



TEXTS ADOPTED

P9_TA(2022)0029

European Central Bank – annual report 2021

European Parliament resolution of 16 February 2022 on the European Central Bank – annual report 2021 (2021/2063(INI))

The European Parliament,

- having regard to the European Central Bank (ECB) Annual Report 2020,
- having regard to the ECB’s ‘Feedback on the input provided by the European Parliament as part of its resolution on the ECB Annual Report 2019’,
- having regard to the ECB Strategy Review launched on 23 January 2020 and concluded on 8 July 2021,
- having regard to the ECB’s new monetary policy strategy published on 8 July 2021,
- having regard to the ECB’s action plan and its roadmap to further incorporate climate change considerations into its policy framework, published on 8 July 2021,
- having regard to the Statute of the European System of Central Banks (ESCB) and of the ECB, in particular Articles 2 and 15 thereof,
- having regard to Articles 123, 125, 127(1) and (2), 130 and 284(3) of the Treaty on the Functioning of the European Union (TFEU),
- having regard to Articles 3 and 13 of the Treaty on European Union (TEU),
- having regard to the monetary dialogues with the President of the ECB, Christine Lagarde, of 18 March, 21 June, 27 September and 15 November 2021,
- having regard to the ECB staff macroeconomic projections for the euro area published on 9 September 2021,
- having regard to ECB Occasional Papers Nos 263 to 280 of September 2021 on the monetary policy strategy review,
- having regard to the ECB’s ‘Survey on the Access to Finance of Enterprises (SAFE) in the euro area – October 2020 to March 2021’, published on 1 June 2021,

- having regard to the ECB’s report on a digital euro published in October 2020, the ECB’s report on the public consultation on a digital euro published in April 2021, and the ECB’s digital euro project launched on 14 July 2021,
 - having regard to ECB Occasional Paper No 201 of November 2017 entitled ‘The use of cash by households in the euro area’,
 - having regard to the ECB economy-wide climate stress test of September 2021,
 - having regard to the Commission’s Autumn 2021 Economic Forecast published on 11 November 2021,
 - having regard to its resolution of 14 March 2019 on gender balance in EU economic and monetary affairs nominations¹,
 - having regard to its resolution of 9 June 2021 entitled ‘EU Biodiversity Strategy for 2030: Bringing nature back into our lives’²,
 - having regard to the UN Agenda 2030 for Sustainable Development and the Sustainable Development Goals (SDGs),
 - having regard to the Paris Agreement adopted under the United Nations Framework Convention on Climate Change,
 - having regard to the Intergovernmental Panel on Climate Change (IPCC) special reports on global warming of 1,5 °C, on climate change and land, and on the ocean and cryosphere in a changing climate,
 - having regard to the Network for Greening the Financial System (NGFS) report entitled ‘Adapting central bank operations to a hotter world: Reviewing some options’, published on 24 March 2021,
 - having regard to Rule 142(1) of its Rules of Procedure,
 - having regard to the report of the Committee on Economic and Monetary Affairs (A9-0351/2021),
- A. whereas, according to the Commission’s Autumn 2021 Economic Forecast, GDP contracted in 2020 by 5,9 % in the EU and 6,4 % in the euro area; whereas GDP is forecast to grow by 5 % in 2021 and 4,3 % in 2022 in both the EU and the euro area, with significant growth differentials persisting between Member States; whereas uncertainty and risks surrounding the growth outlook are high and depend on the evolution of the COVID-19 pandemic and the pace at which supply adjusts to the rapid turnaround in demand following the re-opening of the economy; whereas the EU economy as a whole regained its pre-pandemic output level in the third quarter of 2021, although the pace of recovery is uneven across countries; whereas persistently elevated levels of inflation remain one of the biggest downside risks for the recovery;

¹ OJ C 23, 21.1.2021, p. 105.

² Texts adopted, P9_TA(2021)0277.

