%	718,316.50	19.19%
Title III – Operational expenditure	3,876,225	4,233,106	9.21%	4,203,639.69	99.30%	2,934,637.12	69.33%	1,269,002.57	29.98%
Total	21,762,500	21,762,500	0.00%	21,693,310.19	99.68%	19,361,850.30	88.97%	2,331,459.89	10.71%

EIOPA's operational expenditure in 2016 has been driven to a large extent by the need to develop the information and data framework capabilities.

Funds for Operational Information and Data Management have covered for initiatives under the Core IT Programme, which is divided into the following categories:

1. Data Standardisation deals with projects where EIOPA is working on the industry standardisation of financial data reporting using the XBRL technology. The XBRL Taxonomy project and the Tool for Undertakings form the pivotal projects.
2. Data Management incorporates those projects which allow the secure collection, storage and dissemination of the data that EIOPA receives from its stakeholders. Key projects in this area are the Central Repository and the Registers.
3. Data Analysis governs the added value that EIOPA brings to the data it receives from its stakeholders. The Business Intelligence project provides the tools to analyse the data stored in the Central Repository.
4. Further review of Solvency II, Risk Free Rate methodology as well as continued production.
5. Security, availability and efficiency measures for core infrastructure and tools for knowledge management and coordination and collaboration on European level.

¹⁹ Figures rounded

5.2 Resource programming for the years 2017-2020

5.2.1 Financial resources

The BoS adopts EIOPA's budget as a part of the Single Programming Document after it has been approved by the European Union's Budgetary Authority at the end of each calendar year or at the beginning of the following year.

The European Union grants EIOPA a subsidy of 40%. The remaining 60% are contributions from the Member States (MS). In addition, since 2016 the Member States and EFTA states pay the 'employers contributions to the EU pensions scheme'. EFTA states pay their contributions according to the weighting factor in addition to the Member States contributions.

The following tables represent EIOPA's budget requests for 2017-2020 taking into account EIOPA's ambitions to continuously improve its credibility as a Supervisory Authority. Specifically the areas of increased budget expenditure is foreseen in building and developing EIOPA's approach to risk based and preventative conduct supervision. Furthermore, the increase is necessary to build the supervisory reporting framework and to increase support provided to the National Competent Authorities to achieve convergent and high quality supervision.

For the year 2019, EIOPA had planned to exceed the foreseen allocation in the Commission's Multi-Annual Financial Framework (MFF) by EUR 44,564. In addition to this, the legislative proposal pertaining to the ESAs review allocates to EIOPA an advance payment for the years 2019 and 2020. This advance payment will not be subject to the 40/60 split in contributions and be will funded 100% by the Commission. According to the PEPP legislative proposal, EIOPA will also receive additional funds required for it to assume its new tasks and powers. **It should be noted that EIOPA has in its plans used the values as outlined in the financial statements for the two legislative proposals. At the time of preparing the Draft SPD 2019-2021 the negotiations were still ongoing. The additional budget ultimately allocated to EIOPA may change.** The additional funding will be used as follows:

- to fund the recruitment of the additional 39 staff foreseen in both proposals;
- to fund the necessary changes to EIOPA's headquarters to allow it to accommodate the new staff; and
- to fulfil the specific requirements in the legislative proposals (e.g. PEPP Register and platform for collection of fees).

With the additional funds, EIOPA will also be in a position to reinvigorate its approach to data, delivering a major enhancement of the benefits to the supervisory community from its collection, management and reporting on conduct of business, supervision and financial stability data. The Authority will also use this additional finance to further develop the supporting IT infrastructure and strengthen its security. EIOPA handles ever greater quantities of market sensitive information and it is essential that its systems are reliable and that it has in place appropriate and robust measures for their protection.

REVENUE²⁰	2017 (EUR)	2018 (EUR)	2019 (EUR)	2020 (EUR)
EU subsidy (including surplus)	8,946,404	9,365,000	10,178,564 ²¹	10,469,000 ²²
EU advance payment for ESA's review			3,759,700 ²³	5,356,000 ²³
Contributions from National Competent Authorities	13,412,076	14,043,065	15,267,846 ²¹	15,703,500
EFTA contributions on top of NCA contributions	380,776	398,943	433,607 ²¹	445,979
Pensions contributions (NCA and EFTA)	1,260,000	1,300,000	1,740,000 ²⁴	1,874,000
Other revenues (administrative agreements, fees)		100,000		
Total	23,999,256	25,207,008	31,379,717	33,848,479

²⁰ The figures are rounded

²¹ This includes the additional funds needed for **PEPP applying the 40/60 ratio** (EC part 400,000€, MS part 600,000€, EFTA part 17,040€)

²² This includes the additional funds needed for **PEPP applying the 40/60 ratio** (EC part 440,000€, MS part 660,000, EFTA part 18,744€)

²³ The ESAs review will be **financed** by the **Commission pre-financing payment in 2019 and 2020**

²⁴ Additional pension funds needed to cover ESAs review and PEPP 370,000€

EXPENDITURE	2017 (EUR)	2018 (EUR)	2019 (EUR)	2020 (EUR)
Staff Expenditure	15,872,447	17,386,000	22,190,000	23,745,500
Administrative Expenditure	3,352,666	3,103,467	3,742,717	3,612,000
Operational Expenditure	4,774,143	4,717,541	5,447,000	6,490,979
Total	23,999,256	25,207,008	31,379,717	33,848,479

5.2.2 Human Resources

Resource outlook over the years 2017-2020

The shift from regulation to supervision EIOPA is undertaking along with developments such as the application of Solvency II will result in new and growing demands.

To fully implement the risk-based and preventative approach to the supervision of conduct, EIOPA will require additional resources to deliver the key tools underpinning this activity. Thematic reviews, for example, will be a demanding area of work and EIOPA will require additional staff with sufficient expertise and knowledge to engage with national competent authorities and other stakeholders on a wide range of technical areas of interest.

In the domain of information, the undertaking specific detailed and harmonised information made available to EIOPA under application of Solvency II in 2016 will have a major impact on EIOPA's work in the domain of financial stability, market monitoring and data dissemination. The Authority is committed to effectively handling and making use of this information and will work further on the establishment of a dedicated team to manage data collection and deal with data dissemination, including the production of specific data marts (sets of information for a specific objective) for end-users, ready for analysis, standard reports or the publication of statistics in the area of pensions and insurance. It is essential that the information provided is timely and accurate and made available to end-users in a secure and confidential manner when required and EIOPA must therefore secure additional resources for this work.

With the application of Solvency II, EIOPA will also be requested to provide more direct and tailored support to National Competent Authorities including feedback and sometimes mediation on matters regarding the practical application of the Regulation. Furthermore, as the Authority increases its ability to identify risks and issues across the internal market or in a specific jurisdiction via the analysis of the reported information, EIOPA will need sufficient resources to be directed to address or mitigate them in a timely manner. It is therefore fundamental for EIOPA to strengthen its oversight and legal capability to meet these additional demands.

The legislative proposals pertaining to PEPP and the outcome of the ESA's review of 2017 are expected to come into force during the term of this SPD. According to the proposals EIOPA should assume new tasks and powers not originally foreseen in the Commission's Multi-Annual Financial Framework 2014-2020. The Commission in its two legislative proposals has therefore allocated additional human resources to undertake the new work.

On PEPP, the Commission has in its proposal outlined that in 2019 EIOPA should receive one additional member of staff for each of the following tasks: authorisation of PEPPs, coordinating their supervision and further policy work on the topic. In 2020 the Commission's proposal allocates a further member of staff for authorisation.

The outcome of the review into the ESAs touches upon multiple areas of EIOPA's work and in total 35 new members of staff have been allocated across its various functions. In the area of governance and decision-making, the proposals foresee a new permanent Executive Board comprised of the Chair, Executive Director and two new senior members of staff. To account for the additional reporting requirements and information needs of the Executive Board, a further two members of staff have been also allocated.

Under the role of indirect supervision, the legislative proposal outlines a number of new tasks and the strengthening of some existing areas. As such, EIOPA should receive five further members of staff to undertake the new Independent Reviews. To devise and monitor the new EU Strategic Plan, three members of staff have been allocated. EIOPA should also have a stronger role in relation to FinTech and three staff members have also been provided to undertake it. Equivalence will grow in importance following the exit of the UK from the EU and reflecting this, EIOPA has been allocated two additional staff to monitor equivalence decisions. Finally, EIOPA should have a new power for issuing Opinions on new applications or changes in existing Internal Models. This will require considerable work with EIOPA's ongoing involvement in model reviews and the Authority has therefore been allocated five staff for the task.

Changes have been proposed by the Commission to EIOPA's funding model, involving the collection of fees. To run this process four additional staff have been allocated. The Commission in its proposal has also foreseen three staff to provide legal support and six for additional support in other areas across its functions.

To allow for an orderly process to recruit and integrate new staff members, EIOPA has opted to stagger the recruitments across 2019 and 2020. In 2019 the Authority will therefore only recruit the three staff specified for PEPP and 21 of the 35 allocated in the outcome of the ESA review. The remaining one PEPP staff member and fourteen for the ESA's review will come in 2020.

Negative priorities/decrease of existing tasks - in the insurance sector EIOPA will limit its work on regulation to only that specifically requested by the Commission or to provide updates and revision to existing regulation where deemed absolutely necessary.

Efficiency gains - EIOPA is seeking to achieve efficiency gains in a number of areas. In its Corporate Services Unit, the introduction of IT solutions is hoped to either reduce the number of staff to undertake tasks or at least maintain existing levels even when tasks are expanding. Further preparatory work for the implementation of E-Finance and SYSPER (a new electronic Human Resources management system) will be conducted in 2017.

The Authority will also continue to increase the efficient use of office space at its headquarters by introducing open plan office space use. This will reduce the ratio of floor space to headcount.

Additional investment is also required to implement measures to strengthen the security of EIOPA's staff, information, IT infrastructure and its headquarters. This reflects a number of developments, not least the constantly evolving and intensifying cyber security threat.

Redeployment – triggered by the shift in strategy towards supervision and the start of Solvency II implementation, resources will be redeployed to strive covering the new and growing demands, i.e. oversight and information, amongst others.

Section III Annual Work Programme 2018

Introduction

EIOPA's Annual Work Programme is driven by both mandated tasks and the work to achieve its vision to be a credible supervisory authority. It captures the Authority's efforts towards its objectives for consumer protection, functioning of the internal market and financial stability. The work programme is defined in terms of operational and horizontal activities. Each activity details its own objective and link to EIOPA's strategy, the planned products and services, and the required human and financial resources. This provides clarity on the purpose and value of EIOPA's work, and enables prioritisation of the many competing demands.

EIOPA's activities will be allocated to one of three levels of priority, with implications for resources and continued inclusion in the Work Programme in the face of budget constraints and new demands arising in-year. The allocation of **High** is based on the area of work supporting one or more of EIOPA's key planning priorities for 2018. Being a specific legal requirement that must be delivered in 2018 will also be necessary for a High priority status, along with a clear and important link to EIOPA's Strategy. If an activity does not sufficiently fulfil all these criteria, or fulfils two of the three, it will be ranked **Medium** priority. Where the work only fulfils the criteria of being strategically aligned (no work should be included in the work programme unless it contributes to the Authority's strategy), it has a **Low** priority.

Cross-cutting Theme: InsurTech

Digitalisation and, as part hereof, InsurTech is on the rise and it is expected to further expand in importance and dimension for the insurance and pension industries and the authorities that supervise them. EIOPA has therefore introduced into its AWP the cross-cutting theme of InsurTech. Its objective being to promote supervisory convergence, facilitate a level playing field throughout Europe based on the principle of proportionality and pursue a technology neutral approach to financial innovation. Work will be undertaken via a cross-departmental taskforce to help ensuring that financial innovation by means of the ongoing digitalisation affecting existing and evolving business and distribution models does not develop in a manner that causes undue detriment of consumers.

Strategic Objective 1: to strengthen the protection of consumers

1.1 Develop and strengthen the regulatory framework for the benefit of protection of consumers

In completing the single rulebook for EU financial markets and strengthening the regulatory framework for consumer protection, EIOPA takes note of legislative developments in the run up to 2018. Its own progress on the Regulatory Technical Standards for Packaged Retail Investment and Insurance-Based Investment Products (PRIIPs) in 2016 and the Delegated Acts for the Insurance Distribution Directive (IDD) in 2017 will require a shift in focus in 2018 from developing regulation to ensuring supervisory convergence.

The Capital Markets Union (CMU) has the goal of unlocking investment in Europe's companies and infrastructure and a 2015 Commission Green Paper on retail financial services explicitly refers to a standardised personal pension product. EIOPA's 2016 advice to the Commission on the possible features and feasibility of a Pan-European Personal Pension product (PEPP) supports its further consideration in the context of CMU and has led to the Commission proposal on 29 June 2017.

EIOPA also takes note of the trend towards digitalisation and its impact on existing and evolving business models and distribution methods. This includes the use of new tools and technology exploiting *big data* and the role of InsurTech. EIOPA must ensure it strikes the right balance in developing a regulatory framework that enhances the protection of consumers without stifling financial innovation.

To develop and strengthen the regulatory framework for the benefit of protection of consumers, in 2018, EIOPA has the following priority:

- **Consistent implementation of the Insurance Distribution Directive (IDD) and packaged retail investment and insurance-based investment products (PRIIPs)**

A consumer centric approach is at the heart of all EIOPA's consumer protection work. The Authority will contribute to the consistent implementation of IDD, the key European Union insurance legislative development in the domain of consumer protection. This may include further work on Insurance-Based Investment Products (IBIPs) and on aspects of the previously delivered Technical Advice relating to product oversight and governance, appropriateness and suitability of products, conflicts of interest and inducements. EIOPA will also in a Joint Committee context undertake further works on PRIIPs, monitor implementation practices and, on this basis, contribute to the review of the Regulation foreseen in 2018, where the inclusion of personal pensions will be considered.

In addition, EIOPA will provide information on the performance of IBIPs and pension products and how costs reduce the performance of these products.

The Authority will also provide further input to the European Commission on PEPP if so required.

1.2 Implementation of the strategy for a comprehensive risk-based and preventive framework for conduct of business supervision that serves as basis for appropriate supervisory action, where required

Work to implement EIOPA's strategy for conduct of business supervision will have progressed by 2018 to include the development and use of a set of retail risk indicators and the implementation of key tools such as Thematic Reviews. EIOPA and NCAs will have the opportunity to build on their experiences to refine and improve on the strategy and its core tools to strengthen the risk-based and preventative approach to conduct of business supervision. This implies a further evidence based approach also taking consumers' behaviour into account in the form of consumer testing, where relevant.

EIOPA has the following priorities in 2018 for supporting NCAs in their efforts to implement the conduct of business supervision framework:

- **A more focused and targeted holistic approach to monitoring risk** – strengthening the focus on risks and their prevention across the entire value chain and facilitating overall enhanced monitoring applying data in a holistic manner enabling early identification of consumer detriment.
- **Facilitation and coordination of the collection of product related information** – enhance the use of more granular information available on the market and from National Competent Authorities to identify risks to be addressed via the framework for conduct of business supervision.
- **Develop a common view on effective and efficient conduct of business supervision** – analysing ways of identifying conduct risk along the life-cycle of a product.

EIOPA will strengthen its efforts to monitor and report on developments likely to result in consumer detriment, allowing for swift, yet robust and proportionate action to counter it. The Authority will engage in market monitoring, including via identified retail risk indicators. The Annual Consumer Trend Report, along with follow-up reports related to previously identified trends will be made public to inform key stakeholders of developments. Thematic reviews will also be undertaken, the topics will be established just prior to 2018 to ensure they reflect the most current and pressing threats of consumer detriment. EIOPA also will stand ready to make use of the power to issue opinions, warnings, temporary restrictions and prohibitions within its remits, should all other measures prove unsuccessful in challenging the threat of or actual consumer detriment.

Strategic Objective 2: to improve the functioning of the EU internal market in the field of pensions and insurance

2.1 Leading the development of a sound and prudent regulatory framework

The context for development of a sound regulatory framework in 2018 is expected to include the so-called “sunrise clause” of Solvency II enabling EIOPA to submit regulatory technical standards to the Commission. The results of the Commission’s review of regulatory burdens will also be important, along with continuing to work through the implications of the UK’s departure from the European Union. EIOPA must also take note of developments in the market and wider social and technological context. Some will be predictable in nature such as demographic change and new business models engendered by new financial technology. Innovative models of risk transfer may also materialise in areas such as catastrophe risk. More generally risks to financial stability will create a degree of uncertainty that could impact on regulatory developments and may need to be considered within the framework of the review of Solvency II, leading the discussions on how to enhance the solvency regime by embedding the appropriate macro prudential tools into it. EIOPA will also monitor and consider the impact of withdrawal of the UK from the EU on the regulatory framework from this perspective. Last but not least, the aim of the Capital Market Union (CMU) to foster long-term investments as well as global initiatives regarding sustainable or “green” finance as part of a shift to a low-carbon environment will also impact on the current regulatory framework across all financial sectors.

