RESOLUTION (EU) 2020/1848 OF THE EUROPEAN PARLIAMENT

of 14 May 2020

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the European Insurance and Occupational Pensions Authority (EIOPA) for the financial year 2018

THE EUROPEAN PARLIAMENT,

— having regard to its decision on discharge in respect of the implementation of the budget of the European Insurance and Occupational Pensions Authority for the financial year 2018,

— having regard to Rule 100 of and Annex V to its Rules of Procedure,

— having regard to the opinion of the Committee on Economic and Monetary Affairs,

— having regard to the report of the Committee on Budgetary Control (A9-0042/2020),

A. whereas, according to its statement of revenue and expenditure ([1]), the final budget of the European Insurance and Occupational Pensions Authority (the 'Authority') for the financial year 2018 was EUR 25 207 008, representing an increase of 5,03 % compared to 2017; whereas the Authority is financed by a contribution from the Union (EUR 9 365 000, representing 37,15 %) and contributions from national supervisory authorities from the Member States (EUR 15 742 008, representing 62,45 %) ([2]);

B. whereas the Court of Auditors (the 'Court'), in its report on the annual accounts of the European Insurance and Occupational Pensions Authority for the financial year 2018 (the 'Court's report'), states that it has obtained reasonable assurances that the Authority's annual accounts are reliable and that the underlying transactions are legal and regular;

Budget and financial management

1. Notes with satisfaction that budget monitoring efforts during the financial year 2018 resulted in a budget implementation rate of 100 %, representing an increase of 0,21 % compared to 2017; notes furthermore that the payment appropriations execution rate was 85,48 %, representing a decrease of 2,61 % compared to 2017;

2. Notes that the Authority's workload is constantly evolving and includes both regulatory tasks and the enforcement and application of Union law;

Performance

3. Notes that each of the Authority's three operationally focused strategic objectives have key performance indicators (KPIs) assessing the added value provided by its activities and the improvement of its budget management, in addition to other indicators used internally;

4. Notes that the Authority achieved its target for eleven KPIs; acknowledges that it was close to achieving the target for the remaining two KPIs, which were missed only marginally;

5. Notes that the majority of the Authority's planned work (218 products and services) was delivered successfully and that 25 products and services experienced minor delays due to insufficient resources, but also to changes in requirements and priorities; further notes that only three work streams were not delivered as planned or with a tolerable delay;

([1]) OJ C 108, 22.3.2018, p. 147.
([2]) OJ C 108, 22.3.2018, p. 149.

6. Notes that the Authority is replacing its current e-human resources management system with Sysper, which is provided by the Commission; notes with concern the delay in the implementation of Sysper 2; calls on the Authority to report to the discharge authority on developments in that regard;

7. Notes with satisfaction that the Authority is proactive in identifying opportunities for efficiency and synergies with other agencies, in particular with the European Banking Authority (EBA) and the European Securities and Markets Authority (ESMA), through the European Supervisory Authorities' Joint Committee and through joint procurements; welcomes the Authority's priority to develop common guidance in cooperation with EBA and ESMA on how to integrate anti-money laundering and terrorist financing risks in prudential supervision; strongly encourages the Authority to actively seek further and broader cooperation with all Union agencies; moreover calls on the Authority to explore possible ways of merging its non-expert services, such as ICT, with other Union agencies;

8. Emphasises that the Authority's role in promoting a common supervisory regime across the European financial system is essential in order to ensure financial stability, a better integrated, more efficient and safer financial market, as well as a high degree of consumer protection in the Union by promoting fairness and transparency on the product and financial services market;

9. Underlines the central role of the Authority in contributing to high quality common regulatory and supervisory standards and practices, to the consistent application of legally binding Union acts, to stimulate and facilitate the delegation of tasks and responsibilities among competent authorities, to monitor and assess market developments within the scope of its competence and to foster the protection of policy holders, pension scheme members and beneficiaries;