- B. whereas, according to the ECB staff macroeconomic projections of September 2021, global real GDP (excluding the euro area) is projected to increase by 6,3 % in 2021, before decelerating to 4,5 % in 2022 and 3,7 % in 2023; whereas global activity had already exceeded its pre-pandemic level in late 2020;
- C. whereas, according to Eurostat, the unemployment rate in September 2021 stood at 6,7 % in the EU and 7,4 % in the euro area, spread in an uneven way across the EU and within Member States and with unemployment rates among young people and women remaining much higher (15,9 % in the EU and 16 % in the euro area, and 7 % in the EU and 7,7 % in the euro area respectively); whereas the high youth unemployment rate remains a serious issue to be tackled in the EU;
- D. whereas, according to the ECB staff macroeconomic projections of September 2021, annual inflation for the euro area in the Harmonised Index of Consumer Prices (HICP) will be 2,2 % in 2021 and is expected to decrease to 1,7 % in 2022 and 1,5 % in 2023 on average; whereas inflation projections show substantial variance across the euro area; whereas inflation in the euro area rose to 4,1 % in October 2021, which represents the highest level in a decade; whereas there are concerns about the temporary and transitional nature of higher inflation rates;
- E. whereas, at the end of 2020, the size of the Eurosystem balance sheet had reached its all-time peak of EUR 6 979 324 million, an increase of almost 50 % (EUR 2 306 233 million) compared with the end of 2019, as a result of the third series of targeted longer-term refinancing operations (TLTRO III), and the securities purchased under the pandemic emergency purchase programme (PEPP) and the asset purchase programme (APP);
- F. whereas the ECB's net profit in 2020 amounted to EUR 1 643 million, compared to EUR 2 366 million in 2019; whereas this decrease was mainly due to the lower net interest income on foreign reserve assets and on securities held for monetary policy purposes, notably the significant drop of 50 % in interest income generated on the US dollar portfolio, as well as to the decision by the Governing Council to transfer EUR 48 million to the ECB's provision for financial risks;
- G. whereas, without prejudice to the primary objective of price stability, the ECB should also support the general economic policies in the Union with a view to contributing to the achievement of the objectives of the Union as laid down in Article 3 TEU;
- H. whereas small and medium-sized enterprises (SMEs) constitute the backbone of the EU economy and enhance economic and social cohesion, representing 99 % of all businesses in the EU, employing around 100 million people, accounting for more than half the EU's GDP and playing a key role in adding value in every sector of the economy; whereas SMEs have been severely hit by the economic crisis caused by the COVID-19 pandemic; whereas developments in the general economic outlook have negatively affected their access to finance; whereas SMEs therefore need further support;
- I. whereas the ECB, within its mandate, has committed to contributing to the objectives of the Paris Agreement; whereas climate change, the loss of biodiversity and the consequences thereof can hamper the effectiveness of monetary policy, affect growth,

and increase price and macroeconomic instability; whereas, without strong measures, the negative impact on the EU GDP could be severe;

- J. whereas housing costs represent almost a quarter of EU-27 household expenditure; whereas more than two thirds of the EU population own their home; whereas house prices have been subject to a steep increase of over 30 % in the past decade and rents have gone up by almost 15 % in the EU;
- K. whereas the Winter 2020-2021 Standard Eurobarometer survey, published on 23 April 2021, found that public support for a European economic and monetary union with one single currency, the euro, was 79 % in the euro area;
- L. whereas only two of the members of the ECB's Executive Board and the ECB's Governing Council are women; whereas women continue to be underrepresented across the hierarchy of the ECB;

General overview

1. Welcomes the role of the ECB in safeguarding euro stability; highlights that the statutory independence of the ECB, as laid down in the Treaties, is a prerequisite for it to fulfil its mandate; highlights too that this independence should not be infringed upon and that it should always be complemented by a corresponding level of accountability;
2. Welcomes the ECB Monetary Policy Strategy Review adopted unanimously and announced on 8 July 2021, which sets out how to achieve the primary objective of maintaining price stability and contribute to the achievement of the Union's objectives, which include balanced and sustainable economic growth, a highly competitive social market economy aiming at full employment and social progress and convergence, and a high level of protection and improvement of the quality of the environment, without prejudice to the primary objective of price stability; notes that this is the first strategy review in 18 years; welcomes the ECB's decision, as also expressed by President Lagarde during the Monetary Dialogue held on 27 September 2021, to assess periodically the appropriateness of the monetary policy strategy, with the next assessment expected in 2025, thus also enhancing public awareness and involvement in monetary policy;
3. Is concerned about the unprecedented healthcare, social and economic crisis caused by the COVID-19 pandemic and the subsequent containment measures, which have resulted in a sharp contraction of the euro area economy, especially in countries that were already vulnerable, a sharp increase in economic and social inequalities, and rapidly deteriorating labour market conditions; is especially concerned about the effect of the COVID-19 pandemic on SMEs; welcomes the extensive public support measures taken by the EU in response; notes that euro area economic activity is rebounding sooner than expected, although the speed, scale and evenness of the rebound remains uncertain;
4. Stresses that sustainable growth, resilience and price stability can be achieved by means of a comprehensive response, including a calibrated mix of monetary policy, supportive and discretionary fiscal policy and socially balanced and productivity-enhancing reforms and investments; supports President Lagarde's call for full alignment of fiscal