Leading the development of a sound and prudent regulatory framework in 2018, EIOPA has the following priorities:

- **Review of the Solvency Capital Requirements (SCR) and reports about the effectiveness of the application of long term guarantees (LTG)** – this includes the finalisation of the SCR Review and submission of the EIOPA Advice to the European Commission as well as the third annual report on LTG measures.
- **Coordinate the EU position in further refinement of the initial International Capital Standard (ICS) expected to be published in 2019** – this encompasses EIOPA’s strategic and practical contributions to version 2.0 of the ICS, including considerations regarding the Solvency II review activities, as well as stakeholder engagement on a global level.
- **Continue to implement updates of the risk free rate methodology including in respect of representative portfolios, deep/liquid transparent criteria, and the ultimate forward rate** – this is part of the further development of the RFR methodology, its annual update of certain elements and the application of the approved UFR methodology from January 2018 onwards.
- **Develop regulatory works arising from IORPII in areas such as information to members, governance and risk evaluation** – this represents the guidance provided by EIOPA regarding the implementation of IORPII. It also includes proposals how to ensure that Environmental Social Governance (ESG) factors are taken into account by IORPs and overseen by supervisors.
- **Stand ready to develop regulatory framework for risk assessment of pensions considering EIOPA’s opinion on risk assessment** – this applies to a further refinement of the framework, for stress testing purposes but also as part of the implementation of the IORP II Directive.

EIOPA will have initiated in 2017 the works for an anticipated review in 2018 of the Solvency II standards and guidelines, based on evidence from monitoring. Separately, EIOPA will ensure that appropriate links are made on an on-going basis between developments in Solvency II and international developments, in particular in the International Capital Standard. EIOPA will also undertake work to develop the Risk Free Rate Methodology in respect of representative portfolios, deep/ liquid transparent criteria, and ultimate forward rate.

In the area of pensions EIOPA will continue to encourage cross-border pensions as part of the development of the internal market. This will include a review of the Budapest protocol which specifies how home and host member states for cross-border pensions shall cooperate with each other to facilitate authorisation and notification and stimulate the Internal Market. Work is also expected to be underway on guiding the implementation and eventual application of the IORP II Directive and linked to that work on relevant information to members and beneficiaries with a specific focus on cost measures. In addition, ESG factors in the IORP II Directive will find increased attention regarding their practical and consistent implementation. The pension data requirements will be finalised latest at the beginning of 2018 and preparation for data collection from National Competent Authorities be supported by EIOPA. The legislative proposal for PEPP

will be dealt with by the co-legislators which EIOPA will closely monitor to be prepared for subsequent work and implementation from 2019 onwards.

In the international arena, EIOPA will continue to implement its Memorandum of Understanding signed with the Chinese Insurance Regulatory Commission (CIRC) as well as its dialogue with the US including the comprehensive EU US Insurance Project with the topics of cyber risks, intragroup transactions and ethical standards for the use of big data.

2.2 To maintain and develop a common supervisory reporting and data framework

EIOPA's Regulation provides the mandate to collect, manage and use relevant data to support the functioning of the internal market through consistent and convergent supervision. In preparation for Solvency II's application in 2016, EIOPA built the information systems and supporting technologies to securely receive and analyse information from National Competent Authorities. The Pensions Stress Test of 2017 will likely highlight a number of risks in relation to the occupational pensions market, and EIOPA will need to enhance its means of collecting, managing and analysing data on the sector.

The following priorities have been defined for 2018:

- **Ensure added value through EIOPA's data management capacities** – continue to build on the tools already in place to further enhance EIOPA's capability to provide reliable insurance risk and supervisory analysis, at individual, group and system-wide levels.
- **Prepare for the collection of pensions data** – EIOPA will need to test the structures and tools developed in 2017 to receive pensions data prior to the first full data collection exercise in 2019.
- **Continuous development and improvement of the Supervisory Handbook** – focus on new areas not developed yet and where this development would contribute to a high quality and effective supervision and reflect any feedback received as a result of the communication between supervisors.

With the tools and systems in place and running by 2018, EIOPA's focus will shift to ensuring their continued functioning. This includes their ongoing management and maintenance, and implementation of projects to enhance functionality and resolve any defects that may arise. To maintain a functioning data management infrastructure, EIOPA will also update its reporting taxonomies and existing registers. This will allow EIOPA to receive 20 insurance related data submissions each year, of approximately 3,000 solo and 400 group individual submissions each (domestic and cross-border). At the same time EIOPA will launch its preparations for collecting pensions data as part of efforts to develop the data required for financial stability purposes and to optimise the regulatory framework for pensions.

To enhance the added value of the data EIOPA receives, it will further develop its Business Intelligence capability, broadening the range of reports and indicators the Authority can analyse and report on. Through this work, EIOPA will ensure it maintains the capacity to provide reliable information for risk as well as supervisory analysis, both at individual, group and system-wide levels as well as

providing NCAs with aggregated analytical reports on national and EU level, adding value to the reporting data they originally provided.

EIOPA will also implement any recommendations arising from the expected audit assurance in 2017 of the Risk Free Rate and from possible improvements to the robustness of the production process, e.g. enhanced automation of workflows.

2.3 Leading in convergence to consistent and high-quality supervision

EIOPA's work in support of consistent and high-quality supervision is delivered in a context of change and uncertainty in the market and wider environment. The uncertainty surrounding Brexit will, for example, create some turbulence in the market. The Authority must be capable of monitoring such developments and be able to respond to new issues as they arise. This will be greatly strengthened by the increased availability of data and analysis, to both identify issues and inform decision-making on how to allocate EIOPA's resources to supervisory issues across the EU. Brexit, depending on the outcome of negotiations, will also present some practical issues for example the number and make-up of cross-border groups along with their legal structure. It will therefore be important to monitor developments and be ready to adapt EIOPA's work with and approach to areas such as cross-border groups. Developments in the domain of Capital Markets Union (CMU) also touch upon supervisory convergence in relation to Solvency II and how it is implemented and applied in on-going supervision, which is important in developing a level playing field for firms across Europe. EIOPA has the following priorities in 2018:

- **Reinforce the risk-assessment framework of supervision** – applying the information gained from the development of data systems by the supervisory community with the support of EIOPA to enhance cooperation and coordination on supervisory risks and issues.
- **Strengthen engagement and communication in support of supervisory convergence** – strengthen the focus on bilateral engagement and constructive feedback to support NCAs in achieving a more consistent approach to supervision.
- **Support NCA or EU Commission to address opportunities to improve the effectiveness of supervision** - on request from National Competent Authorities or European Commission participate as experts in projects to address particular opportunities e.g. comprehensive assessments of an insurance market via a Balance Sheet Review based on the new Solvency II requirements.
- **Develop capability to measure supervisory convergence** – to allow for a better understanding of the overall state of supervisory convergence and an ability to monitor EU market.

By 2018, the Authority's efforts will have been formalised into a supervisory cycle where risks will be identified, assessed and prioritised before actions are planned and executed to address them. EIOPA will collate information from separate sources including its own analytics, information picked up from visits and open sources (newspapers, industry press...), and then prioritise the risks and issues. Specific projects will be initiated based on the outcome of analysis to address, in cooperation with National Competent Authorities, barriers to consistent and high-quality supervision. To ensure EIOPA maintains its responsiveness to developments, specific themes will be identified prior to the

year they will apply. Where appropriate, the issues identified may become recommended topics for a peer review, lead to further development of the Supervisory Review Process Handbook or be passed to the Commission as EIOPA's identification of gaps or weaknesses in the existing framework.

To support group supervisors and NCAs, EIOPA will work with an Annual Oversight Supervision Plan framework, setting and implementing targets for e.g. enhancing the supervision of cross-border groups. Depending on the specific need, EIOPA will conduct bilateral visits to assess and provide feedback addressing the barriers to enhanced supervisory convergence. Tailored support in exercises such as Balance Sheet Reviews will be extended. This is in addition to the continued active partition in Colleges and joint on-site examinations. In the area of Internal Models, in addition to including their supervision in bilateral visits to NCAs, EIOPA will provide direct support and tools. To build the knowledge and understanding of supervisors e.g. Solvency II's application, EIOPA will also deliver an extensive sectoral and cross-sectoral training programme. EIOPA will also continue its leading role in delivering peer reviews.

Strategic Objective 3: to strengthen the financial stability of the insurance and occupational pensions sectors

3.0 Identify, assess, monitor, report and mitigate risks and threats to the financial stability of the European insurance and pensions sectors

With the low interest rate environment dominating, an increased propensity may be seen in insurance undertakings and pension funds to take greater risks in the search for more profitable returns. A number of specific risks may also have been identified through the Pensions Stress Test of 2017 and EIOPA's financial stability and crisis prevention and management work will need to strengthen its focus on the pensions sector to ensure the Authority is able to monitor and support mitigation of these risks. In addition, the prospect of Brexit creates uncertainty in the EU financial system, which increases the demand for effective and timely analysis of risk.

The following priorities are defined for 2018:

- **Insurance stress test** – based on the extended period of low interest rates, a thorough assessment of the financial position of insurance undertakings must be run in 2018 to assess the impacts and determine if further supervisory action is required.
- **Improving the disclosure of information in the Insurance sector** – the enhancement of data availability in Solvency II, EIOPA statistics together with vulnerability analyses such as the Insurance Stress Test, will be used to improve the disclosure of information to the supervisory community and the public.
- **Stability of the pensions market** – improving the tools and data to support EIOPA in conducting financial stability analysis of the pensions market.
- **Crisis management** - with low interest rates and potential impact on risk taking behaviour, EIOPA must support NCAs in their work to be ready to manage a crisis should it arise. Further work on recovery and resolution as well as Insurance Guarantee Scheme (IGS) is expected.

- **Macro prudential discussion in insurance** – within the framework of the review of Solvency II, leads the discussions on how to enhance the solvency regime by embedding the appropriate macro prudential tools in it.

EIOPA continually monitors risks and threats to the financial stability of the European insurance and pensions sectors. This is with the view to facilitate and coordinate pre-emptive supervision to mitigate or eliminate them.

The core tools in which EIOPA delivers this work inform key stakeholders, e.g. the European Systemic Risk Board (ESRB), the European Parliament and the European Council, as to whether or not action is needed.

EIOPA's Financial Stability Report provides a comprehensive economic analysis of risks and vulnerabilities and the improved Risk Dashboard monitors a common set of qualitative and quantitative indicators to identify and measure risks.

EIOPA plans to run an Insurance Stress Test in 2018 to provide a comprehensive picture of the health and resilience of the European insurance sector. With the increased availability of data, EIOPA will continue the work undertaken in previous years to strengthen the underpinning methodologies and tools across all its financial stability products.

Having identified risks and threats and whether trigger events have occurred requiring action, the Authority must then develop proposals for a policy response. EIOPA should also support the preparedness and ability of NCAs to deal with crisis situations and a crisis prevention exercises will be planned for 2018. Additionally, EIOPA will continue to work on Recovery and Resolution issues, standing ready to provide input to relevant initiatives at the European level.

Strategic Objective 4: EIOPA to be a responsible, competent and professional organisation

4.0 Effective and efficient internal functioning built upon strong culture, proper governance and skilled and committed people

There will be two developments in terms of budget and funding. The review into the European System of Financial Supervision (ESFS) should provide clarity on the future funding mechanism for EIOPA. There will also be a greater emphasis on demonstrating value for money across all EU administrations and a requirement for more detailed and robust reporting on performance and the positive outcomes of their work.

The following priorities are defined:

- **Measuring the value of the Authority to the EU** – ensure a true picture is made available on the positive impacts of EIOPA's work in terms of consumer protection, functioning of the internal market and financial stability.
- **Reliable, efficient and compliant processes** – reflecting the maturity of the Authority and the expectations of its stakeholders that it is managing its tasks and resources in a cost-effective and regular way.

- **Reinforce legal, supervisory and technical expertise** - continue to develop and build the knowledge of its staff to deliver robust policy work, credible supervisory analysis and action and deal appropriately with the expected increase of mediation and breach of union law cases.
- **Strengthen security** - investing in strengthening the security of the organisation and this in all its facets: physical, personnel and IT security. A safe and secure work environment, a secure and resilient digital infrastructure as well as secure information sharing and exchange solutions are vital requirements for a well-functioning Authority.

EIOPA maintains the credibility required to develop in line with its vision by placing great emphasis on undertaking its mandated tasks in a professional, efficient and effective manner. This means ensuring quality, timely delivery and value for money for all its stakeholders. New funding mechanisms resulting from the ESFS review may mean considerable change to the structures and processes EIOPA must maintain to manage its financing, which will need to be implemented well in advance. EIOPA will also need to strengthen its ability to measure the value of its work to meet enhanced performance reporting requirements. It will also deliver additional efficiency initiatives including the further automation and digitalisation of workflows, efficient use of office space and synergies and close cooperation with other EU administrations.

EIOPA will also strengthen the security of staff, information, IT infrastructure and its headquarters. This is a requirement driven by a number of factors, including very real cybercrime threat, which constantly evolves in sophistication and requires constant review and strengthening of existing measures.

To reinforce legal, supervisory and technical expertise of staff, EIOPA will implement a Competency Management Framework. This will facilitate the development and training of existing staff and internal mobility.

Activities

Cross-Cutting Theme: InsurTech

InsurTech

Operational Objective: to promote supervisory convergence in the area of InsurTech, facilitating a level playing field throughout Europe based on the principle of proportionality and pursuing a technology neutral approach to financial innovation.

High Priority

Legal requirement: Article 1(6) of the EIOPA founding Regulation, according to which EIOPA, inter alia, shall contribute to (i) 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 the taking of risks; and (v) enhance consumer protection.

Strategically aligned: as part of the EIOPA vision, work will be undertaken to help ensuring that financial innovation by means of the ongoing digitalisation affecting existing and evolving business and distribution models does not develop in a manner that causes undue detriment of consumers.

Planning priority for 2018: due to its cross-cutting nature, EIOPA's work in the field of InsurTech will contribute across a range of EIOPA's priorities in 2018.

Resources	2
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Evolution (Growing): Digitalisation and, as part hereof, InsurTech is on the rise and it is expected to further expand in importance and dimension for the insurance and pension industries and therefore also for supervisors including EIOPA.

Products	Due Date
<ul style="list-style-type: none"> Launch of thematic review on the insurance industry's use of Big Data for e.g. underwriting of risks, pricing, marketing, claims management, sales and/or marketing 	Q1-Q2
<ul style="list-style-type: none"> Cyber risks: Supervisory approaches and new business opportunities 	Q1

Services	Frequency
<ul style="list-style-type: none"> Mapping of national supervisory and legislative approaches to InsurTech 	Continuous
<ul style="list-style-type: none"> Analysis of the use of the proportionality principle in respect of incumbents and start-up firms 	Continuous
<ul style="list-style-type: none"> Continued dialogue with all stakeholders including, as relevant, the arranging of roundtables on further defined topics in area of InsurTech 	Continuous

Operational Activity (SAA 1.1): develop and strengthen the regulatory framework for the benefit of protection of consumers

Delivering technical advice and policy work

Operational Objective: to strengthen the protection of consumers through a smart regulatory framework.

High Priority

Legal requirement: Article 9 of EIOPA's 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. In addition, the Insurance Distribution Directive holds a number of empowerments for EIOPA to fulfil.

Strategically aligned: EIOPA's first strategic objective is to strengthen the protection of consumers and this activity is the basis for EIOPA to deliver its mandated role to achieve this.

Planning priority for 2018: supervisory convergence on the Insurance Distribution Directive (IDD) and packaged retail investment and insurance-based investment products (PRIIPs) – the work mandated to EIOPA under IDD and PRIIPs will be delivered through this activity, which will include guidance on completion of the single rule book.

Resources	8.75 FTE
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Evolution (Stable): the level of regulatory files and deliverables remain consistent (IDD, PRIIPs, pension related topics).

Products	Due Date
<ul style="list-style-type: none"> • IDD: <ul style="list-style-type: none"> ○ RTS on professional indemnity insurance (required by IDD) ○ Finalise Luxemburg Protocol ○ First annual report on sanctions by national competent authorities (required by IDD) ○ Report evaluating the structure of the insurance intermediaries' market (required by IDD) ○ Level 3 – including defining target market for POG and possible IBIPs related aspects (as required) • PRIIPs: <ul style="list-style-type: none"> ○ Annual Report inform on the national use of sanctions under PRIIPs (required by PRIIPs) ○ Input into the 2018 review, including consideration of pensions, of the Regulation including on the scope of PRIIPs (required by PRIIPs) ○ Survey on the use of the Comprehension Alert (required by PRIIPs) • Further work on PEPP in support of Capital Markets Union (CMU) • Net performance and fees of retail and pension products as part of the Commission's Capital Markets Union (CMU) Action Plan • Pensions related topics rolling over from 2017 (information to beneficiaries under SII) 	<ul style="list-style-type: none"> Q2 Q2 Q4 Q1-Q2 Q2-Q3 Q4 Q3 Q2 Q1-4 Q1-4 tbc

Services	Frequency
<ul style="list-style-type: none"> • Use of mystery shopping to probe compliance by industry with IDD, e.g. the IPID • The sixth Joint Consumer Protection Day 	<ul style="list-style-type: none"> tbc Q2

Operational Activity (SAA 1.2): develop and strengthen a comprehensive risk-based and preventive framework for conduct of business supervision that serves as basis for appropriate supervisory action

Analysis and (where necessary) concrete supervisory measures in relation to market developments and supervisory practices to avoid consumer detriment

Operational Objective: early identification of potential consumer detriment that could otherwise materialise, allowing swift action, where necessary, including supervisory measures to correct detriment or threats.

