

# Appointment of Christine Lagarde as president of the European Central Bank

During its September 2019 plenary sitting, the European Parliament is expected to vote on a resolution on the candidate (Christine Lagarde) for president of the European Central Bank (ECB). While it is the European Council that appoints the ECB president, it must first consult Parliament. Parliament's Economic and Monetary Affairs Committee (ECON) held a hearing with Christine Lagarde in September 2019 and then voted favourably on the candidacy. The ECB president is a key figure within the Eurosystem when setting monetary policy for the euro area.

## Background

[Article 283\(2\) TFEU](#) stipulates that the ECB 'President ... shall be appointed by the European Council, acting by a qualified majority, from among persons of recognised standing and professional experience in monetary or banking matters, on a recommendation of the Council, after it has consulted the European Parliament and the Governing Council of the European Central Bank'. The term of office, which is not renewable, is set at eight years. Christine Lagarde was nominated to succeed Mario Draghi, whose term is due to end on 1 November 2019.

The ECB president chairs several central bank constellations, the most important being the [Eurosystem](#), i.e. the body that sets monetary policy for the euro area. The Eurosystem comprises the [ECB](#) and the national central banks of euro-area Member States, and it is usual practice within the Eurosystem to seek consensus on monetary decisions, a task that mainly rests on the shoulders of the president. The Treaties require the ECB to pursue [price stability](#) as the main aim of monetary policy, and to exercise its powers in full [independence](#). Another important task conferred upon the ECB within the realm of [banking union](#) is the prudential supervision of large credit institutions in the euro area. To carry out that task, the ECB was given a central role within the [single supervision mechanism](#).

## European Parliament position

Prior to the hearing before the Economic and Monetary Affairs Committee (ECON), Christine Lagarde was sent a questionnaire, which she [answered](#). The hearing was held on 4 September 2019. Lagarde stated that she [intends](#) to maintain continuity with the policy line of her predecessor, Mario Draghi, but is also ready to innovate and change the monetary policy toolbox if necessary. She hopes to act as a mediator between diverging positions on monetary policy, and will endeavour to explain monetary policy to the wider public, in order to increase support for the central bank's decisions. She also aims to 'green' the central bank's investment strategies mainly by buying the corporate bonds of firms dedicated to a cleaner environment. After the hearing, the ECON committee adopted a [report](#) in support of her candidacy. As this is a consultation procedure, Parliament has no formal [powers](#) to veto the candidacy. However, Parliament exerts ex-post scrutiny in several ways, for instance by means of the quarterly monetary dialogue with the ECB president. Parliament is also sent the ECB annual report, which is then presented to plenary by the ECB president, and on which Parliament then adopts a resolution.

Consultation: [2019/0810/\(NLE\)](#); Committee responsible: ECON; Rapporteur: Roberto Gualtieri (S&D, Italy).  
For further information see our July 2019 [publication](#) 'Appointment of the President of the ECB'.