and monetary policies in tackling the COVID-19 crisis, while emphasising the ECB's independence;

5. Takes note of the ECB President's statement of 10 June 2021 that 'an ambitious and coordinated fiscal stance remains crucial, as a premature withdrawal of fiscal support would risk weakening the recovery and amplifying the longer-term scarring effects'; acknowledges the importance of European and national fiscal policies in aiding the households and businesses most severely impacted by the pandemic; notes the varying rates of recovery among euro area countries, which may lead to a multi-speed Europe after the pandemic has ended; recalls that fiscal support and monetary policy should not disincentivise reforms and investments aimed at reviving the EU economy, boosting sustainable and inclusive growth, catalysing the green transition and strengthening Europe's autonomy and competitiveness;
6. Takes note of President Lagarde's statement that 'a central fiscal capacity could help steer the aggregate euro area fiscal policy stance and ensure a more appropriate macroeconomic policy mix' and that 'structural reforms in euro area countries are important to boost euro area productivity and growth potential, reduce structural unemployment and increase resilience'; underlines the importance of providing a counter-cyclical stabilisation function and facilitating timely and adequate support in the event of economic shocks, as well as financing the green transition; underlines the importance of the Recovery and Resilience Facility (RRF) in addressing the economic and social shock caused by the COVID-19 crisis;
7. Welcomes the fact that the debate on the future of the EU economic governance framework has already begun;

Monetary policy

8. Welcomes the ECB's quick and substantial monetary policy response to the COVID-19 crisis in an emergency context; acknowledges the positive impact of this response on the economic situation of the euro area, which includes the introduction of the PEPP, the relaxation of the eligibility and collateral criteria and the offer of re-calibrated longer-term refinancing operations (TLTRO III), as well as pandemic emergency longer-term refinancing operations (PELTROs); recalls the intention of the ECB to maintain its support for as long as it deems necessary to meet its mandate; welcomes, moreover, the ECB's decision to maintain instruments, such as forward guidance, asset purchases and longer-term refinancing operations, as an integral part of its toolkit; invites the ECB to continue ensuring and monitoring the necessity, suitability and proportionality of its monetary policy measures;
9. Takes note of the ECB's decision to increase the size of the PEPP from the initial EUR 750 billion to EUR 1 850 billion; notes that the ECB will continue to conduct net asset purchases under the PEPP until the COVID-19 crisis phase is over and in any case until at least the end of March 2022; notes that the ECB has recently slowed the pace of net asset purchases under the PEPP, based on the position of its Governing Council that favourable financing conditions can be maintained with a moderately lower pace; highlights President Lagarde's statement of 10 June 2021 that 'any discussion about exit from the PEPP [...] would be premature, it's too early and it will come in due course'; invites the ECB to continue purchases under the PEPP for as long as it deems necessary to meet its mandate; notes the ECB's intention to examine further calibration of asset

purchases; notes also President Lagarde's statement that, even after the expected end of the pandemic emergency, it will still be important that monetary policy, including the appropriate calibration of asset purchases, supports the recovery throughout the euro area and the sustainable return of inflation to the target of 2 %;