High Priority

Legal requirement: within Article 9 to take a leading role in promoting transparency, simplicity and fairness, EIOPA may also issue warnings where financial activities threaten EIOPA’s objectives or temporary prohibitions/ restrictions where specifically mandated under Union Law (Articles 9.3 and 9.5). To fulfil its mandate in a robust and proportionate manner, EIOPA must develop and maintain the capability to monitor and report on developments likely to result in consumer detriment and then be ready to take swift action.

Strategically aligned: this activity provides EIOPA with a concrete and comprehensive risk-based and preventive framework for conduct of business supervision, pre-empting consumer detriment and therefore delivering against an important strategic objective for the Authority.

Planning priority for 2018:

- **A more focused and targeted holistic approach to monitoring risk** – EIOPA will continue to revise and strengthen its methodology for monitoring risks in the market, ensuring a holistic perspective across the entire value chain and allowing for targeted and proportionate responses.
- **Collect product related information** – EIOPA will broaden the data collected to monitor and analyse its retail risk indicators allowing for more granular analysis of developments in the market presenting a risk of consumer detriment.
- **Develop a common view on effective and efficient conduct of business supervision** – a stock-take of the conduct of business framework established by EIOPA will be launched in 2018 to ensure its objectives are being met and the underpinning principles are still relevant to the needs of national competent authorities and the situation in the market.

Resources	6 FTE	Evolution (Growing): the implementation of the Conduct of Business Supervision strategy means that additional resources need to be allocated to the area.
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Products	Due Date
• Retail risk indicators – further development of the methodology (product data covered by Consumer Trends Report)	Q4
• Retail risk indicators report	Q4
• Analysis of conduct risk throughout the product lifecycle to provide a reference frame allowing for the identification of the complete spectrum of issues that could result in consumer detriment	Q3
• Thematic review possibly involving consumer testing depending on scope of review	Q4
• Annual trends report	Q4
• Stock-take of conduct of business strategy, reviewing progress with its implementation areas that are working, areas that need to be revised and new requirements	Q1
• Self-placement: assessment of possible consumer detriment in relation to products placing the risk with consumers	Q2
Services	Frequency
• Market monitoring generally and specifically under the PRIIPs Regulation with a view to potential product intervention on IBIPs	Continuous
• Visits to NCAs on the topic of conduct of business supervision	Continuous

Operational Activity (SAA 2.1): leading the development of a sound and prudent regulatory framework

Develop, maintain and improve the regulatory framework and processes for insurance and reinsurance supervision

Operational Objective: support convergent and consistent application of Solvency II.

High Priority

Legal requirement: 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), 29 (1)(a),(c) and (d) EIOPA Regulation. In particular, the Review of the Solvency Capital Requirements and the Review of the Long Term Guarantee measures are explicitly listed in legislation to be carried out in the frame of the Solvency II Directive.

Strategically aligned: this is a strategically important area of work because of its focus on the implementation of Solvency II, requiring the establishment of an evidence-based policy feedback loop, in cooperation with other units.

Planning priority for 2018: Review of the Solvency Capital Requirements (SCR) and reports about the effectiveness of the application of long term guarantees – EIOPA will continue to undertake its mandated tasks in preparation for providing advice to the Commission on Solvency Capital Requirements and reporting on Long Term Guarantees.

Resources 13 FTE

Evolution (Growing): this activity will require additional resources to continue work on the Risk Free Rate methodology.

Products	Due Date
<ul style="list-style-type: none"> Develop specific regulatory treatment of long term assets that back certain long term liabilities 	Q2
<ul style="list-style-type: none"> Long term guarantees review (thematic focus for 2018 to be specified) 	Q4
<ul style="list-style-type: none"> Advice provided on Solvency Capital Requirements standard formula 	Q1
<ul style="list-style-type: none"> Evaluation of Solvency II guidelines; implementing an evidence-based feedback loop 	Q4
<ul style="list-style-type: none"> Further advice/opinions regarding the withdrawal of the UK from the EU 	Q1 – Q4
<ul style="list-style-type: none"> Policy development post-advice on Solvency Capital Requirements: potential consideration of risk management and reporting 	Q4
<ul style="list-style-type: none"> Development/annual update of Risk Free Rate Methodology - in respect of representative portfolios, deep/ liquid transparent criteria, and ultimate forward rate 	Q4

Services	Frequency
<ul style="list-style-type: none"> Ensure EIOPA defines coherent position in treatment of Solvency II pillar 1 in respect of Solvency Capital Requirements, Long Term Guarantees and International Capital Standards 	Continuous
<ul style="list-style-type: none"> Impact Assessments 	Continuous
<ul style="list-style-type: none"> Questions and Answers on application of insurance regulatory framework 	Continuous
<ul style="list-style-type: none"> Ongoing input into EFRAG Board on accounting and deliver of comment letters on IASB exposure drafts and/or discussion papers incl. IFRS 17 implementation 	Continuous

Contribution to and coordination of EIOPA’s work with the International Association of Insurance Supervisors (IAIS) and dialogues with authorities in third countries

Operational Objective: to coordinate the European position and contribute to the development of common International Capital Standards, the convergence of international supervisory standards and building trust and understanding with third countries, including equivalence assessments and the monitoring of their implementation.

High Priority

Legal requirement: this activity will be a cornerstone of EIOPA’s proactive approach to international developments in 2018. 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.’

Strategically aligned: EIOPA's work on the International Association of Insurance Supervisors (IAIS) International Capital Standard (ICS) is a high priority with the aim to increase the global convergence and consistency of supervisory practices, through the implementation of a sound risk-based supervisory framework (ComFrame), from which Solvency II can become a practical implementation.

Planning priority for 2018: coordinate the EU position in further refinement of the version 2.0 of the international capital standard expected to be published in 2019 - IAIS is seeking to agree by 2019 a worldwide single capital standard to apply to all internationally active insurance groups and EIOPA will continue to advance a European position in the negotiations.

Resources	5 FTE
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Evolution (Stable): EIOPA will maintain its efforts to contribute to common international capital standards and convergence of international supervisory standards and building trust and understanding with third countries. This includes the coordination with EIOPA members to ensure a common EU voice in international bodies such as the IAIS.

Products	Due Date
<ul style="list-style-type: none"> EIOPA contribution to further refinement the initial international capital standard (Version 2.0) Coordinate EU approach to Comframe public consultation incl. relevant ICPs Equivalence and professional secrecy assessments 	Q3 Q3 – Q4 Contingent on demand

Services	Frequency
<ul style="list-style-type: none"> EU-US – twice yearly dialogue with public event / EU US Insurance Project lead (EU-side) and coordination China dialogue and operationalisation of the EIOPA CIRC MoU EU US Covered Agreement – practical implementation after signature 	Q4 TBC Contingent on demand

Pensions regulation including policy development, advice and data analysis

Operational Objective: to lead the development of a sound and prudent regulatory framework for pensions to improve the functioning of the EU internal market in the field of private pensions.

Medium Priority

Legal requirement: EIOPA's founding Regulation requires EIOPA to act in the field of activities of institutions for occupational retirement provision in order, amongst other objectives, to be actively involved in facilitating effective regulation and supervision. Hereby, EIOPA bases its conclusions and recommendation on factual evidence, research and close interaction with its members to attain a good understanding of the actual application of the IORP Directive and issues related to that act.

Strategically aligned: strategic action areas 2.1, 2.2 and 2.3 set out that building blocks of an improved functioning of the internal market for pensions are based on an evidence-based development of regulation, which needs to be supplied by a high-quality data framework and which feeds back into high-quality and convergent supervisory practices.

Planning priority for 2018:

- **Develop regulatory works arising from IORP II in areas such as information to members, governance, ESG factors and risk evaluation** - IORP II specifies new requirements in governance and information to members, and EIOPA can play a role in their further definition as well as provide guidance for consistent implementation.
- **Stand ready to develop regulatory framework for risk assessment of pensions considering EIOPA's opinion on risk assessment** – under this activity, EIOPA is prepared to undertake work on risk assessment, should it be required.

Resources

6.5
FTE

Evolution (Stable): EIOPA will maintain the level of work in the domain of pensions regulation. 2018 will be crucial for EIOPA to provide guidance with regards to IORP II implementation, in particular in the above mentioned areas. Depending on the further evolution of the PEPP Regulation, this area would need additional resources.

Products	Due Date
<ul style="list-style-type: none"> • Implementation of IORP II <ul style="list-style-type: none"> ○ Information to members and beneficiaries ○ Governance of IORPs ○ Risk evaluation ○ ESG factors • Risk management: Evidence based on extent of implementation of EIOPA opinion on risk assessment • Personal pensions: follow up to Capital Market Union initiative and PEPP Regulation • Cross-border activities, IORP II: finalisation of revision of Budapest protocol • Finalisation of pensions data requirements • Initial preparations for the pensions stress test 2019 	Q3 Q4 Q4 Q2 – Q3 Contingent on demand Contingent on demand Q2 Q1 – Q2 Q3 – Q4
Services	Frequency
<ul style="list-style-type: none"> • Assessment of eligibility for temporary exemption from clearing obligation (EMIR) 	Contingent on demand

Regular and close cooperation between the three European Supervisory Authorities to ensure cross-sectoral consistency

Operational Objective: where a matter is of cross-sectoral nature, the European Supervisory Authorities cooperation in the Joint Committee relating to supervisory and regulatory activities in the securities, banking and insurance & pension markets ensures consistency of supervisory standards and practices.

Medium Priority

Legal requirement: Article 54.2 of the EIOPA Regulation, lays down the following non-exhaustive list of areas for European Supervisory Authority cooperation on cross-sectoral themes: financial conglomerates, accounting and auditing, financial stability at the micro-prudential level, consumer protection, anti-money laundering and information exchange with the European Systemic Risk Board. The aim of this cooperation is to build consistency from a supervisory perspective across the financial markets. EIOPA has a key role to provide the insurance and pensions perspective.

Strategically aligned: this activity covers EIOPA's efforts in leading the development of sound and prudent regulation for cross-sectoral matters. It contributes to promote supervisory convergence across financial sectors to the benefit of consumers.

Planning priority for 2018: NA

Resources	2.25 FTE
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Evolution (Stable): the work is foreseen to represent a constant level of deliverables compared to previous years.

Products	Due Date
• Update the list of identified financial conglomerates (in close coordination with the European Central Bank/Single Supervisory Mechanism)	Q4
• Regulatory work to promote the establishment of a Capital Markets Union addressing securitisation and recovery and resolution issues	tbc
• Joint Report on Risks and Vulnerabilities (presented at the Council's Economic and Financial Committee's Financial Stability Table)	Q4
• Activities with regards to Anti-Money Laundering	Q1 – Q4
• Consumer protection work as defined in the Joint Committee Work Programme	tbd
• Digitalisation as defined in the Joint Committee Work Programme	tbd

Services	Frequency
• The 6 th Joint ESAs Consumer Protection Day, organised by EIOPA (rotating)	Q2 or Q3
• Functioning Joint Committee website	Continuous

Operational Activity (SAA 2.2): to maintain and develop a common supervisory reporting and data framework

Production of the Solvency II Risk Free Rate and Equity Dampener

Operational Objective: EIOPA to calculate and publish key information fundamental to effective application of Solvency II and maintain and improve the production processes.

High Priority

Legal requirement: the effective implementation of Solvency II is dependent on the provision by EIOPA of a set of technical information on which firms will base their calculations of capital requirements and technical provisions. The determination of the Risk-Free interest Rate structure, the fundamental spread and the volatility adjustment determine the value of the liabilities of the undertakings and, to a large degree, the amount of capital that European insurers need to hold against their liabilities. It is mandated as a legal requirement within Omnibus II that EIOPA provides this information. Based on Solvency II legislation, EIOPA is also currently publishing 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.

Strategically aligned: Risk-Free Rate and Equity Dampener production are key components of the greater emphasis on operational processes and data.

Planning priority for 2018: continue to implement updates of the risk free rate methodology including in respect of representative portfolios, deep/liquid transparent criteria, and the ultimate forward rate – methodological updates and operational improvements will be implemented in the production processes by specific projects undertaken through this activity, and will include work stemming from the recommendations coming from external assurance review.

Resources	8 FTE
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Evolution (Stable): EIOPA will have already established projects to implement the required changes to the production process and will continue to work on them in 2018. There will be some specific additional work such as the review of EIOPA Equity Index necessary to calculate the Equity Dampener. This will not however require additional resources.

Products	Due Date
<ul style="list-style-type: none"> Implement any recommendations arising from any work on risk free rate production automation in 2017 	Q4
<ul style="list-style-type: none"> Continued implementation of methodology changes into the production process regarding the regular update of representative portfolios, deep/ liquid transparent criteria, and ultimate forward rate 	Q1-4
<ul style="list-style-type: none"> EIOPA Staff to implement the recommendations stemming from 2017 RFR external audit 	Q4 Q4
<ul style="list-style-type: none"> Analysis of RFR/ED information coming from reporting Assessment and review of EIOPA Equity Index and Implementation of any recommendations 	Q3

Services	Frequency
<ul style="list-style-type: none"> Risk Free Rate production 	Monthly
<ul style="list-style-type: none"> Equity Dampener production 	Monthly
<ul style="list-style-type: none"> Review of EIOPA Equity Index (conducted every 4 years) 	tbc

Data standardisation

Operational Objective: to implement and maintain harmonised reporting for the insurance and pensions sectors.

Medium Priority

Legal requirement: Article 29 of EIOPA's founding Regulation requires EIOPA to contribute to 'developing high quality and uniform supervisory standards, including reporting standards.'

Strategically aligned: priority is put on the access and use of good quality data. This is being achieved through ongoing maintenance of standardised reporting tools based on Solvency II requirements for the insurance sector. By 2018 efforts will be undertaken to significantly enhance the future data collection for the pensions sector.

Planning priority for 2018: preparing for the collection of pensions data – to realise the Authority's vision for pensions data, EIOPA must first establish a harmonised and systematised description of reporting requirements. XBRL (eXtensible Business Reporting Language) is an IT language for the electronic preparation, exchange and analysis of business information and EIOPA will further develop its XBRL taxonomy for pensions data to allow for the preparatory exchange of data.

Resources	3.5 FTE	Evolution (Growing): efforts to prepare for full pensions data collection will require additional resources.
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Products	Due Date
<ul style="list-style-type: none">• Updates to the insurance taxonomy• Development of the full pensions taxonomy for 2019 data collection	Q1, Q3 Q2

Services	Frequency
<ul style="list-style-type: none">• Taxonomy support (National Competent Authorities and market)	Continuous

Data management

Operational Objective: timely availability of high quality data to support EIOPA's work on crisis prevention, financial stability, oversight, policy and consumer protection.

Medium Priority

Legal requirement: EIOPA's founding regulation and the Solvency II Directive, Delegated Act, Implementing Technical Standards and Guidelines on reporting collectively define a framework for reporting of information from undertakings to National Competent Authorities, along with EIOPA's role in collecting, managing, using and reporting on this data. Specifically, Article 8 of EIOPA's Regulation mandates a role in the collection and reporting concerning national 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.

Strategically aligned: EIOPA's strategic ambition is to be the EU data-hub for the collection, use and dissemination of reference and reporting data on EU insurance companies and pension funds. Without the products and services delivered through this activity, this ambition will not be achieved.

Planning priority for 2018: run the preparatory phase for the collection of pensions data
– EIOPA will update its systems and processes to allow for the secure collection (EIOPA Hub) and management (EIOPA Central Repository) of pensions data to ensure success for the preparatory phase.

Resources	8.5 FTE	Evolution (Growing): EIOPA will continue to increase the effort to effectively and securely manage the data it receives from national competent authorities.
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Products	Due Date
• Central Repository – Release for updated insurance taxonomy	Q2, Q4
• Central Repository – Release for preparatory pensions taxonomy	Q4
• All Registers - Functional improvements	Q4
• Updated Register of Institutions for Occupational Retirement Provision	Q3

Services	Frequency
• First preparatory phase pensions data collection and validation for Central Repository	Q2
• Insurance data collection and validation for Central Repository – according to annual submissions calendars	Continuous
• Functioning data collection system	Continuous
• Functioning Central Repository	Continuous
• Functioning Register of Insurance Undertakings	Continuous
• Functioning Register of 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

Data analysis

Operational Objective: provide analytical reports to National Competent Authorities and EIOPA business teams with a fully functioning business intelligence system.

High Priority

Legal requirement: EIOPA regulation Article 8(1)(g) mandates EIOPA to undertake economic analyses of markets to inform the discharge of the Authority's functions.

Strategically aligned: priority is put on the access and use of good quality data. This is delivered through a comprehensive data analysis tool based on Solvency II reporting and maintaining the capacity to provide reliable risk as well as supervisory analysis, both at individual, group and system-wide levels. Furthermore, EIOPA will use the reporting data received to create added value for National Competent Authorities by providing them analytical reports on national and EU level.

