Question for written answer Z-038/2020
to the European Central Bank
Rule 140
Eleonora Evi, Rosa D'Amato, Ignazio Corrao, Piernicola Pedicini (NI)

Subject: Excluding highly pollutive assets from the ECB's Corporate Sector Purchase Programme

In a report published on 3 June 2020, Greenpeace shows that between mid-March and mid-May 2020, the ECB has purchased 2.4 billion euros of corporate bonds of integrated, upstream and downstream oil and gas companies, including Shell, Total, Eni, Repsol and OMV, generating an estimated carbon footprint of almost 8 million tons of CO2. Moreover, a total of 4.4 billion euros went to utilities, with the bond purchases of prominent polluters Engie and EON accounting for an estimated 3.2 million tons of CO2.

Although, at present, the ECB's mandate is to ensure balanced inflation and economic and financial stability while adhering to the principal of market neutrality, financing activities that fuel climate change increases the risk of financial instability and thus runs counter to its mandate.

Consequently:

- Is the ECB planning to exclude fossil fuel companies from quantitative easing programmes and include climate risks in its collateral framework, significantly increasing haircuts for fossil fuels and high-carbon assets?

- Does the ECB intend to account for fossil fuel risks in setting micro-prudential reserve requirements and introduce macroprudential capital buffers for fossil fuel exposures?

- Will future stress tests be conducted with the risks of fossil fuel asset stranding adequately reflected?