10. Notes the ECB's decision to purchase flexibly under the PEPP with a view to preventing a tightening of financing conditions that is inconsistent with efforts to counter the downward impact of the pandemic, while supporting the smooth transmission of monetary policy;
11. Notes that net asset purchases under the APP are continuing at a monthly rate of EUR 20 billion; notes also that purchases under the APP will run for as long as necessary to reinforce the accommodative impact of its policy rates, ending before it starts raising the key interest rates; recalls that the APP, the pre-pandemic programme, will remain operational at a steady pace;
12. Welcomes the inclusion of Greek bonds in the PEPP; notes, however, that they are still not eligible under the public sector purchase programme (PSPP) despite the significant progress made; invites the ECB to reassess the eligibility of Greek bonds under the PSPP and to provide specific recommendations well in advance of the conclusion of the PEPP for their inclusion in the PSPP;
13. Notes the ECB's decision to continue to reinvest the principal payments from maturing securities purchased under the PEPP until at least the end of 2024 and to continue reinvesting, in full, the principal payments from maturing securities purchased under the APP for an extended period of time past the date on which it starts raising the key ECB interest rates, and in any case for as long as necessary to maintain favourable liquidity conditions and an ample degree of monetary accommodation;
14. Notes that the amount of Eurosystem refinancing operations increased to EUR 1 850 billion at the end of 2020, mainly due to TLTRO III; notes, moreover, that the weighted average maturity of outstanding Eurosystem refinancing operations increased to around 2,4 years at the end of 2020;
15. Welcomes the ECB's decision to continue to provide liquidity through its refinancing operations; acknowledges that the funding obtained through TLTRO III plays a crucial role in supporting bank lending to businesses and households; stresses, however, that in some cases only a very small proportion of these liquidity injections has increased bank lending to the real economy, especially SMEs; invites the ECB to ensure that such measures truly facilitate the financing of the real economy;
16. Notes the ECB's decision on a new symmetric inflation target of 2 % over the medium term and its commitment to maintain a persistently accommodative monetary policy stance in order to meet its inflation target; believes that the absence of an arithmetic reference complicates the interpretation of deviations from the target; notes that the medium-term orientation of the monetary policy strategy allows for inevitable short-term deviations of inflation from the target; invites the ECB to reflect, if necessary, on how the surge in inflation might affect its monetary policy stance;
17. Is concerned about the inflation rate in the euro area which rose to a 10-year high of 5,1 % in January 2022, ranging from 3,3 % to 12,2 % in the different Member States,

driven by a variety of factors such as the base effect of energy prices, supply chain bottlenecks and the recovery after a dramatic recession; stresses that increases in inflation beyond the defined value can be particularly harmful to the poorest parts of the population and result in increasing economic and social inequalities; recalls that inflation remained well below the 2 % target in the last decade; calls on the ECB to closely monitor these trends and their consequences and, if necessary, to take action to safeguard price stability; echoes President Lagarde's call for monetary policy to remain focused on steering the economy safely out of the pandemic emergency; notes that, according to the ECB's Survey of Professional Forecasters, medium-term inflation expectations remain firmly anchored to the target, while some market-based measures imply an uptick in medium-term inflation expectations;

18. Considers that the ECB could examine alternative monetary policy instruments that can encourage public and private investments;
19. Notes the ECB's expectation that key interest rates will remain at present or lower levels until it sees inflation reaching 2 % well ahead of the end of its projection horizon and durably for the rest of the projection horizon; underlines that low interest rates can offer opportunities to consumers, companies, including SMEs, workers and borrowers, who can benefit from stronger economic momentum, lower unemployment and lower borrowing costs; is concerned, however, about the potential impact of low interest rates on the number of unviable and highly-indebted businesses, on the incentive for growth and sustainability-enhancing reforms and investments, and on pension and insurance systems;
20. Welcomes the ECB's decision to recommend the development of a roadmap to include the costs related to owner-occupied housing in the Harmonised Index of Consumer Prices (HICP) to better represent the inflation rate that is comparable and relevant for households, as housing costs have been continuously rising, and to design better-informed monetary policy operations; considers, however, that the HICP in its current definition reflects the evolution of the actual expenditure of households on goods or services; takes the view that methodologies aimed at isolating the investment component from the consumption component should ensure that the actual impact of the significant increase of housing price on consumer expenses is adequately captured; acknowledges that including these costs is a multi-year project; stresses that such a step could result in increasing price indices and, at least temporarily, bringing inflation above the medium-term target, thus reducing the ECB's room for manoeuvre; invites the ECB to prepare for and effectively address such risks;
21. Acknowledges the need for increased harmonisation of the methods for quality adjustment in the HICP and for more transparency with regard to quality adjustment in Member States;

Action against climate change

22. Recalls that the ECB, as an EU institution, is bound by the EU's commitments under the Paris Agreement; emphasises that tackling the climate and biodiversity emergency requires the ECB to take an integrated approach that should be reflected in all its policies, decisions and operations, together with adhering to its mandate of supporting the general economic policies of the Union, specifically, in this case, the achievement of a climate-neutral economy by 2050 at the latest, as outlined in the European Climate