Planning priority for 2018: ensure added value through EIOPA's data management capacities – in 2018, EIOPA will have completed the development of its business intelligence system that will enhance the available information for supervisory risk analysis and add value to National Competent Authorities by offering benchmarking and peer group analysis. EIOPA will also implement a process for cooperation with National Competent Authorities to reconcile incoming data to ensure its quality.

Resources	6.25 FTE	Evolution (Stable): EIOPA will maintain the level of resources allocated to delivering analytical reports and managing the supporting business intelligence system.
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Services	Frequency
<ul style="list-style-type: none">• 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
<ul style="list-style-type: none">• Data and information dissemination – e.g. exchange of information in Colleges (indicators and peer groups) and CSDB	Continuous
<ul style="list-style-type: none">• Data preparation for analysis	Continuous
<ul style="list-style-type: none">• Creating reports for information exchange with other authorities	Continuous
<ul style="list-style-type: none">• Reconciliation and quality control of data	Continuous

Security, availability and efficiency measures for core infrastructure and tools for knowledge management and coordination and collaboration on a European level

Operational Objective: maintenance of IT infrastructure essential for supporting core business data framework and of the structures and tools for knowledge management and coordination and collaboration on a European level.

Medium Priority

Legal requirement: EU regulation on archives, data protection, public access to documents, staff regulations and financial rules all lay down the requirements for proper and compliant management of information, which is delivered through this activity.

Strategically aligned: appropriate and well-functioning IT solutions and services are a vital component to ensure the Agency’s day-to-day functioning. Staff must always have technology and IT capacity available to get their work done, regardless of their location or the platform they are using. This activity will also deliver the elements to enhance information security capability within the Authority, which is essential for the secure handling of data. The enhanced collaboration among supervisory community and external stakeholders that this activity supports, along with the provision of timely feedback to questions on the practical application of regulation, are essential for maintaining the common supervisory framework and functioning of the internal market.

Planning priority for 2018: run the preparatory phase for the collection of pensions data – through this activity, EIOPA ensures that its core business tools and systems are operating securely and in line with expectations. Their continued functioning is essential for EIOPA to securely collect and manage the preparatory pensions data.

Resources	6.5 FTE	Evolution (Growing): EIOPA will invest more in delivering the essential tools to support knowledge management and collaboration on the European Level.
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Products	Due Date
<ul style="list-style-type: none"> • Data Loss Prevention (DLP) solution • Additional information security measures according to implementation plan 2018 • Release stakeholder relations and knowledge management solution • Release extranet • Release document management system 	Q4 tbc Q4 Q4 Q4

Services	Frequency
<ul style="list-style-type: none"> • Functioning core IT infrastructure (data centre, email) • Management of security threats • Functioning stakeholder relations and knowledge management solution • Functioning extranet • External helpdesk • Functioning document management system 	Continuous Continuous Continuous Continuous Continuous Continuous

Operational Activity (SAA 2.3): leading in convergence to consistent and high-quality supervision

Identification, prioritisation and resolution of supervisory issues

Operational Objective: achieve greater supervisory convergence in specific areas.

High Priority

Legal requirement: Article 29 of EIOPA's regulation establishes for the Authority an active role in building a common supervisory culture and consistent supervisory practices. This activity is an important element of that work, making it possible to target the Authority's efforts where it can have the greatest positive impact.

Strategically aligned: by improving EIOPA's capability to identify cases of inconsistent supervision or issues in terms of quality, EIOPA can prioritise its resources to addresses areas where it can achieve the most impact in improving the quality and consistency of supervision.

Planning priority for 2018:

- **Reinforce the risk-assessment framework of supervision** – decision-making on prioritisation of supervisory issues will be enriched by information on developments and risks identified through EIOPA's business intelligence capability.
- **Strengthen engagement and communication in support of supervisory convergence** – projects can be run in cooperation with National Competent Authorities to address identified issues and all will, as an output, deliver feedback encouraging consistency.

Resources	2 FTE
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Evolution (Growing): building on the first year of implementation of this approach in 2017, EIOPA will seek to mature and strengthen how it identifies and addresses issues in terms of consistency and quality of supervision.

Products	Due Date
<ul style="list-style-type: none"> • Quarterly supervisor risk and issue reports to enable prioritisation by EIOPA's management and the Supervisory Committee 	Q1, Q2, Q3, Q4

Services	Frequency
<ul style="list-style-type: none"> • Maintaining and regularly updating the inventory of emerging supervisory risks and issues • Projects delivered to address the prioritised issues and themes 	<p>Continuous</p> <p>Contingent on demand</p>

Enhance coherent application of EU insurance regulation and develop a common supervisory culture

Operational Objective: advance the common supervisory culture.

High Priority

Legal requirement: within the active role stipulated for EIOPA under Article 29 of its Regulation, to build a Common Supervisory Culture, the Authority undertakes bi-lateral engagement with National Competent Authorities to address issues of quality and inconsistency in supervision.

Strategically aligned: this activity provides an opportunity for in-depth assessment and feedback about the quality of supervision to individual National Competent Authorities, supporting increased consistency and quality of supervisory practices across the European Union.

Planning priority for 2018:

- **Reinforce the risk-assessment framework of supervision** – the data EIOPA collects will provide an important basis in enhancing understanding of the underlying issues and in gaining insights into how to address them.
- **Strengthen engagement and communication in support of supervisory convergence** – this activity will be delivered through ongoing bi-lateral engagement with National Competent Authorities to provide feedback and support to achieve the objective of greater supervisory convergence.
- **Support national competent authorities or EU Commission to address opportunities to improve the effectiveness of supervision** – through this activity, EIOPA will deliver extended support to National Competent Authorities in the form of project-based Balance Sheet Reviews and other similar exercises.
- **Develop capability to measure supervisory convergence** – through analysis of the data and insights gained via bi-lateral visits, collected during the course of its interactions with National Competent Authorities, EIOPA can develop a greater understanding of barriers to supervisory convergence on which it can develop measurements.

Resources	10 FTE
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Evolution (Growing): EIOPA will allocate more resources to increase the provision of bi-lateral engagement and feedback to national competent authorities. Some of the FTE allocated to this task will be diverted into the newly defined activity of Identification, prioritisation and resolution of supervisory issues. Similarly, work on the SRP handbook has now been separated out into its own activity.

Products	Due Date
<ul style="list-style-type: none"> • Observation reports based on bi-lateral visits and engagement 	Following each visit
<ul style="list-style-type: none"> • Capability to measure supervisory convergence 	Q4

Services	Frequency
<ul style="list-style-type: none"> • Specific projects to support national competent authorities or the Commission to improve the effectiveness of supervision 	Contingent on demand
<ul style="list-style-type: none"> • Organise cooperation platforms on cross-border activity 	Contingent on demand

Effective and efficient functioning of colleges of supervisors

Operational Objective: advancing high-quality, consistent and efficient functioning of colleges of supervisors.

High Priority

Legal requirement: this activity is undertaken within EIOPA's responsibility under Article 21 (promoting and monitoring the efficient, effective and consistent functioning of the colleges), as well as the broader responsibility under Article 29 to build a Common Supervisory Culture.

Strategically aligned: by assessing the supervision of cross border groups, which have a significant market share across the Union, it is possible to identify and align supervisory practices across different authorities.

Planning priority for 2018:

- **Reinforce the risk-assessment framework of supervision** – through the further development of the data products addressed to NCAs and in particular to colleges, EIOPA will enhance the coverage and usefulness of its analytics to national competent authorities and colleges of supervisors.
 - **Strengthen engagement and communication in support of supervisory convergence** – through its participation in colleges of supervisors, sharing of best practice and through the provision of training and feedback, EIOPA can support greater convergence in the supervision of cross-border groups.
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Resources	9.5 FTE	Evolution (Stable): EIOPA will maintain the level of participation and support provided to group supervisors.
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Products	Due Date
<ul style="list-style-type: none">• Secure Collaboration Tool – analysis phase• Further development of the data products addressed to NCAs providing new analytics to be used with the colleges collaboration platform• Annual report on supervisory convergence, including the functioning of colleges	Q4 tbc Q3

Services	Frequency
<ul style="list-style-type: none">• Maintaining the risk-based engagement model for colleges• Participation and provide feedback in college meetings and joint on-site inspections• Sharing of best practice and training	Continuous Continuous Continuous

Consistent and efficient implementation of Solvency II Internal Models

Operational Objective: achieve a consistent implementation of Solvency II Internal Model provisions for specific priority areas.

High Priority

Legal requirement: this activity contributes to EIOPA's responsibilities in the domain of Internal Models as stipulated under Article 29 to build a Common Supervisory Culture.

Strategically aligned: Internal Models cover a significant share of liabilities. EIOPA work strengthens the risk-assessment framework in relation to the Models through the projects that are launched to assess the extent of convergence in the area. This provides the basis for increasing consistency and quality of supervisory practices in the EU.

Planning priority for 2018:

- **Reinforce the risk-assessment framework of supervision** – benchmarking will be made possible for National Competent Authorities, allowing the assessment of the level of convergence.
- **Strengthen engagement and communication in support of supervisory convergence** – with a focus on bi-lateral engagement and constructive feedback, this activity supports EIOPA's priority in how to achieve enhanced convergence.

Resources	5.5 FTE	Evolution (Growing): EIOPA will increase the scope and number of projects (e.g. benchmark studies), which will require additional resources.
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Products	Due Date
<ul style="list-style-type: none"> • Projects addressing priority areas in relation to Internal Models including external reports • Issue Opinions or other action necessary to address inconsistencies if required 	Q1
<ul style="list-style-type: none"> • Good practices to improve the quality of supervision in relation to Internal Models 	Contingent on demand
<ul style="list-style-type: none"> • Internal Model On-going appropriateness indicators' (IMOGAPIs') review 	Contingent on demand
<ul style="list-style-type: none"> • Quantitative and qualitative tools for National Competent Authorities created in cooperation with them 	Q3 Q4

Services	Frequency
<ul style="list-style-type: none"> • Provide support and advice on Internal Models to National Competent Authorities 	Continuous
<ul style="list-style-type: none"> • Participation in colleges, joint on-site visits and visits to national competent authorities to enhance consistent and effective implementation of Internal Model provisions 	Continuous

Peer reviews

Operational Objective: strengthen the consistency in the application of EU law and promote consistent supervisory practices.

High Priority

Legal requirement: Article 8 of EIOPA's regulation sets out the requirements for peer reviews, as a tool for fostering consistency in the application of the regulation and promoting convergent supervisory practices.

Strategically aligned: EIOPA's role organising and conducting peer reviews provides National Competent Authorities with a means of comparing practices and identifying opportunities to build supervisory convergence in specific and prioritised areas.

Planning priority for 2018:

- **Reinforce the risk-assessment framework of supervision** – benchmarking will be made possible for national competent authorities, allowing the assessment of the level of convergence.
 - **Strengthen engagement and communication in support of supervisory convergence** – peer reviews are primarily focused on bi-lateral engagement to collect information in conjuncture with National Competent Authorities to bring about greater convergence through the identification of best practice and areas of improvement.
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Resources	3.75	Evolution (Growing): EIOPA will continue to increase the level of support to peer reviews in 2018.
	FTE	

Products	Due Date
• Peer reviews (maximum 3 simultaneously ongoing)	tbc

Supervisory Review Processes

Operational Objective: Promote the discussion and sharing of experiences between supervisors regarding the supervisory practices under the Solvency II framework. Build a common Supervisory Culture that frames the Supervisory Review Process and promotes a high quality and effective supervision.

High Priority

Legal requirement: this activity is delivered as part of EIOPA's responsibility under Article 29 of its Regulation to build a Common Supervisory Culture and promote consistent supervisory practices.

Strategically aligned: through the development of the Supervisory Review Process Handbook, EIOPA supports National Competent Authorities to reach a high quality and effective supervision while ensuring convergence of supervisory practices. This activity encompasses work on the development of the Handbook but also raising awareness of the Handbook and the actual use of the Handbook by day-to-day supervisors.

Planning priority for 2018:

- **Reinforce the risk-assessment framework of supervision** – Supervisory Review Process Handbook not only reinforces the risk-assessment under the supervisory process but also guides National Competent Authorities towards equivalent approaches, namely through the development of risk indicators in relevant areas.
- **Strengthen engagement and communication in support of supervisory convergence** – training, discussions and sharing of experiences between supervisors should contribute to a better communication with National Competent Authorities. The Handbook should be used as a reference tool in such a dialogue.
- **Continuous development and improvement of the Handbook** – focus on new areas not developed yet and which development would contribute to a high quality and effective supervision and reflect on any feedback received as a result of the communication between supervisors.

Resources	3.5 FTE	Evolution (Stable): the level of resource allocated will be maintained, although the focus on different activities will shift due to reaching maturity phase of the activity. The focus will move from intensive development of chapters to promote and maintain the Supervisory Review Process Handbook. The same resources involved in the development of the Handbook during 2015-2017 will need to be available for the training sessions. IT resources will be needed to implement the on-line SRP Handbook or any other tool supporting a wide use of the Handbook among supervisors. New resources may be required for potential new chapters and revision of Guidelines.
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Products	Due Date
• Annual Supervisory Convergence Work Plan	Q1
• On-line SRP Handbook and other tools	Q1
• Revision of the EIOPA Guidelines on Supervisory Review Process	Q1-Q4
• Development of at least 1 new Chapter and revision of chapters following experience from first year of implementation	Q1-Q4
• Potential chapter on conduct of business	TBC

Services	Frequency
• Improve awareness of the SRP Handbook through training on the Handbook and other "advertising" tools, e.g. through colleges, SPOT visits, etc	Q1-Q4

Sectoral and cross-sectoral training and events programme, and meeting organisation

Operational Objective: to strengthen stakeholder and National Competent Authority understanding as to the practical supervisory use of EIOPA's framework and instruments, together with a detailed insight into and possibility of influencing the policy considerations on various files via public hearings, conferences etc.

Medium Priority

Legal requirement: Article 29.1(e) of the EIOPA Regulation, states that a sectoral and cross-sectoral training and events programme shall be established by the Authority. Through the delivery of training, EIOPA can take an active role in building a common Union supervisory culture and consistent supervisory practices, as well as to ensure uniform procedures and consistent approaches throughout the Union.

Strategically aligned: having sufficient knowledge and understanding of the regulatory framework and instruments is a prerequisite for consistent, convergent and high-quality supervision. By providing training, EIOPA helps to build the necessary knowledge and skills of national supervisors.

Planning priority for 2018: NA

Resources	5.25 FTE	Evolution (Stable): the number of public events and meetings are expected to remain unchanged.
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Products	Due Date
<ul style="list-style-type: none">Setting up the sectoral and cross-sectoral training and events programme 2019	Q4

Services	Frequency
<ul style="list-style-type: none">Running/operating the sectoral and cross-sectoral training and events programme 2018, including the EIOPA Annual ConferenceWorking group, Stakeholder group and Steering Committee meetings' organisation	Continuous
	Continuous

Mediation and breaches of Union Law

Operational Objective: National Competent Authorities are operating according to Union Law and cooperating effectively.

Medium Priority

Legal requirement: according to Article 17 of its Founding Regulation, EIOPA is mandated to investigate potential breaches or non-application of relevant Union law by National Component Authorities, and issue recommendation to the concerned authority setting out the action necessary for its compliance with Union law. EIOPA is also obliged under Articles 19 and 20 of its Founding Regulation to assist National Component Authorities in settling disagreements. As an impartial mediator with expertise in the domain of insurance legislation, EIOPA's support can be invaluable in reaching joint decisions, and more in particular, on cross boarder business.

Strategically aligned: questions and disagreements may arise in relation to legislation with an impact on reaching supervisory convergence, EIOPA can therefore provide invaluable and impartial support in this area.

Planning priority for 2018: N/A

Resources	1 FTE	Evolution (Stable): EIOPA will maintain its level of support to addressing breaches of Union Law and in the mediation process.
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Products	Due Date
<ul style="list-style-type: none">• Recommendations on how the National Competent Authorities concerned should comply with Union Law• Decisions towards National Competent Authorities concerned on how they should settle their disagreements by taking specific action or to refrain from action• 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 National Competent Authorities do not comply with EIOPA's decisions and/or opinions from the European Commission	Contingent on demand Contingent on demand Contingent on demand

Operational Activity (SAA 3): identify, assess, monitor, report and mitigate risks and threats to the financial stability of the European insurance and pensions sectors

Monitoring, analysis, assessment and reporting of risks to the financial stability of the European Insurance & IORPS sectors

Operational Objective: the provision of timely and accurate financial stability analysis and risk assessment.

High Priority

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

Strategically aligned: the provision of timely and accurate assessments of market developments supports pre-emptive measures to mitigate or avoid risks. The products and services of this activity make it possible to maintain a comprehensive and timely overview of developments in the European insurance and occupational pensions sectors, which is a pre-requisite for directing action to mitigate and avoid risks.