10. Emphasises the need for closer supervision in certain Member States with a view to addressing vulnerabilities in the insurance markets of those Member States and protecting consumers from unfair practices of multinational insurance companies;

11. Stresses that, while making sure that all assignments are carried out in full and within deadline, the Authority should adhere to and make full use of the tasks and the mandate assigned to it by Parliament and the Council, and that the Authority must never attempt to go beyond its mandate; points out that focussing on the mandate assigned by Parliament and the Council will lead to a more effective and efficient use of resources;

12. Shares the Court's concern that, through peer reviews, national supervisors have a decisive say in the Authority's main governing body, which means that they are in a position to decide the scope of the Authority's action to review their own effectiveness;

Staff policy

13. Notes that, on 31 December 2018, the establishment plan was 95,54 % executed, with 107 temporary agents appointed out of 112 temporary agents authorised under the Union budget (compared with 101 authorised posts in 2017); notes that, in addition, 33 contract agents and 18 seconded national experts worked for the Authority in 2018;

14. Regrets the unbalanced participation of men (six members) and women (one member) in the management board; notes that the Authority has reported a relatively good gender balance for 2018 with regard to senior managers (five men and three women);

15. Notes that the Court considers that the Authority has not yet accomplished the shift from regulatory tasks to supervisory tasks and that the Authority should strengthen human resources assigned to supervisory tasks;

Procurement

16. Notes with concern that the Authority applied award criteria that consisted of non-competitive price elements for one procurement procedure; calls on the Authority to use award criteria that focus on competitive price elements;

Prevention and management of conflicts of interest and transparency

17. Acknowledges the measures the Authority already has in place and its ongoing efforts to secure transparency, to prevent and manage conflicts of interests, and to protect whistleblowers; notes the fact that the Authority publishes on its website a register of meetings with external stakeholders;

18. Underlines the importance of an open, efficient and independent administration for all Union agencies and the Union as a whole; recalls the problem of conflict of interest arising from 'revolving door' situations and stresses the need for a unified legal framework to address such issues;

Internal Controls

19. Notes that the Commission's Internal Audit Service issued an audit report on 'Stress Tests in EIOPA', which led to five recommendations for improvement and the implementation of an action plan;

20. Notes that in 2018, the Authority used 29 interim workers through contracts with temporary work agencies; recalls that, according to Directive 2008/104/EC of the European Parliament and of the Council ([3]), those workers should work under the same working conditions as workers employed directly by the Authority; notes with concern that the contracts did not require the temporary work agencies to respect those working conditions, causing litigation and reputational risks; calls on the Authority to analyse the working conditions of its interim workers and ensure they are in line with Union and national labour law;

Other comments

21. Notes that a future decrease in the Authority's revenue is possible as a result of the United Kingdom's withdrawal from the Union; notes that the Authority issued two opinions to insurers and national supervisory authorities on steps to take to avoid service interruptions and to minimise risk;

22. Underlines the responsibility of the financial system in meeting sustainability challenges and ensuring that the Union meets the obligations undertaken in the framework of the Paris Agreement under the United Nations Framework Convention on Climate Change; highlights the crucial role of the Authority in integrating environmental, social and governance related factors into the regulatory and supervisory framework and in mobilising and guiding private capital flows towards sustainable investments; therefore stresses the need for sufficient resources to monitor the implementation of that framework by financial institutions and national competent authorities;

23. Calls on the Authority to focus on disseminating the results of its research to the public, and to reach out to the public via social media and other media outlets;

24. Refers, for other observations of a cross-cutting nature accompanying its decision on discharge, to its resolution of 14 May 2020 ([4]) on the performance, financial management and control of the agencies.

([3]) Directive 2008/104/EC of the European Parliament and of the Council of 19 November 2008 on temporary agency work (OJ L 327, 5.12.2008, p. 9).

([4]) Texts adopted, P9_TA(2020)0121.