- Law; considers that the ECB needs to use all the tools at its disposal to fight and mitigate climate-related risks;
23. Considers that maintaining price stability could help to create the right conditions for the implementation of the Paris Agreement;
 24. Notes the ECB's first economy-wide climate stress test; notes that the results indicate that, without strong measures, the negative impact on EU GDP could be severe; welcomes, therefore, the ECB's commitment to conducting regular climate stress tests, both economy-wide and at the level of individual banks;
 25. Notes the fact that the ECB will develop indicators for the exposure of financial institutions to climate-related physical risks through their portfolios, including carbon footprint indicators, as well as macroeconomic modelling and scenario analyses to integrate climate risks into the ECB's models and assess their impact on potential growth; welcomes the fact that the ECB will conduct scenario analyses of transition policies;
 26. Welcomes the ECB's new action plan and its detailed roadmap of climate change-related actions to further incorporate climate change considerations into its policy framework and models; notes, however, its focus on climate-related risks and highlights the double materiality principle that is at the heart of the EU sustainable finance framework;
 27. Notes that the concept of market neutrality is related to the principle of 'an open market economy with free competition'; invites the ECB, respecting its independence, to address market failures and ensure the efficient allocation of resources over a long-term horizon, while remaining as apolitical as possible and respecting the principle of market neutrality; notes that the ECB has already deviated from market neutrality in several instances;
 28. Welcomes the fact that the purchase of green bonds and their share in the ECB's portfolio continue to increase; considers this share, however, to be particularly low when taking into account the needs of the green transition; invites the ECB to speed up its work on increasing the share of green bonds in its portfolio; welcomes the creation of an EU green bond standard and the ECB's support in this matter; notes, in this regard, the ECB's decision to use part of its own funds portfolio to invest in the euro-denominated green bond investment fund for central banks (EUR BISIP G2); invites the ECB, meanwhile, to look into the possible effects of green bonds on price stability;
 29. Notes that bonds with coupon structures linked to certain sustainability performance targets referring to one or more of the environmental objectives set out in the EU Taxonomy Regulation¹ and/or to one or more of the UN SDGs relating to climate change or environmental degradation became eligible as of 1 January 2021 as collateral for Eurosystem credit operations and for Eurosystem outright purchases for monetary policy purposes, provided that they comply with all other eligibility criteria;

¹ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).

30. Notes that the ECB is taking steps to incorporate climate-related risks into its collateral framework, but warns against delays in its implementation; welcomes the ECB's commitment to looking into the methodologies and disclosures of credit rating agencies and assessing how they incorporate climate change risk into credit ratings; is concerned, however, about the fact that the ECB continues to over-rely exclusively on private external credit rating agencies (CRAs) for risk assessment; calls on the ECB to expand its internal capacity on climate- and biodiversity-related risk assessments;
31. Notes with concern that some ECB refinancing and asset purchase programmes have been indirectly supporting carbon-intensive activities;
32. Welcomes the fact that the ECB is preparing to align its corporate asset purchase programmes with the Paris Agreement, with a view to reducing the carbon intensity of its portfolio, but warns against delays;
33. Calls on the ECB, as member of the NGFS, to build on the nine options assessed by the NGFS for central banks to factor climate-related risks into their operational framework on credit operations, collateral and asset purchases; calls on the ECB to strengthen its cooperation on climate change with international networks beyond the NGFS as well, and to improve dialogue with civil society, with the aim of reinforcing the EU's role as global leader in the area of sustainable finance and climate action;
34. Welcomes the ECB's efforts to monitor and reduce its environmental footprint; welcomes the creation of a climate change centre to bring together the work on climate issues in different parts of the ECB; expects the ECB to intensify its work to effectively incorporate climate considerations into its routine business;