Planning priority for 2018:

- **Insurance stress test** – in the present and continuing challenging economic environment, it is essential to assess the risks and vulnerabilities to the insurance sector. With this aim EIOPA will, in line with its mandate, run an insurance stress test in 2018, supported by the full availability of Solvency II data from the insurance sector.
- **Improving the disclosure of information in the insurance sector** – under this activity, EIOPA will undertake work to incrementally increase the availability of relevant information to the supervisory community and the general public. This will be achieved through better leveraging the use of Solvency II data in addition to EIOPA's vulnerability analysis and the creation of a new statistical database.

Resources	10 FTE
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Evolution (Stable): with EIOPA's efforts to improve the disclosure of information in the insurance sector, some resource will be re-allocated to activity of building the methodological framework when compared to 2017. Additional staff will be involved in the generation and sharing of improved statistical information on the sector.

Products	Due Date
<ul style="list-style-type: none"> • Insurance stress test • Financial Stability Report • Risk Dashboard 	Q4 Q2, Q4 Q1, Q2, Q3, Q4
<ul style="list-style-type: none"> • Internal Risk Report 	Q1, Q2, Q3, Q4
<ul style="list-style-type: none"> • Risk analysis/ statistic studies 	Contingent on demand
<ul style="list-style-type: none"> • Statistical database on the insurance sector 	Q1, Q2, Q3, Q4
<ul style="list-style-type: none"> • Insurance Statistics Overview Report (potential) 	Q3 – Q4
Services	Frequency
<ul style="list-style-type: none"> • Contribution to financial stability workstreams of the Financial Stability Board (FSB) and International Association of Insurance Supervisors (IAIS) 	Contingent on demand
<ul style="list-style-type: none"> • Cooperation with the European Systemic Risk Board (ESRB) and participation in insurance related workstreams 	Contingent on demand
<ul style="list-style-type: none"> • Organisation and participation in the Risk and Financial Stability Committee and its project groups 	Continuous
<ul style="list-style-type: none"> • Initiate preparation of the pensions stress test 2019 	Q3 – Q4

Building the methodological framework to assess, monitor, report and mitigate risks to the financial stability of the European Insurance & IORPs sectors

Operational Objective: a robust methodological framework for identifying, assessing, mitigating and managing risks and threats, to the insurance and IORPS sectors.

Medium Priority

Legal requirement: EIOPA's mandated role (Article 42) to safeguard financial stability necessitates the early identification of trends, potential risks and vulnerabilities. In order to deliver accurate and valid assessment, EIOPA needs a robust methodological framework that accounts for developments with new and improved tools and techniques to undertake financial stability analysis.

Strategically aligned: building the European methodological framework is absolutely crucial for identifying, assessing, mitigating and managing risks and threats.

Planning priority for 2018:

- **Stability of the pensions market** - the methodology and toolkit used for analysis of the pensions market will further be developed to allow for efficient risk identification and assessment. This will ensure EIOPA is in a position to leverage the increasing availability of data on the IORP sector, allowing for regular monitoring of risks in the sector and the potential for systemic risks.
- **Improving the disclosure of information in the insurance sector** – EIOPA will also develop the underpinning tools and datasets to support improved disclosure of information.

Resources	5 FTE
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Evolution (Growing): additional resources will be required to strengthen the methodological framework and underpinning tools and datasets to meet the priorities for both insurance and pensions sectors in 2018.

Products	Due Date
<ul style="list-style-type: none"> • Development of methodological tools for the assessment and reporting of risks in the pensions sector • Thematic articles in the Financial Stability Report • Updated and enhanced Risk Dashboard methodology to reflect new and emerging risks 	<p>Q4</p> <p>Q2, Q4 Contingent on demand</p>

Services	Frequency
<ul style="list-style-type: none"> • Review of early warning indicators for the insurance sector • Development of framework for horizontal risk analysis in insurance and pension sectors • Enhancement of stress test methodologies for insurance and pension sectors • Develop the indicators, datasets and statistical analysis for the disclosure of information in the insurance sector • Risk metrics using available data sources (Solvency II reporting) – likelihood and impact – defining indicators 	<p>Continuous</p> <p>Continuous</p> <p>Continuous</p> <p>Continuous</p> <p>Continuous</p>

Crisis prevention, preparedness and management

Operational Objective: enhance European crisis management capacity and strengthen crisis prevention and preparedness and coordination between EIOPA and National Competent Authorities.

High Priority

Legal requirement: EIOPA is mandated with a coordination and facilitation role in the case of adverse developments risking the orderly functioning and integrity of financial markets or the stability of the financial system in the Union (Article 18). EIOPA must also contribute to the development and coordination of effective and consistent recovery and resolution and preventative measures, helping to shape the development of national supervisory practices bringing consistency (Article 25). The Authority is also empowered to make a declaration of an emergency situation and apply additional powers granted under Solvency II. 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).

Strategically aligned: expectations are set for EIOPA to be able to prevent, or in case of adverse developments be prepared to manage a crisis. The Authority needs to strengthen preparedness and further enhance the focus on prevention through risk assessment techniques and by taking an active role on the shaping of a potential framework on recovery and resolution. Crisis management increasingly needs to pay attention on the financial soundness of undertakings and the stability of markets, in order to identify in a pro-active manner risks developing.

Planning priority for 2018:

- **Crisis management** – through this activity, EIOPA supports National Competent Authorities in their work to be ready to manage a crisis should it arise.
- **Macro prudential discussion in insurance** – EIOPA will continue developing a stance on macro prudential frameworks for the insurance sector to strengthen the Authority's capability to contribute to macro prudential discussions, and in particular, ensure that the revision of Solvency II benefits from insights from the macro prudential level.

Resources	4.5 FTE	Evolution (Growing): EIOPA will allocate additional resource to this activity.
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Products	Due Date
<ul style="list-style-type: none"> • Notes, reports and presentations on specific topics for discussion at the Risk and Financial Stability Committee 	Continuous
<ul style="list-style-type: none"> • Products on recovery, resolution and Insurance Guarantee Scheme related topics 	Contingent on demand Q4
<ul style="list-style-type: none"> • Updated insurers failures and near misses database and perform of quality checks 	Contingent on demand
<ul style="list-style-type: none"> • Opinions and recommendations in response to critical risks 	Contingent on demand

Services	Frequency
<ul style="list-style-type: none"> • Macro prudential approach in the insurance sector 	Continuous
<ul style="list-style-type: none"> • Promote consistency for G-SIIs by hosting G-SII Forum and participating in Crisis Management Groups 	Continuous
<ul style="list-style-type: none"> • Advance EIOPA stance on recovery and resolution 	Contingent on demand
<ul style="list-style-type: none"> • Participation in Crisis Management Groups 	Contingent on demand

Operational Activity (SAA 4): effective and efficient internal functioning built upon strong culture, proper governance and skilled and committed people

Strategy, governance and management of EIOPA including corporate risks management

Operational Objective: ensure EIOPA, its work and the resources allocated to it are effectively and professionally managed, with effective internal governance and efficient cooperation between EIOPA staff and relevant national competent bodies. Also to lead a high performance and supportive culture to enabling the Authority to be a credible supervisory Authority and deliver a demanding programme of work benefiting consumer protection, financial stability and the internal market.

Medium Priority

Legal requirement: regulation applying to EIOPA sets out the basic standards to which the Authority must comply in terms of management. This includes provisions on the planning and decision making process, internal control arrangements including risk and performance monitoring as well as the reporting to the stakeholders (EU institutions, management bodies).

Strategically aligned: achievement of Strategic Action Area 4 requires the effective and efficient internal functioning built upon strong culture, proper governance and skilled and committed people. EIOPA has sought to build on these, implementing the process and structures to provide management oversight and accountability to stakeholders on its ambitious programme of work.

Planning priority for 2018:

- **measuring the value of the Authority to the EU** – EIOPA will work to develop a more sophisticated approach to monitoring and reporting on achievement of its strategic ambitions.
- **Reliable, efficient and compliant processes** – administrative processes related to EIOPA's management and governance will continue to be reviewed and streamlined

Resources	10 FTE	Evolution (Growing): following a substantial reduction in 2017 EIOPA will allocating additional staff to enhance reporting, corporate risk management and change management. This will be done as efficiently as possible to limit additional demands in terms of resources.
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Products	Due Date
<ul style="list-style-type: none"> • Programming document and implementation plan (Annual Work Programme 2019) – initiation of work on Annual Work Programme 2020 and Multi-Annual Work Programme) 	Q1, Q3, Q4
<ul style="list-style-type: none"> • Annual Activity Report 2017 and 2018 Six Month Implementation Report 	Q3
<ul style="list-style-type: none"> • EIOPA Anti-Fraud Strategy Implementation Project Products 2018 	Q4
<ul style="list-style-type: none"> • Internal risks dashboard 	Monthly
<ul style="list-style-type: none"> • Preparatory deliverables for measuring the value of EIOPA project 	Q4
Services	Frequency
<ul style="list-style-type: none"> • Implementing the annual work programme under the guidance of the Board of Supervisors and under the control of the Management Board, setting and managing operational targets 	Continuous
<ul style="list-style-type: none"> • Take necessary measures, notably the adoption of internal administrative instructions and the publication of notices, to ensure the functioning of the Authority, in accordance with the relevant Regulation 	Continuous
<ul style="list-style-type: none"> • Implement the budget of the Authority in full compliance with EU Financial Regulation, including the Multi-annual Staff Policy Plan 	Continuous
<ul style="list-style-type: none"> • Promoting EIOPAs role, business strategy and activities as well as preserving and further strengthening EIOPAs reputation towards the European institutions, including through regular contacts, meetings and other engagements 	Continuous
<ul style="list-style-type: none"> • Managing all contacts and relations with European institutions including public hearings, parliamentary questions, etc. 	Continuous
<ul style="list-style-type: none"> • Managing the smooth running of EIOPA's decision making bodies and internal management meetings based on sound processes 	Continuous
<ul style="list-style-type: none"> • Stakeholder Groups: selection of new panel 	Q3
<ul style="list-style-type: none"> • Stakeholder Groups: ongoing running and management 	Continuous
<ul style="list-style-type: none"> • Delivery of Internal Audit Function and Internal Control Coordination 	Continuous
<ul style="list-style-type: none"> • Data Protection, Access to Documents 	Continuous
<ul style="list-style-type: none"> • Litigation and legal institutional support 	Continuous
<ul style="list-style-type: none"> • Anti-fraud prevention, detection and response measures 	Continuous
<ul style="list-style-type: none"> • Internal risks monitoring 	Continuous
<ul style="list-style-type: none"> • Change management 	Continuous

Budgetary, financial and procurement management

Operational Objective: sound financial management of EIOPA's finance, budget and procurement processes as well as establishment of sound financial annual accounts.

Medium Priority

Legal requirement: Chapter VI of EIOPA's Regulation sets down the rules on the budget, its establishment and control. Article 65 requires the Authority to comply with the Financial Regulation. To comply with the Financial Regulation and EIOPA's Founding Regulation, EIOPA must implement and control the budget adopted by the Board of Supervisors. This includes the establishment of provisional and final accounts by the Accounting Officer and the opinion of the Management Board on the final accounts.

Strategically aligned: this activity encompasses a number of key tasks that ensures effective, efficient and compliant management of the finances allocated to EIOPA. Furthermore, through this activity, the required finance and procurement products contribute to the provision of professional services.

Planning priority for 2018: reliable, efficient and compliant processes – EIOPA will enhance the efficiency and oversight of its processes in the domain of finance and procurement through the implementation of e-solutions and digitalisation of workflows.

Resources	8 FTE
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Evolution (Shrinking): EIOPA continues to identify efficiencies in how it delivers its administrative activities and expects the allocation of resources to reduce for this specific activity. If however, a decision is taken that EIOPA will moved to a new funding mechanism, additional human and financial resources will be required to devise the approach, procure supporting tools and be trained in the new processes.

Products	Due Date
<ul style="list-style-type: none"> Preparation for new funding model for EIOPA, including preparation of mechanisms for collecting fees 	Dependent on decision on funding mechanism
<ul style="list-style-type: none"> E-Finance 	continuous
<ul style="list-style-type: none"> EIOPA Draft estimate of revenues and expenditures 2019 	Q1
<ul style="list-style-type: none"> EIOPA Procurement Plan 2019 	Q3
<ul style="list-style-type: none"> EIOPA Annual accounts 	Q2
<ul style="list-style-type: none"> Regular budget, finance and procurement reports (internally, MB, BoS and European Commission) 	Continuous
<ul style="list-style-type: none"> Publication of annual contract lists on EIOPA's website 	Q2

Services	Frequency
<ul style="list-style-type: none"> Budget planning, implementation and reporting services 	Continuous
<ul style="list-style-type: none"> Management and coordination of processing of commitments, invoices, reimbursement requests and recovery orders 	Continuous
<ul style="list-style-type: none"> Management and coordination of procurement services 	Continuous
<ul style="list-style-type: none"> Management of EIOPA accounts 	Continuous
<ul style="list-style-type: none"> VAT recovery management 	Continuous
<ul style="list-style-type: none"> Administration of EIOPA's finance systems 	Continuous
<ul style="list-style-type: none"> Delivery of procurement, ABAC, expenditure-life cycle and other finance related trainings 	Continuous
<ul style="list-style-type: none"> Travel management 	Continuous

Human resources

Operational Objective: effective recruitment, management and development of EIOPA human capital.

Medium Priority

Legal requirement: EIOPA, being a European Union Authority, must comply with EIOPA's founding regulations, European Staff Regulations and EIOPA's Human Resources Implementing Rules. These pieces of regulation clearly define the good governance of human resources and provide transparency and equal treatment on their application.

Strategically aligned: by performing the human resources related activities like recruitment, staff development, compensation and staff relations, the Authority will also strive to retain the necessary competencies in house and maintain an engaged and well performing staff.

Planning priority for 2018:

- **Reliable, efficient and compliant processes** – through the implementation of the IT system, SYSPER or further develop the existing system Allegro, EIOPA will enhance the efficiency of its human resources related processes with greater integration of processes and employee self-service.
- **Reinforce legal, supervisory and technical expertise** – the final elements of EIOPA's competency framework will be implemented in 2018, building on the core skills and knowledge of staff with stronger links to staff performance management and training and development.

Resources	7.5 FTE	Evolution (Growing): to support efforts to reinforce legal, supervisory and technical expertise, this activity will benefit from a marginal increase in staff.
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Products	Due Date
• Competency framework final deliverables – performance management, relevant processes and training and development plans	Q4
• HR implementing rules, policies and procedures	Q4
• Implementation of SYSPER, the new electronic HR management system, or further develop Allegro	Q4
• HR report (recruitment, absences, Teleworking, flexitime, training)	Q1, Q2, Q3, Q4

Services	Frequency
• HR strategic and operational planning, monitoring and reporting services	Continuous
• Recruitment services	Continuous
• Training & Development for EIOPA staff	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 related finance and budget management, monitoring and implementation	Continuous
• HR Administration	Continuous

Adequate, safe and secure work environment

Operational Objective: provide EIOPA staff and stakeholders with a safe and secure work environment equipped with the resources required to undertake their tasks.

Medium Priority

Legal requirement: NA

Strategically aligned: effective and efficient internal functioning is dependent on staff having the support services and modern office space delivered through this activity.

Planning priority for 2018: NA

Resources	4 FTE
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Evolution (Shrinking): While EIOPA will substantially invest in 2018 in the strengthening of security (physical, personnel and IT), and as EIOPA continues to seek out efficiencies, it will reduce the number of staff allocated to this work.

Products	Due Date
<ul style="list-style-type: none">• Report on Building Policy (Article 87 of EIOPA Financial Regulation)	Q2
<ul style="list-style-type: none">• Further implement additional security arrangements	Continuous
<ul style="list-style-type: none">• Further implementation of open office space	Q4
<ul style="list-style-type: none">• Further improvements to the IT workplace	Q4

Services	Frequency
<ul style="list-style-type: none">• IT Workplace and helpdesk services	Continuous
<ul style="list-style-type: none">• Functioning administrative business solutions	Continuous
<ul style="list-style-type: none">• Physical and information security management	Continuous
<ul style="list-style-type: none">• Facility management	Continuous
<ul style="list-style-type: none">• Office management and reception	Continuous
<ul style="list-style-type: none">• Meeting support	Continuous

Communications and stakeholder engagement

Operational Objective: achieving EIOPA's strategic objectives by managing the complexity of communication in the current economic and financial environment marked by high industries challenges and national heterogeneity, raising awareness and enhancing the knowledge of EIOPA's role, functions, policies and actions amongst EIOPA's stakeholders including the public at large strengthening the confidence in EIOPA's ability to comply with its mandate, safeguarding and enhancing EIOPA's reputation, and building multipliers amongst stakeholders.

Medium Priority

Legal requirement: N/A

Strategically aligned: Implementing EIOPA's communications strategy, developing and implementing external and internal communication plans based on EIOPA's strategic objectives, implementing communication policies and procedures, translating complex content into understandable language, addressing stakeholders with a tailored message, via respective means and products as well as relevant channels, supporting staff motivation and commitment, regularly evaluating of communication activities and deliverables.

