Question for written answer Z-000047/2021
to the European Central Bank
Rule 140
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Subject: Worldwide stress test and systemic climate risk

In its economy-wide climate stress test, the European Central Bank clearly states that ‘climate change ... represents a major source of systemic risk, particularly for banks’ and has ‘the potential to destabilise ... the normal functioning of financial markets, with knock-on effects for the real economy’.

This report also clearly outlines the concrete benefits of acting now: the short-term costs of transition pale in comparison to the costs of unfettered climate change.

As Members of the European Parliament, we welcome the findings of this publication, but would like to know what concrete actions will be taken by the ECB, based on these findings, to prevent these systemic risks from materialising.

As part of its mission to ensure financial stability and protect people in the euro area from systemic risks, both as a monetary policy actor and prudential supervisor, does the ECB intend to:

1. commit to the gradual elimination of carbon-intensive assets from its portfolios;
2. green its asset purchase policy and its refinancing operations;
3. support an update of the Capital Requirements Regulation to ensure that new fossil fuel investments are fully equity-funded?