

## INDEPENDENT EVALUATION OFFICE

# BANCO DE ESPAÑA EVALUATION PLAN 2025 - 2026

Banco de España

## 1 Background

According to Section 3 of the Terms of Reference of the Independent Evaluations Office (OIE by its Spanish acronym), the Director of the OIE shall draw up an Annual Evaluation Plan for the evaluations to be conducted during the reference period, to be approved by the Governing Council.

The OIE Guidelines, which complement the Terms of Reference and set out the OIE's core operating principles and evaluation process, stipulate that two evaluations shall be conducted per year and that all Banco de España functions and activities may be subject to evaluation.

As per those Guidelines, the Annual Evaluation Plan shall include the Bank's activity or activities to be evaluated, the scope and timetable for each evaluation, and any other relevant specifications.

Against this background, the OIE has proposed areas for evaluation. These proposals were guided by criteria such as (i) strategic relevance, (ii) cross-cutting nature and (iii) evaluations conducted by other benchmark offices, and followed consultations with members of the Governing Council, the Directors General and other relevant parties.

In addition, subject to the Governing Council's approval, additional evaluations not included in the Annual Evaluations Plan may be performed on an ad hoc basis.

## 2 Scope of the Evaluation Plan

This Evaluation Plan provides for performance of the following evaluations in the period 2025-26:

- I. Evaluation of the Banco de España's climate and environment-related activities.
- II. Evaluation of emerging trends analysis (Horizon Scanning) at the Banco de España.

The descriptions of the evaluations, with details of their purpose and preliminary scope, are included in the **Annex** hereto.

### 3 Timeframe

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This Evaluation Plan relates to the period 2025-26. Its activities will begin in late 2025 and, insofar as possible, conclude by 31 December 2026.

Each of the descriptions included in the Annex contains an estimate of the duration of the evaluation concerned and its timetable.

These timeframes must consider the constraints linked to the hiring of external experts.

### 4 Performance and coordination of the evaluations

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#### 4.1 Coordination of the plan and the evaluations

The OIE is responsible for coordinating the Plan.

#### 4.2 Evaluation team

Each evaluation shall be conducted by the OIE, with the contribution of a panel of external experts, selected from among individuals of recognised expertise who have worked in the field being evaluated.

#### 4.3 Phases

The evaluations included in this Plan shall be performed according to the following phases:

- Selection and hiring of the panel of external experts, in accordance with the hiring regulations applicable to the Banco de España.
- Performance of the evaluation, by means of fieldwork and analysis carried out by the OIE and the panel of external experts, with the support of the area evaluated.
- Upon completion of the evaluation, presentation of the findings to the Governing Council, including conclusions and recommendations.

The evaluations shall be subject to the publication criteria established in the OIE's Terms of Reference and Guidelines. Their prior and/or subsequent dissemination shall be governed by the confidentiality considerations applicable in each case.

The OIE shall be responsible for monitoring the recommendations arising from the evaluations in accordance with the action plan drawn up by the area evaluated.

## 5 Approval

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This Evaluation Plan 2025-2026 was approved by the Governing Council on 29 July 2025, at the proposal of the Director of the OIE.