Planning priority for 2018: Supporting with the tailored communication means and deliverables the achievement of EIOPA's 2018 strategic objectives such as strengthening the protection of consumers, improving the functioning of the European Union internal market in the field of insurance and pensions, strengthening the financial stability of the insurance and occupational pensions sector and supporting an effective and efficient internal functioning of the organisation.

Resources	6.25 FTE	Evolution (Growing): to reflect the growing need to strengthen awareness of EIOPA and its work, there will be an increase in staff allocated to this task.
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Products	Due Date
• Finalisation and final launch of the redesigned EIOPA's Website	Q4 2018
• Finalisation of analysis phase of the redesigned EIOPA's Intranet	Q4 2018
• Full implementation of EIOPA's media monitoring and media analysis tool	Q4 2018

Services	Frequency
• External communication activities (including management of the Website content)	Continuous
• Media relations and activities, such as interviews, contributions, press conferences, press releases, background talks, media enquiries, etc.	Continuous
• Speaking engagements – management, coordination and evaluation	Continuous
• Public enquiries – management, coordination and evaluation	Continuous
• Visits/meetings with external stakeholders – management, coordination and evaluation including quarterly public reporting	Continuous
• Drafting external communications, such as press releases, web alerts, speeches, presentations, speaking notes, briefings, lines to take, etc.	Continuous
• Editing key communications	Continuous
• Internal communication activities (including management of Intranet content and staff newsletter, communication support in change management)	Continuous
• Communication Network with NCAs in the European Union, ESAs and Communication Network of the European Agencies and of international authorities	Continuous
• Strategic and executive communication	Continuous
• Crisis communication	Continuous
• Corporate branding (visual identity, corporate templates)	Continuous
• Multi-media communication, such as Twitter, Facebook, photos, film, etc.	Continuous
• Media monitoring and analysis	Continuous
• Functioning Intranet	Continuous
• Functioning Public Website	Continuous

Annexes

Annex I: EIOPA Strategic Objectives and Strategic Action Areas 2017-2019

Strategic Objective 1: to strengthen the protection of consumers		
Strat Action Area 1.1: develop and strengthen the regulatory framework for the benefit of protection of consumers	Strat Action Area 1.2: develop and strengthen a comprehensive risk-based and preventive framework for conduct of business supervision that serves as basis for appropriate supervisory action	
Strategic Objective 2: to improve the functioning of the EU internal market in the field of pensions and insurance		
Strat Action Area 2.1: leading the development of a sound and prudent regulatory framework	Strat Action Area 2.2: to maintain and develop a common supervisory reporting and data framework	Strat Action Area 2.3: leading in convergence to consistent and high-quality supervision
Strategic Objective 3: to strengthen the financial stability of the insurance and occupational pensions sectors		
Strat Action Area 3: identify, assess, monitor, report and mitigate risks and threats to the financial stability of the European insurance and pensions sectors		
Strategic Objective 4: EIOPA to be a responsible, competent and professional organisation		
Strat Action Area 4: effective and efficient internal functioning built upon strong culture, proper governance and skilled and committed people		

Annex II: Resource Allocation per Activity (2018)

Activity	FTE	Title I	Title II	Title III	Total Costs
Cross cutting theme: InsurTech	2.00	€202,162.79	€36,086.83	€4,855.00	€243,104.62
Develop and strengthen the regulatory framework for the benefit of protection of consumers	8.75	€884,462.21	€157,879.86	€20,808.00	€1,063,150.07
Develop and strengthen a comprehensive risk-based and preventive framework for conduct of business supervision that serves as basis for appropriate supervisory action	6.00	€606,488.37	€108,260.48	€14,566.00	€729,314.85
Leading the development of a sound and prudent regulatory framework ²⁵	26.75	€2,703,927.33	€482,661.29	€199,736.00	€3,386,324.62
To maintain and develop a common supervisory reporting and data framework	32.75	€3,310,415.70	€590,921.77	€2,978,448.00	€6,879,785.47
Leading in convergence to consistent and high-quality supervision	40.50	€4,093,796.51	€730,758.22	€607,423.00	€5,431,977.73
Identify, assess, monitor, report and mitigate risks and threats to the financial stability of the European insurance and pensions sectors	19.50	€1,971,087.21	€351,846.55	€75,249.00	€2,398,182.76
Effective and efficient internal functioning built upon strong culture, proper governance and skilled and committed people	35.75	€3,613,659.88	€645,052.00	€816,456	€5,075,167.89
Total	172²⁶	€17,386,000	€3,103,467	€4,717,541	€25,207,008.00

In 2018, activity areas are defined in terms of strategic action areas. The above table indicates how human and financial resources have been allocated across those activities.

²⁵ Including Joint Committee

²⁶ The figure of 172 represents the upper limit for staff planned at EIOPA in 2018. However, with the high level of expected staff turnover and the expected difficulty in recruiting experienced staff and SNEs with the required skillset this limit is unlikely to be reached.

Annex III: Financial Resources (206-2020)

Table 1: Expenditure

Expenditure	2016	2017	2018	2019	2020
	Commitment/ payment appropriations executed	Commitment/ payment appropriations	Commitment/ payment appropriations	Commitment/ payment appropriations	Commitment/ payment appropriations
Title I	13,786,938.61	15,872,446.67	17,386,000	22,190,000	23,745,500
Title II	3,742,455.14	3,352,666.00	3,103,467	3,742,717	3,612,000
Title III	4,233,106.25	4,774,143.38	4,717,541	5,447,000	6,490,979
Total expenditure	21,762,500.00	23,999,256.05	25,207,008	31,379,717	33,848,479

EXPENDITURE	Commitment appropriations							
	Executed Budget 2015	Executed Budget 2016	Adopted Budget 2017 ²⁷	Executed Budget 2017 ²⁷	Adopted Budget 2018	Variance 2018 to 2017 adopted budget	Draft Budget 2019	Draft Budget 2020
Title I - Staff Expenditure	12,111,097	13,750,028.71	15,872,447	15,438,886.12	17,386,000	9.54%	22,190,000	23,745,500
11 Salaries & allowances	10,853,586	12,605,754.79	14,595,167	13,862,928.95	16,350,000	12.02%	20,822,000	22,452,000
<i>- of which establishment plan posts</i>	<i>8,436,722.58</i>	<i>10,192,643.64</i>	<i>11,716,667</i>	<i>11,065,801.34</i>	<i>13,402,000</i>	<i>14.38%</i>	<i>17,194,000</i>	<i>18,512,000</i>
<i>- of which external personnel</i>	<i>2,416,863.96</i>	<i>2,413,111.15</i>	<i>2,878,500</i>	<i>2,797,127.61</i>	<i>2,948,000</i>	<i>2.41%</i>	<i>3,628,000</i>	<i>3,940,000</i>
12 Expenditure relating to Staff recruitment	264,579.96	378,708.59	262,000	216,551.83	228,000	-12.98%	484,000	380,000
13 Mission expenses	82,220	129,000.00	115,000	81,615.79	115,000	0.00%	125,000	125,000
14 Socio-medical infrastructure	164,173.60	152,744.00	245,000	191,089.21	189,000	-22.86%	211,000	231,000
15 Training	209,391.51	171,674.93	220,530	170,748.80	198,000	-10.22%	238,000	247,000
16 External Services	535,238.32	304,149.00	428,000	913,978.14	300,000	-29.91%	304,000	304,000
17 Receptions and events	1,908.31	7,997.40	6,750	1,973.40	6,000	-11.11%	6,000	6,500
Title II - Infrastructure and operating expenditure	2,992,630.95	3,739,641.79	3,352,666	3,624,939.28	3,103,467	-7.43%	3,742,717	3,612,000
20 Rental of buildings and associated costs	1,879,500.13	2,321,364.98	2,369,181	2,357,196.06	2,381,858	0.11%	2,743,717	2,713,000
21 Information and	362,386.95	730,679.75	385,725	687,780.37	310,000	-17.49%	310,000	310,000

²⁷ Figures rounded

EXPENDITURE	Commitment appropriations							
	Executed Budget 2015	Executed Budget 2016	Adopted Budget 2017 ²⁷	Executed Budget 2017 ²⁷	Adopted Budget 2018	Variance 2018 to 2017 adopted budget	Draft Budget 2019	Draft Budget 2020
communication technology								
22 Movable property and associated costs	228,250.68	21,662.00	30,000	105,915.65	22,499	-25.00%	200,000	110,000
23 Current administrative expenditure	84,064.97	133,723.26	163,260	91,406.50	117,000	-28.34%	174,000	174,000
24 Postage / Telecommunications	151,798.07	255,479.38	131,800	145,321.05	182,110	38.17%	215,000	205,000
25 Meeting expenses	195,966.55	143,785.55	212,500	184,780.10	30,000	-85.88%	40,000	40,000
26 Running costs in connection with operational activities	0	0.00	0	0.00	0	N/A	0	0
27 Information and publishing	90,663.60	132,946.87	60,200	52,539.55	60,000	-0.33%	60,000	60,000
28 Studies	0	0.00	0	0.00	0	N/A	0	0
Title III - Operational Expenditure	5,101,899.50	4,203,639.69	4,774,143	4,886,140.65	4,717,541	-1.19%	5,447,000	6,490,979
31 Common Supervisory Culture and International Relations	149,374.28	150,184.65	130,000	120,977.50	200,000	53.85%	140,000	145,000
32 Operational Information and Data Management	4,246,404.39	3,263,929.65	3,771,381	3,908,695.54	3,515,541	-6.78%	3,782,000	4,810,979

EXPENDITURE	Commitment appropriations							
	Executed Budget 2015	Executed Budget 2016	Adopted Budget 2017 ²⁷	Executed Budget 2017 ²⁷	Adopted Budget 2018	Variance 2018 to 2017 adopted budget	Draft Budget 2019	Draft Budget 2020
33 General Operational Expenses	706,120.83	789,525.39	872,763	856,467.61	1,002,000	14.81%	1,525,000	1,535,000
TOTAL EXPENDITURE	20,205,627.69	21,693,310.19	23,999,256	23,949,966.05	25,207,008	5.03%	31,379,717	33,848,479

Table 2: Revenue

Revenues ²⁸	2016	2017	2018	2019 ^{21,23}	2020 ^{22,23}
	Adopted Budget	Adopted Budget	Adopted Budget	Budget Request	Budget Request
EU contribution	8,461,389	8,946,404	9,365,000	13,938,264 ²⁹	15,825,000 ³⁰
Other revenue	13,301,111	15,052,852	15,842,008	17,441,453 ³¹	18,023,479 ³²
Total revenues	21,762,500	23,999,256	25,207,008	31,379,717	33,848,479

²⁸ The amounts are rounded

²⁹ This amount includes the **pre-financing amount of 3,759,700 € of the EC for the ESAs review and 400,000€ of the EC part for PEPP**

³⁰ This amount includes the **pre-financing amount of 5,356,000€ of the EC for the ESAs review and 440,000€ of the EC part for PEPP**

³¹ This amount includes the additional funds for PEPP and additional pensions contributions to be covered by the MS and EFTA for 987,040€

³² This amount includes the additional funds for PEPP and additional pensions contributions to be covered by the MS and EFTA for 1,112,744€

Revenues	2015	2016	2017	2018	VAR 2017 /2018	2019		2020	
	Executed Budget	Executed Budget	Executed Budget	Adopted Budget		Budget Request	COM Proposal MFF	Budget Request	COM Proposal MFF
1. Revenue from fees and charges	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
2. EU contribution	8,206,206	8,461,389	8,946,404	9,365,000	7.20%	13,938,264 ³³	9,734,000	15,825,000 ³⁴	9,929,000
<i>of which assigned revenues deriving from previous years' surpluses</i>	227,055	339,389	210,103	107,253	-48.95%	<i>not known before beginning of January 2018</i>	<i>not known before beginning of January 2018</i>	<i>not known before beginning of January 2019</i>	<i>not known before beginning of January 2019</i>
3. Third countries contribution (incl. EFTA and candidate countries)	330,462	367,428	415,583	434,855	4.64%	481,673 ³⁵	452,514	497,747 ³⁵	462,754
<i>of which EFTA</i>	330,462	367,428	415,583	434,855	4.64%	481,673 ³⁵	452,514	497,747 ³⁵	462,754
<i>of which candidate countries</i>	0	0	0	0	N/A	0	0	0	0

³³ This amount includes the **pre-financing of 3,759,700€ of the EC for the ESAs review** and the **40% of the EC part for PEPP**

³⁴ This amount includes the **pre-financing of 5,356,000€ of the EC for the ESAs review** and the **40% of the EC part for PEPP**

³⁵ This includes additional funds required - **60% of the MS part for PEPP** and the PEPP and ESAs related pensions contributions

4. Other contributions (member states contributions 60% and pensions contributions)	11,972,940	12,933,683	14,637,269	15,307,153	4.58%	16,959,780 ³⁵	15,933,155	17,525,732 ³⁵	16,293,721
<i>of which delegation agreement, ad hoc grants</i>									
5. Administrative operations	60,720								
6. Revenues from services rendered against payment				100,000					
7. Correction of budgetary imbalances									
Total revenues	20,570,328	21,762,500	23,999,256	25,207,008	4.62%	31,379,717	26,119,668	33,848,479	26,685,475

Annex IV: Budget outturn and cancellation of appropriations (2012-2016)³⁶

Calculation budget outturn

Budget outturn	2012	2013	2014	2015	2016
Revenue actually received (+)	14,328,083.29	18,009,954.54	21,592,768.12	20,570,328.35	21,801,776.64
Payments made (-)	-10,521,469.47	-12,928,454.50	-15,992,265.48	-16,935,296.33	-19,375,474.25
Carry-over of appropriations (-)	-3,667,063.19	-5,227,167.99	-5,613,560.03	-3,294,150.70	-2,345,562.88
Cancellation of appropriations carried over (+)	140,664.08	374,437.82	356,514.50	181,142.60	178,788.47
Adjustment for carry over of assigned revenue appropriations from previous year (+)	0.00	0.00	0.00	9,722.10	17,473.76
Exchange rate differences (+/-)	-3,283.78	-1,714.42	-4,067.86	-5,527.86	-8,867.06
Adjustment for negative balance from previous year (-)	0.00	0.00	0.00	0.00	0.00
Total	276,930.93	227,055.45	339,389.25	526,218.16	268,134.68

³⁶ Will be updated when final data available

Annex V: Human Resources – Quantitative (2015-2020)

Establishment plan evolution 2015-2020

Category and grade	Establishment plan in EU Budget 2016		Modifications in 2016 in application of flexibility rule ³⁷		Establishment plan in voted EU Budget 2017		Modifications envisaged in establishment plan 2017 in application of flexibility rule ³⁸		Establishment plan in Draft EU Budget 2018		Establishment plan 2019 ³⁹		Proposed Establishment Plan 2020 ⁴⁰	
	officials	TA	officials	TA	officials	TA	officials	TA	officials	TA	officials	TA	officials	TA
AD 16		1				1				1		1		1
AD 15		1				1				1		1		1
AD 14		1				1				1		2		4
AD 13		3				3				4		5		6
AD 12		6				8				11		11		13
AD 11		9				10				14		17		18
AD 10		9		+1		10		+1		13		17		18
AD 9		10				12				15		17		22
AD 8		11				12				14		19		21

³⁷ In line with Article 32 (1) of the framework Financial Regulation, the management board may modify, under certain conditions, the establishment plan by in principle up to 10% of posts authorised, unless the financial rules of the body concerned allows for a different % rate.