Other aspects

35. Underlines the pivotal role of micro, small and medium-sized enterprises (MSMEs) as the backbone of the EU economy, economic and social convergence and employment; stresses that MSMEs have been severely hit by the economic crisis caused by the COVID-19 pandemic, which has led to a serious deterioration in their economic turnover and competitiveness, in their efforts to succeed in the green transition and in their access to finance; points out the need to encourage public and private investments in the EU, and therefore calls on the ECB to continue its efforts to facilitate access to finance for MSMEs;
36. Welcomes the ECB's long-standing support for the swift completion of the banking union, and stresses the risks caused by serious delays; notes the ECB's support for the establishment of a fully fledged European Deposit Insurance Scheme (EDIS); acknowledges that risk sharing and risk reduction are interlinked and that institutional protection schemes play a key role in protecting and stabilising member institutions;
37. Welcomes the progress made so far in the reduction of non-performing loans (NPLs); calls for the introduction of adequate legal protection from repossession for mortgage holders at EU level;
38. Calls on the ECB to explore ways to strengthen the international role of the euro; notes that making the euro more attractive as a reserve currency will further enhance its international use and increase the EU's ability to frame its policy stance independently,

a key element in safeguarding European economic sovereignty; stresses that the creation of a well-designed European safe asset could facilitate financial integration and help mitigate the negative feedback loops between sovereigns and the domestic banking sectors; underlines that strengthening the role of the euro requires the deepening and completion of the European economic and monetary union;

39. Welcomes the fact that, in 2020, the number of counterfeit euro banknotes decreased to its lowest level since 2003 (17 parts per million); calls on the ECB to enhance the fight against counterfeiting and its cooperation with Europol, Interpol and the European Commission in pursuit of this goal; invites the ECB, without prejudice to the Member States' prerogatives, to create a system to better monitor large transactions with a view to combating money laundering, tax evasion and the financing of terrorism and organised crime;
40. Welcomes the ECB's decision to launch a 24-month investigation phase of a digital euro project; calls on the ECB to effectively address the expectations and concerns raised during the public consultation on a digital euro, which include concerns about privacy, security, accessibility, the ability to pay across the euro area, preventing additional costs, and offline usability; notes that this investigation phase will not prejudge any decision on the possible issuance of a digital euro; reiterates that a digital euro does not constitute a crypto-asset; points out that a digital euro should promote financial inclusion, and must provide additional data privacy and legal security for consumers and companies; agrees with the ECB that a digital euro would therefore have to satisfy a range of minimum requirements, including robustness, safety, efficiency and the protection of privacy; invites the ECB to closely align and regularly exchange with Parliament on the progress made during the investigation phase;
41. Reiterates its strong concerns about the risks posed by private stablecoins to financial stability, monetary policy and consumer protection;
42. Recalls that cash payments are a very important means of payment for EU citizens and should not be endangered by a digital euro; notes that the number and value of euro banknotes in circulation grew by around 10 % in 2020; takes note of the Eurosystem's Cash 2030 Strategy, which aims to ensure that all euro area citizens and businesses will continue to have good access to cash services and that cash will remain a generally accepted means of payment, while addressing the issues of reducing the ecological footprint of euro banknotes and developing innovative and secure banknotes; is concerned about the downsizing of the banking network in some Member States; considers that such practices can lead to significant restrictions on equal access to essential financial services and products;
43. Stresses that the financial sector is undergoing a considerable transformation driven by innovation and digitalisation; underlines that this transformation poses an increased risk of external disruptions such as cyberattacks on the financial and banking sector; welcomes the continuous efforts of the ECB to strengthen its response and recovery capabilities in the event of cyberattacks, in line with the new European cyber defence policy; reiterates its concern with regard to the service interruption that seriously affected the TARGET2 system and TARGET2 Securities in 2020; welcomes the independent review of these incidents and notes that the severity of a number of the findings was rated 'high'; welcomes the Eurosystem's acceptance of the general conclusions and its commitment to implementing the recommendations of the review;

calls on the ECB to ensure the enduring stability of sensitive infrastructure such as the TARGET2 system, to further enhance its efforts in the field of cybersecurity and to continue to promote the cyber resilience of financial market infrastructure;