# Annex: Details of the evaluations included in the Evaluation Plan 2025 - 2026

## Evaluation of the Banco de España's climate and environment-related activities

<div>Directorates General or Departments involved</div>	<div>Environmental, Social and Governance (ESG) Office.</div> <div>Other areas involved: DG Economics, DG Operations, Markets and Payment Systems, DG Financial Stability, Regulation and Resolution, DG Banking Supervision, DG Financial Conduct and Banknotes and General Secretariat.</div>
<div>Timetable</div>	<div>The evaluation will commence in the fourth quarter of 2025 and will last for around six months.</div>
<div>Aim and scope of the evaluation</div>	<div>The Banco de España, in line with the guidelines of the European Banking Authority (EBA) and the European Central Bank (ECB), has established a framework for climate and environmental action to safeguard financial stability. Against this background, it has developed initiatives such as climate resilience tests for supervised institutions, supervisory mechanisms, studies on the economic impact of climate change and market transactions guided by climate-related considerations.</div> <div>Further, the statistics area has incorporated ESG data into its sources and the environmental management area is working to reduce the Bank's internal carbon footprint. The Bank also actively collaborates with the ECB and is a member of the Network for Greening the Financial System (NGFS), fostering the transition to a sustainable economy.</div> <div>In December 2024 the Banco de España established the ESG Office (reporting directly to the Deputy Governor), with the aim of improving internal coordination, developing strategies aligned with international standards and implementing an effective and transparent communication plan, thereby reinforcing its presence in national and international fora. Since then, the ESG Office has pursued an agenda focused on enhancing internal coordination, strengthening collaboration with international bodies and broadening its scope to include environmental matters. It has also bolstered the Bank's presence in national and international climate fora, strengthened its collaboration with the ECB and NGFS and promoted public-private cooperation through the Sustainable Finance Council.</div> <div>Against this background, an external evaluation assessing the Bank's governance and actions related to climate and environmental matters, as well as their impact, while also establishing the guiding principles for an institutional strategy in this field, would be especially useful.</div>

## Description of the evaluation

The evaluation, which will include an analysis of good practices at other regulatory agencies, will consist of a review of the current situation at the Bank in all matters related to climate change and the environment, and will identify strengths and potential areas for improvement, considering in particular the operational complexities associated with such a cross-cutting function.

Among other aspects, the evaluation will cover governance of the function; its alignment with the Bank's legal mandate; the resources and staff profiles assigned to it; the quality of internal coordination; the effectiveness of the initiatives undertaken, including actions at the internal level (e.g. carbon footprint); coordination with other institutions; and external and internal communication.

## Evaluation of emerging trends analysis (Horizon Scanning) at the Banco de España

<p><b>Directorates General or Departments involved</b></p>	<p>Directorate General Economics.</p> <p>Other areas involved: DG Strategy, People and Data, DG Operations, Markets and Payment Systems, DG Financial Stability, Regulation and Resolution, DG Banking Supervision, DG Financial Conduct and Banknotes and DG Institutional and European Relations and Transparency.</p>
<p><b>Timetable</b></p>	<p>The evaluation will commence in the third quarter of 2026 and will last for around six months.</p>
<p><b>Aim and scope of the evaluation</b></p>	<p>The Banco de España is navigating an increasingly complex, volatile and uncertain environment. Decisions –both technical and strategic– must be made amid rapidly changing external conditions and heightened uncertainty about the future. In recent years, the Bank has had to respond to major challenges, such as the energy crisis and the COVID-19 pandemic, which had a direct impact on inflation, financial system resilience and institutional responsiveness. It now faces rising geopolitical uncertainty around the world and emerging issues such as artificial intelligence and climate change.</p> <p>Against this background, it is essential for the Banco de España to have the appropriate structures and agility to identify, understand and effectively adapt to any changes that could reshape the challenges ahead.</p> <p>Various areas of the Bank are engaged, to different extents, in identifying emerging trends (Horizon Scanning), with teams that have created structures and processes tailored to each unit's specific needs. A key step in this area is the recent creation of the Global Trends and Institutions Analysis Division under the DG Economics, which will help to coordinate efforts, strengthen capabilities and gain deeper insight into emerging trends.</p> <p>Given this situation, an evaluation of these activities examining the current framework, making recommendations and identifying areas for improvement would be particularly useful. This evaluation will become a valuable source of knowledge and will help shape and implement the desired operational model for these activities, improving their coordination among the different areas of the Bank.</p>

## Description of the evaluation

The evaluation will include a review of the Banco de España's horizon scanning capabilities and how these activities are currently managed and assessed. This review, coupled with an understanding of the Bank's functions and objectives as a central bank, will help establish a framework for incorporating these practices into the Bank's operations and structure in the best possible way.

Among other aspects, the evaluation will examine whether the Bank has a shared and clear understanding of what horizon scanning entails and how it can contribute to advancing its mission; whether sufficiently diverse sources are used in the analysis; whether the proper tools, resources and skills are being used to ensure its effectiveness; whether this analysis is significantly integrated into the decision-making process; and whether these activities are underpinned by a solid framework.