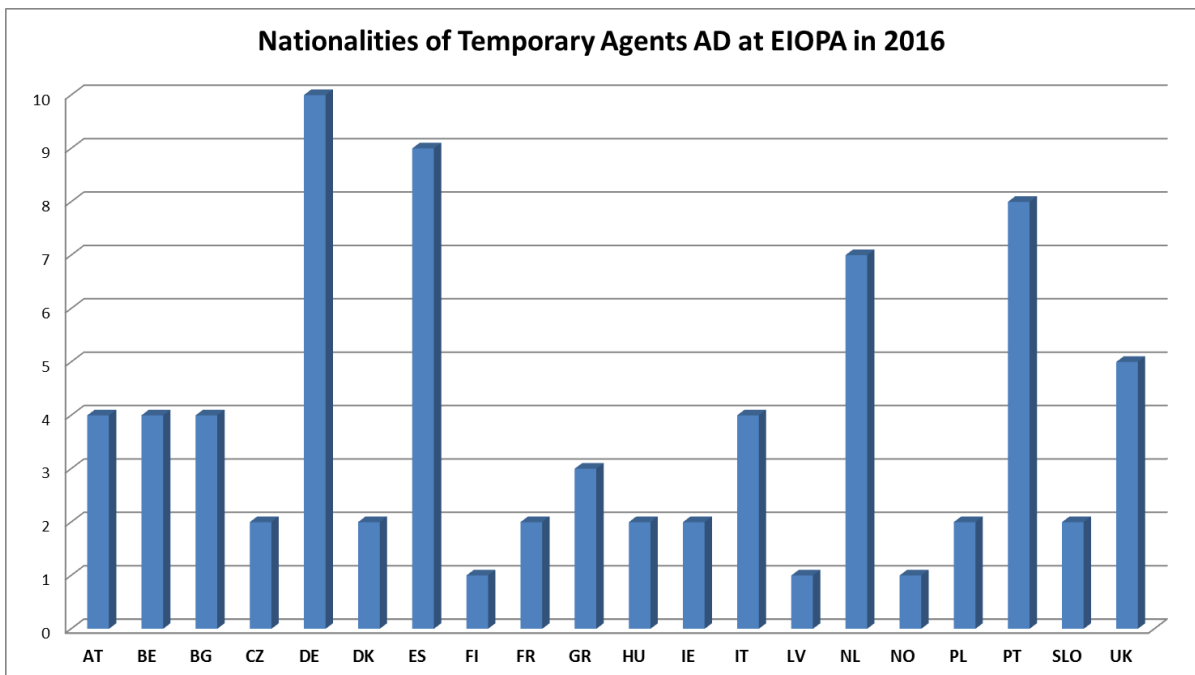
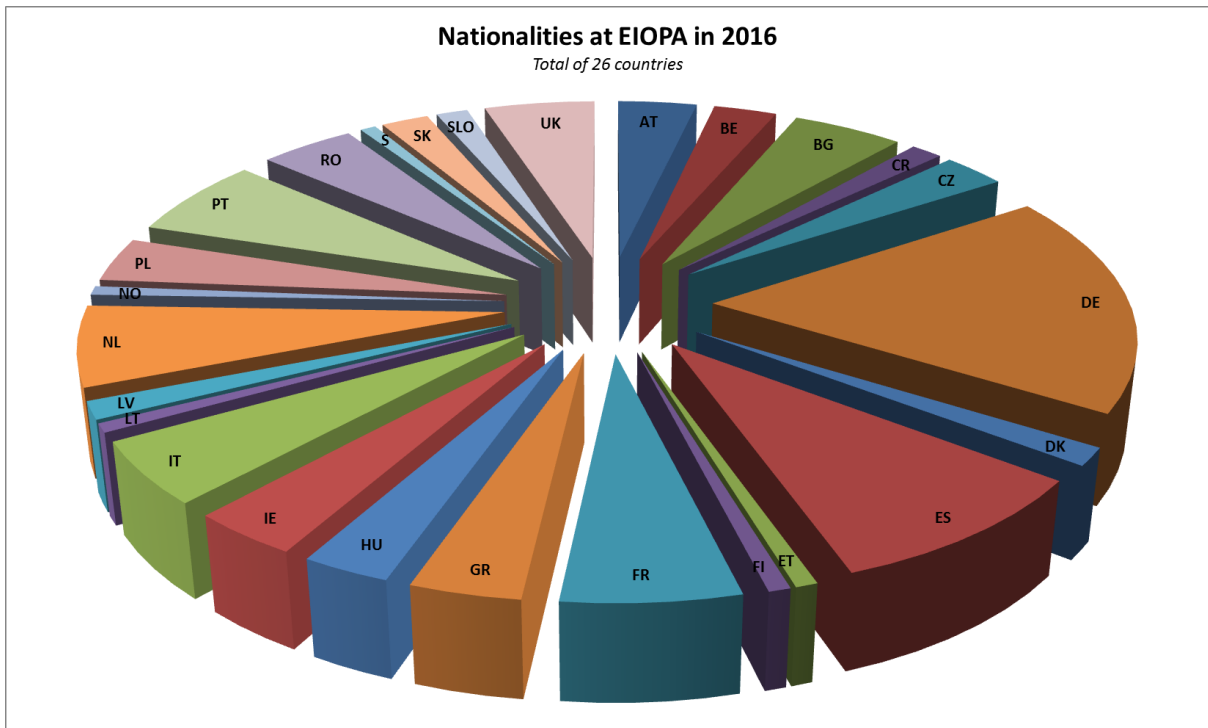
³⁸ *Ibid.*

³⁹ Figures include additional FTEs from ESAs' review and PEPP.

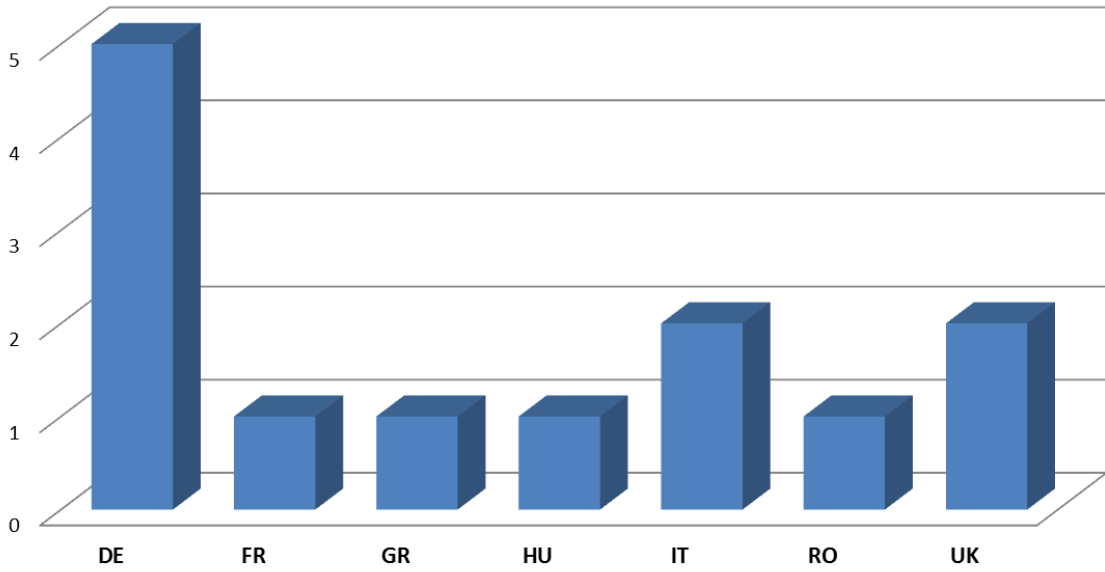
⁴⁰ *Ibid.*

Category and grade	Establishment plan in EU Budget 2016		Modifications in 2016 in application of flexibility rule ³⁷		Establishment plan in voted EU Budget 2017		Modifications envisaged in establishment plan 2017 in application of flexibility rule ³⁸		Establishment plan in Draft EU Budget 2018		Establishment plan 2019 ³⁹		Proposed Establishment Plan 2020 ⁴⁰	
	officials	TA	officials	TA	officials	TA	officials	TA	officials	TA	officials	TA	officials	TA
AD 7		12				12				11		13		14
AD 6		10				11				9		8		6
AD 5		5				4				2		2		0
Total AD		78		+1		85		+1		96		113		124
AST 11		0				0				0		0		1
AST 10		1		-1		1		-1		1		1		1
AST 9		1				1				1		1		2
AST 8		2				2				3		3		3
AST 7		2				3				3		3		3
AST 6		3				3				3		3		3
AST 5		2				3				3		3		2
AST 4		2				2				2		1		0
AST 3		2				1				0		0		0
AST 2		0				0				0		0		0
AST 1		0				0				0		0		0
Total AST		15		-1		16		-1		16		15		15

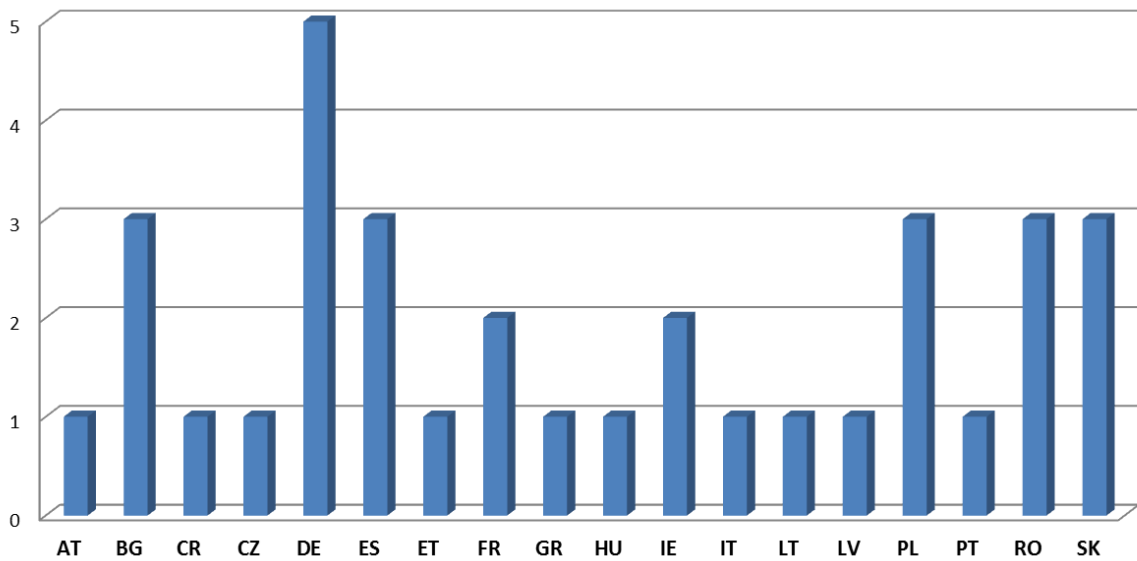
Category and grade	Establishment plan in EU Budget 2016		Modifications in 2016 in application of flexibility rule ³⁷		Establishment plan in voted EU Budget 2017		Modifications envisaged in establishment plan 2017 in application of flexibility rule ³⁸		Establishment plan in Draft EU Budget 2018		Establishment plan 2019 ³⁹		Proposed Establishment Plan 2020 ⁴⁰	
	officials	TA	officials	TA	officials	TA	officials	TA	officials	TA	officials	TA	officials	TA
AST/SC 6		0		0		0		0		0		0		0
AST/SC5		0		0		0		0		0		0		0
AST/SC4		0		0		0		0		0		0		0
AST/SC3		0		0		0		0		0		0		0
AST/SC2		0		0		0		0		0		0		0
AST/SC1		0		0		0		0		0		0		0
Total AST/SC		0		0		0		0		0		0		0
TOTAL		93				101				112		128		139



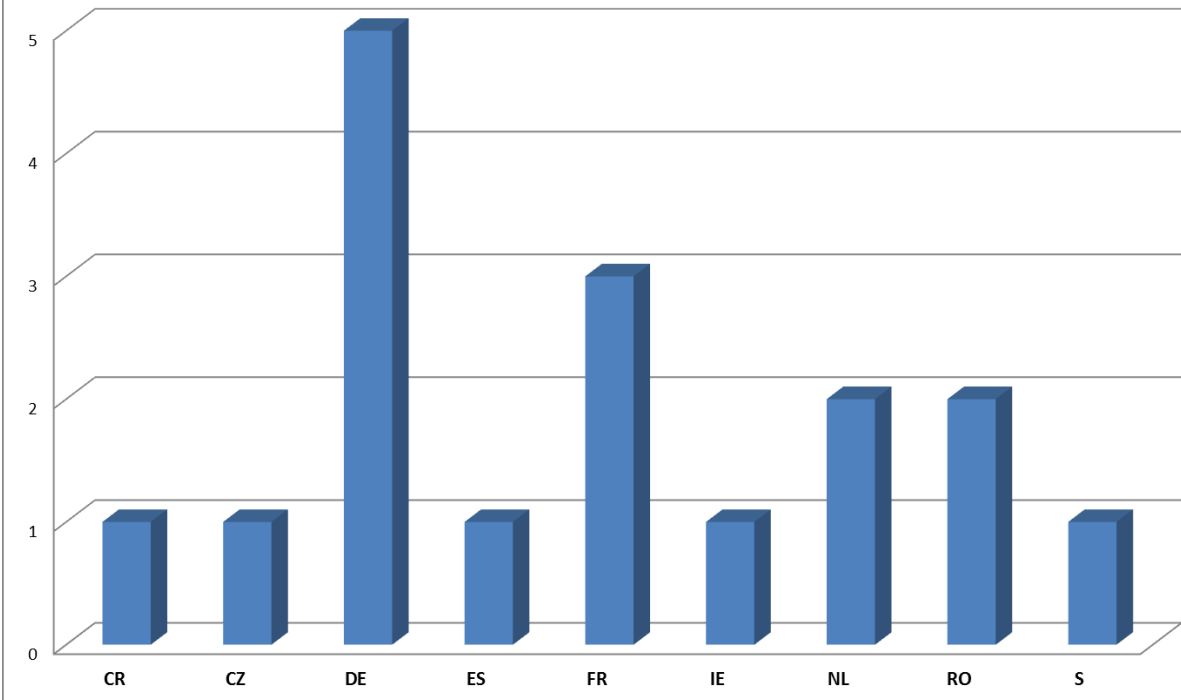
Nationalities of Temporary Agents AST at EIOPA in 2016



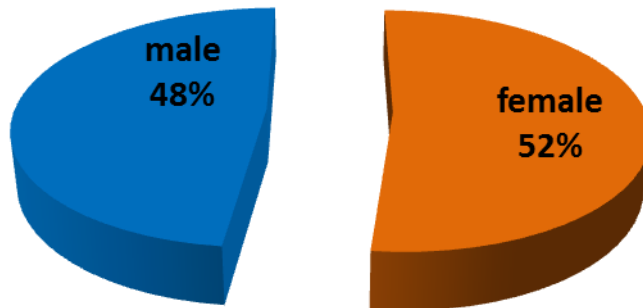
Nationalities of Contract Agents at EIOPA in 2016



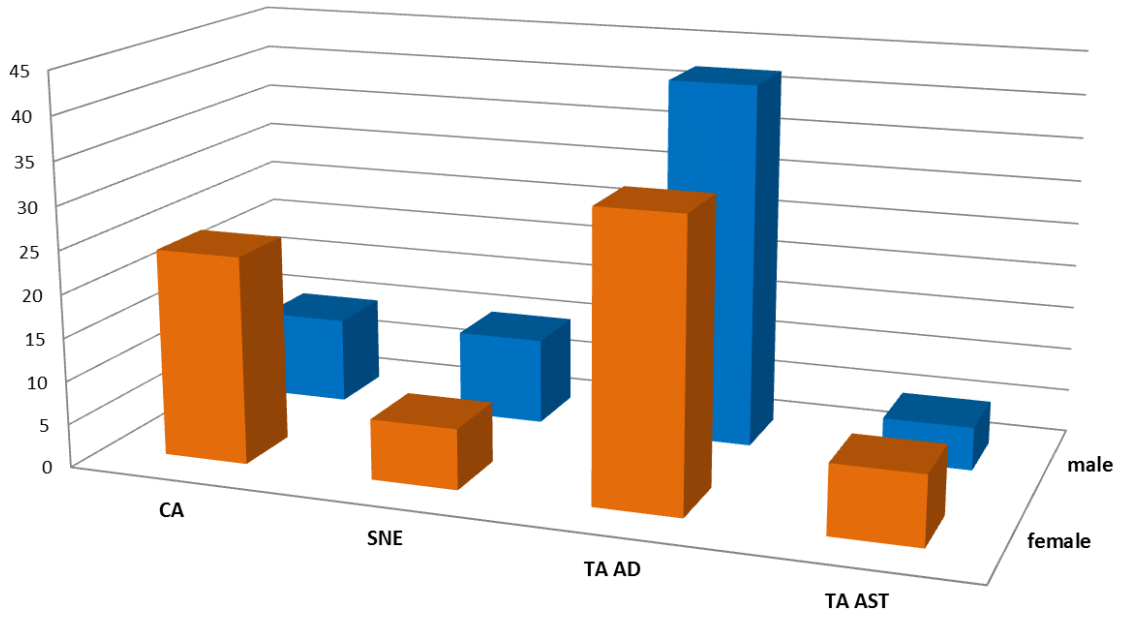
Nationalities of Seconded National Experts at EIOPA in 2016



Gender Distribution at EIOPA in 2016



Type of Contract per gender at EIOPA 2016



Annex VI: Human Resources – Qualitative

1. Recruitment policy

As already explained in previous MSPPs, EIOPA's recruitment policy does not distinguish between different categories or types of contracts. EIOPA strives for efficiency and equal treatment, thus the recruitment process is similar for TA, CA and SNE. EIOPA focuses on ensuring a timely process with an average 3-4 weeks between the deadline for application and the recommendation of the selection committee to the Appointing Authority. During the start-up phase there was no particular entry grade per function, as the priority was to recruit experienced people in the different fields.

EIOPA's selection procedure is based on its HR Implementing Rules, adopted by the Commission under Article 110. This means that based on the Establishment Plan the positions have been allocated to the different units according to the work programme.

All recruitment campaigns are externally published via our website as well as via EPSO. Each vacancy notice clearly specifies the essential requirements to be able to perform the main responsibilities of the job description, as well as the desirable skills which would provide added value to the performance. Behavioural competencies have also been specified. There are three behavioural competencies which are equally requested to all staff members working at EIOPA, whether in a management, assistant or administrator position. These competencies are team work, flexibility and continuous learning. The other behavioural competences are specific to the job and described in the vacancy notice.

The selection committee makes an assessment of the candidates to be invited for interview. For cost/efficiency purposes EIOPA has decided, as a general rule to invite three candidates per position. This implies that if there are more than three candidates that fulfil all the requirements, there will be a pre-screening phone interview with those candidates. The average has been to invite between five and seven candidates for pre-screening phone interviews. In terms of reserve lists EIOPA has had between zero and two candidates. The candidates shortlisted for panel interview are requested to have a written test, and if required for the position, to prepare a presentation.

Given EIOPA's mandate and tasks, and the fact that EIOPA is competing with the private financial sector for attracting the right level of resources, higher grades have to be used in order to recruit very specialised staff with long-term experience, as well as some SNEs at that high level. Lower grades have been used for less specialised profiles and for corporate support. CAs recruitment has been done for some corporate support profiles. All contracts, TAs and CAs, are currently issued for a three-year period with possibility of renewal, if specified in the vacancy notice. SNEs have been engaged for an initial period of two years.

EIOPA has the following profiles:

- a) Management: Chair, Executive Director, Head of Department and Head of Unit;

b) Financial Services: Policy/Regulation, Supervisory, Financial Stability and Information;

c) Corporate Support: Finance and Procurement, Assistant, IT, Communications and HR; and

d) Legal.

2. Appraisal of performance and promotion/reclassification.

EIOPA follows the HR Implementing Rules on Appraisal of staff as per revised Staff Regulations. All staff members are benefitting from feedback and development in the form of an appraisal, irrespective of the type of contract with EIOPA, including SNEs. In addition to this, and after their successful completion of the probationary period, we have introduced coaching to all staff as a development tool and optimisation of performance. The coaching is provided by HR.

In 2016 we have conducted the reclassification exercise of TAs in line with the relevant HRIR, adopted by analogy, and the reclassification exercise of CAs.

3. Reclassification of temporary staff/promotion of officials

Category and grade	Staff in activity at 1.01.2015		How many staff members were promoted / reclassified in 2016		Average number of years in grade of reclassified/promoted staff members
	officials	TA	officials	TA	
AD 16	n/a	0	n/a		
AD 15	n/a	1	n/a		
AD 14	n/a	1	n/a		
AD 13	n/a	3	n/a		
AD 12	n/a	5	n/a		
AD 11	n/a	7	n/a		
AD 10	n/a	8	n/a	1	5
AD 9	n/a	9	n/a	1	3
AD 8	n/a	11	n/a	1	3
AD 7	n/a	12	n/a	1	5
AD 6	n/a	9	n/a	2	2,5
AD 5	n/a	10	n/a		
Total AD	n/a	76	n/a	6	
AST 11	n/a	0	n/a		
AST 10	n/a	0	n/a		

Category and grade	Staff in activity at 1.01.2015		How many staff were promoted / reclassified in 2016		Average number of years in grade of reclassified/promoted staff members
	officials	TA	officials	TA	
AST 9	n/a	1	n/a		
AST 8	n/a	1	n/a		
AST 7	n/a	1	n/a		
AST 6	n/a	4	n/a		
AST 5	n/a	2	n/a		
AST 4	n/a	3	n/a		
AST 3	n/a	2	n/a		
AST 2	n/a	0	n/a		
AST 1	n/a	0	n/a		
Total AST	n/a	14	n/a	0	
AST/SC6	n/a	n/a	n/a		
AST/SC5	n/a	n/a	n/a		
AST/SC4	n/a	n/a	n/a		
AST/SC3	n/a	n/a	n/a		
AST/SC2	n/a	n/a	n/a		
AST/SC1	n/a	n/a	n/a		
Total AST/SC	n/a	n/a	n/a		
Total		90		6	

4. Reclassification of contract staff

Function Group	Grade	Staff in activity at 1.01.2015	How many staff members were reclassified in 2016	Average number of years in grade of reclassified staff members
CA IV	18			
	17			
	16	2		
	15			
	14	4	2	2

Function Group	Grade	Staff in activity at 1.01.2015	How many staff members were reclassified in 2016	Average number of years in grade of reclassified staff members
	13	3	1	3
CA III	12			
	11			
	10	1		
	9	2	1	2
	8	2		
CA II	7			
	6			
	5	14	5	2,5
	4	4	1	2
CA I	3			
	2			
	1			
Total		33	10	

5. Mobility policy

Internal mobility: 8 colleagues moved within EIOPA outside the re-organisation that took place on 1 November 2016.

6. Gender and geographical balance

Equal opportunities are mainly done through the recruitment procedure and access to training. We also strive for gender balance in our selection committees. We currently have a female population of 52% versus 48% male population. This changed by 1% towards balance as from previous years.

EIOPA currently have 26 nationalities amongst our 139 staff. Germans represent 18% of the staff population in line with the fact that EIOPA's headquarters is in Frankfurt (DE). In relation to 2015, the percentage of German colleagues has decreased by 1%; thus, reducing the so-called "site effect".

7. Schooling

EIOPA's staff members have access to the European School in Frankfurt for their children.

Annex VII: Building Policy

Current building(s)

	Name, location and type of building	Other Comment
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 occupies per 1 January 2017, 5 floors (2nd, 25th, 26th, 27th, 28th). 4,256 square metre: office space 50 square metre: basement and parking space	
Annual rent (in EUR)	1,628,932.01 € consumed in 2017	
Type and duration of rental contract	Every building unit (namely the half floors of 25th, 26th and 27th floor and the whole floors 2nd and 28th floors) has a 10-years contract. The contract defines the price per square meter, which is subject to indexation. The contract allows to gradually extend the office space in line with the actual growth of the Authority and real needs for office space. The occupation of the 28th floor in 2014 was the final office extension and provides room for accommodating the increased number of in-house working meetings, for the implementation of an open space policy on the 2nd floor and for the fulfilment of the necessary security requirements.	
Host country grant or support	N/A	
Present value of the building	N/A	

EIOPA's contract with GGM Mann Management foresees a dedicated 10-year contract for every half floor which is set up in the following way: first 10 months lease free; following 26 months at a reduced rate of 75%; remaining 7 years at full lease rate. The rental fee for every floor as governed by the contract is € 29/month/m² (subject to indexation in line with the German consumer price

index), which results in an average expenditure of € 25.01/month/m² over a full 10-year period. An Early Termination Clause has been established in the contract.

EIOPA's office space was gradually expanded over time to accommodate for the growing staff numbers. In order to avoid periods during which unused offices would be rented, it was agreed with the landlord that office space could be added in half-floor steps and that the remaining halves could be put on hold until the actual need arose. EIOPA does not plan further expansion of office space in the near future; an open space policy has been implemented on the 2nd floor in 2016 to accommodate new recruits and consultants, and it is planned to be rolled out for another office floor as from Q4 2017.

Building projects in planning phase

In 2018, EIOPA will launch a tender procedure with the objective to conduct a market study in preparation of procuring its future rental contract.

Building projects submitted to the European Parliament and the Council

No new project submitted to the European Parliament and the Council – information on building policy was provided on 1 July 2017 according to Article 87 of the EIOPA Financial Regulation.

Annex 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 Headquarter agreement with Government of the German Federal Republic on 18 October 2011, capturing the privileges granted to staff.

Annex IX: Evaluations

EIOPA is evaluated on a number of levels. As part of the European System of Financial Supervisors, the Authority is periodically subject to a review by the Commission. EIOPA also reports on its performance to the Parliament's Economic and Monetary Affairs Committee where on an annual basis the Chair details the main achievements since the last report.

Internally, EIOPA has developed its own framework for performance monitoring and evaluation. This framework exists across strategic, operational and individual performance levels, with each level cascading down to the next. At the top level EIOPA maintains Key Performance Indicators (KPIs) for judging progress against the objectives of its strategy. These are monitored and reported on internally and to EIOPA's Board of Supervisors after the second quarter of each year and to all stakeholders in the Consolidated Annual Activity Report in the following year.

Each year the Authority also establishes an Annual Implementation Plan that allows for more regular monitoring of delivery of the products and services described in the Annual Work Programme. Throughout the year progress is evaluated in terms of the described deadlines and milestones and reported to EIOPA's Board of Supervisors at the mid-year point and provides the basis for reporting successful completion of the Annual Work Programme in the Consolidated Annual Activity Report. Each product or service is assigned a 'red' (failure), 'amber' (serious risks/issues) or 'green' (successful delivery) status. In every case where a product or services has not delivered as originally planned, a review is undertaken and lessons learnt recorded and incorporated. This for example informs EIOPA's work logging and revising its business processes.

Finally, the objectives, products and services of the Annual Work Programme provide the basis for the objectives of individual staff members. Attainment of individual objectives is assessed based on the results recorded in the Annual Implementation Plan and is reviewed by the relevant team or unit on a bi-annual basis.

Annex X: Risks

Introduction

A risk is defined as 'an uncertain event or set of events that, should it occur, would have an effect on the achievement of (an) objective(s)'.⁴¹ To manage such risks, EIOPA has initiated an approach to systematically identify, assess and then plan and if required, implement responses to potential risk events. Such events can originate from within the Authority or be driven by external forces e.g. changes in priorities and agendas at the political level. The likelihood of an event occurring and the impact of its consequences for an objective should it occur will vary. This variance is discussed in terms of 'risk exposure'. Based on the level of exposure, particularly if the impact would be negative, EIOPA considers steps to prevent the event from happening (if within its power), avoid it or mitigate the negative consequences. Staff at all levels of the authority are asked to consider risks in terms of their work, assess them using a standardised scale and then consider appropriate and proportionate responses, escalating material risks to management when needed.

Corporate Risk Management Process

The aim of the process is to provide management with an overview of the aggregated risks and in particular to allow management to focus on those with a potential material impact on the commitments of the Authority as defined in its Work Programme and wider operations; and offer responses to mitigate and overcome risks as they occur. Such a picture is essential, and will aid management as they oversee implementation of an ambitious Work Programme.

EIOPA's risk management process has been developed in line with the Commission's Internal Control Standard No. 6 'Risk Management Process', which states a yearly assessment of risk is a basic requirement of the annual business planning process.

Risk Overview

There are different ways to classify risks. EIOPA has chosen to focus on six key areas in which risks impact on EIOPA and its work:

- planning, processes and systems;
- people and organisation;
- legal and regulatory aspects;
- external environment;
- communication and information; and
- reputational.

Planning, Processes and Systems: as a consequence of the developing responsibilities and duties imposed on EIOPA by different legislation and

⁴¹ OGC (2007) Management of Risk: Guidance for Practitioners

regulation, new tasks have been incorporated into the Authority's work programme. The allocation of additional budget and staff to EIOPA has not matched these new tasks e.g. those stemming from the Omnibus II Directive. The Risk Free Rate project, Annual Report to Parliament on Long Term Guarantees and EIOPA's role in the Extension of the Recovery Period are highly technical and resource intensive additional tasks and EIOPA is undertaking them without adequate additional resources.

The need to meet additional demands for this unplanned work arising in-year whilst still maintaining quality and timely delivery of planned work presents a major risk. In 2014, 2015 and 2016 a number of planned products had to be dropped, de-scoped or delayed into the following year as a result. To mitigate this risk EIOPA has implemented improvements in its approach to planning and management of work. This includes more accurate resource planning, a change management process for dealing with unplanned demands and re-prioritisation of projects. However, these measures offer little mitigation with such a disparity between new tasks and the lack of new resources and there remains substantial risk in this area with multiple impacts across the Authority and its work.

People and Organisation: for the previous three years EIOPA has not received the requested allocation of staff. This shortfall has been exacerbated with the need to recruit staff from a limited and highly contested pool of technical expertise. The contract and conditions EIOPA can offer, as stipulated by European regulation, is not always comparable with other potential employers.

Key processes and systems have been placed at risk as a result of resource constraints, particularly in specific technical areas such as information technology. Multiple 'key man' situations exist with only one member of staff having the experience/skills to undertake important tasks, which are put at risk if they leave the Authority. Without sufficient staff some important capability and capacity projects have run into delays. This has put at threat the Authority's ability to deliver its role under Solvency II as well as limiting ambition in important areas such as Financial Stability. Improved resource planning and management of additional tasks provides some mitigation, but as with the previous risk, there remain substantial challenges with multiple impacts across the Authority and its work.

Legal and Regulatory Aspects: as an EU body, EIOPA must operate within a specific legal framework (e.g. HR, Budget, Procurement) designed for much larger institutions, and as a relatively new organisation that is implementing the standards set out for it by the Commission with limited resources, non-compliance with those standards is a potential risk. If EIOPA does not meet the legal requirements and standards, its operations and reputation will be seriously undermined. To mitigate this risk, EIOPA works in close cooperation with the Internal Audit Service of the European Commission and European Court of Auditors, to ensure it is adhering to the standards laid down for it.

EIOPA's Legal Instruments (Technical Standards, Guidelines and Opinions) must also conform to predefined high standards. EIOPA's reputation and operational activities may be undermined, with considerable additional work and time to be invested should the quality and legal basis of EIOPA's Legal Instruments be questioned. In the context of already attenuated resources, this will place considerable burden on the Authority.

Thanks to the effectiveness of EIOPA's internal processes for legal quality control, this risk in terms of its Instruments has never materialised. However, EIOPA's limited legal services have been under considerable pressure in previous years, working to tight deadlines and dealing with topics from across the Authority's broad scope of mandate. EIOPA has expanded its Legal Team to ensure sufficient resource is assigned to the task of legal quality control on its Instruments.

External Environment: the consequences of the UK EU membership referendum may impact upon multiple areas of EIOPA's work and on it as an organisation. There remains considerable uncertainty and only once the outcome of the negotiations are understood and the nature of Britain's future relationship with the EU clearer, will it be possible to judge the effects. Until this is possible, EIOPA will monitor and respond to developments, also resulting from any turbulence in the market, and be prepared to adapt to the changing environment.

There remains diverging views on the role and powers of the Authority. EIOPA continues to invest effort into building trust with its Members, stakeholders and the political parties by ensuring it works under full accountability, with transparent positions and rationale; clear rules, procedures and governance; common understandings and agreement on strategic orientation and objectives.

There also exists a potential lack of alignment between the interests of the industry and of consumers with regard to the risk-based regulatory framework and an imbalance in the representation of industry versus consumer views during discussions on regulation. EIOPA endeavours to balance this relationship by enabling consumers to adequately bring across their views in the various fora e.g. consumer representatives expenses for attending are reimbursed and specific events are run such as the dedicated consumer day. Furthermore, by ensuring all EIOPA technical standards, guidelines, advice etc. undergo appropriate impact assessments, identifying the impacts on both industry and on policyholders/members, the Authority maintains a focus on consumer interests.

Reporting of data is fundamental to delivery of EIOPA's mandated tasks. Reliance on data from external sources (e.g. National Competent Authorities and market data providers) means the potential for delays and/or the provision of misleading data presents a severe risk. The validity of EIOPA's analysis, statistics and conclusions can all be undermined. To mitigate this, EIOPA has established detailed reporting requirements for Solvency II data and various processes and tools have been implemented in the approach and means of collecting data.

Communication and information: this risk predominately focuses on lack of awareness in the stakeholder community of key developments or issues and managing stakeholder expectations. Moreover, technical failures of communication systems could lead to a blackout and make communication difficult or impossible for a certain time period. Changes to the European supervisory landscape and/or unstable institutional set-up could create uncertainties or inconclusive understanding of roles and responsibilities. To ensure state-of-the-art stakeholder communication, EIOPA defined a communications strategy and will be investing in enhancing the Authority's ability to engage with the media on key issues.

Reputational: the reputational risk has been alluded to in some of the previous categories, this includes potential: rejection by the Commission of technical/implementing standard and failing on the discharge of the Authority. As EIOPA's continued operational success is dependent on its good reputation with its stakeholder community, this risk is therefore considered in its own right. EIOPA ensures that risks across all other categories are sufficiently considered in terms of reputational harms. This is then factored into the assessment of the negative impact of a risk and if it were to materialise and mitigation also considers effort to reduce damage to reputation.

Annex XI: Procurement Plan (2018)

Ref	Indicative Initiation	Subject	Estimated value NET (in EUR, whole contract duration)	Estimated value NET (in EUR, for 2018)	Estimated start-end contract	Procedure / Type of contract (FWC, Direct)
1	Jan	Catering services for meetings with external parties	720,000	150,000	Q3 2017 Q3 2021	Open with publication of a contract notice in the Official Journal /FWC
2	March	Media monitoring and analysis	600,000	150,000	Q3 2017 Q3 2021	Open with publication of a contract notice in the Official Journal /FWC
3	March	Service provision for the XBRL-related developments	1,250,000	100,000	Q4 2018 Q3 2022	Open with publication of a contract notice in the Official Journal /FWC
4	March	Event venues	530,000	125,000	Q4 2018 Q4 2022	Open with publication of a contract notice in the Official Journal /FWC
5	July	IT infrastructure services for maximum seven years	12,000,000	0	Q1 2019 Q1 2026	Open or restricted or competitive negotiated procedure with publication of a contract notice in the Official Journal (above 135K) / FWC
6	Sep	Standard and Poor's Capital IQ and Ratings Direct	120,000	40,000	Q1 2019 Q4 2021	Negotiated procedure without publication of a contract notice or Negotiated procedure for middle value contracts (min 5 candidates) / Direct contract

Annex XII: Organisation Chart (2017)

Status September 2017