44. Notes the divergence of TARGET2 balances within the European System of Central Banks; notes that the interpretation of these divergences is contested;
45. Calls on the ECB to ensure an adequate balance between allowing regulatory financial innovation in the FinTech area and ensuring financial stability; calls also on the ECB to step up its monitoring of the development of crypto-assets in order to prevent negative effects and related risks in terms of financial stability, monetary policy and the functioning and safety of market infrastructure and payments; stresses that the development of crypto-assets may pose additional concerns in terms of cybersecurity, money laundering, terrorist financing and other criminal activities linked to the anonymity provided by crypto-assets; notes that these risks can be mitigated through appropriate legislation, such as the forthcoming regulation on markets in crypto-assets (MiCA); takes note of the ECB's intention to develop and implement a policy response to mitigate the potential adverse impact of stablecoins on the EU's payments and financial landscape;
46. Recalls the support of the ECB for the implementation of Basel III, as this would lower the risk of a banking crisis and thus enhance financial stability within the EU;
47. Is concerned about the unfair clauses and practices employed by the banking sector in consumer contracts in certain Member States and stresses the need for the effective and swift implementation by all Member States of Directive 93/13/EEC on unfair terms in consumer contracts¹; invites the ECB to contribute actively to this end by using all means at their disposal, with a view to ensuring fair competition;
48. Notes that Bulgaria and Croatia joined the Single Supervisory Mechanism (SSM) in 2020, thus becoming the first countries outside the euro area to participate in European banking supervision; notes the equal representation of their national banks on the ECB's Supervisory Board; notes, also, the inclusion of the Bulgarian lev and the Croatian kuna in the exchange rate mechanism (ERM II) as one of the preconditions for adopting the euro;
49. Welcomes the ECB's efforts to ensure the stability of financial markets for all possible contingencies and negative consequences related to the withdrawal of the UK from the EU, in particular for regions and countries more directly affected;

Transparency, accountability and gender equality

50. Welcomes the substantial and detailed feedback provided by the ECB to Parliament's resolution on the 2019 ECB Annual Report; calls on the ECB to continue this commitment to accountability and to keep publishing its written feedback on Parliament's resolutions on the ECB Annual Reports each year;
51. Stresses the need to further enhance the accountability and transparency arrangements of the ECB; insists on its call for the ECB to take swift action by launching negotiations

¹ Council Directive 93/13/EEC of 5 April 1993 on unfair terms in consumer contracts (OJ L 95, 21.4.1993, p. 29).

on a formal interinstitutional agreement as soon as possible, thus ensuring that its independence goes hand in hand with its accountability; calls on the ECB to increase cooperation and the exchange of information and to enhance transparency towards Parliament and civil society by publishing reports in all EU languages and through the ‘ECB Listens’ initiative;

52. Notes the existing ECB staff rules on potential conflicts of interest of staff and encourages the broad application of staff rules; recognises the steps taken by the ECB, such as the adoption of the single Code of Conduct for high-level ECB officials and the decision to publish the Ethics Committee’s opinions addressed to the current members of the Executive Board, Governing Council and Supervisory Board that have been issued since the entry into force of the single Code of Conduct;
53. Welcomes the ECB’s publication of the aggregate holdings at amortised cost under the purchase programmes for asset-backed securities (ABSPP) and covered bonds (CBPP3) and the breakdowns of holdings purchased in primary and secondary markets, as well as the aggregate holding statistics for these programmes;
54. Welcomes the ECB’s disclosure of the full profits made by the Eurosystem through the securities markets programme (SMP) and of the total Eurosystem SMP holdings by issuer country (Ireland, Greece, Spain, Italy and Portugal); invites the Member States to follow this example regarding the agreements on net financial assets (ANFAs);
55. Reiterates its call for the ECB to ensure the independence of the members of its Audit Committee, as well as of its Ethics Committee; urges the ECB to review the functioning of the Ethics Committee in order to prevent conflicts of interest; calls on the ECB to review its cooling-off period for outgoing members;
56. Notes the fact that more than 90 % of the members of the ECB’s advisory groups are from the private sector, which could result in bias, conflicts of interest and regulatory capture in the policy-making process;
57. Welcomes the enhancement of the ECB’s internal whistleblowing framework; invites the ECB to ensure the integrity and efficiency of the new internal tool in order to facilitate truly simple and secure reporting of potential breaches of professional duties, inappropriate behaviour or other irregularities, and the granting of effective protection for whistleblowers and witnesses, as laid down in the EU Whistleblower Directive¹;
58. Acknowledges the ongoing efforts by the ECB to improve communication with Parliament; agrees, furthermore, with President Lagarde that the ECB has to modernise its communication to citizens on its policies and their impact; notes that a relevant Eurobarometer survey indicates that only 40 % of euro area respondents tend to trust the ECB; calls on the ECB to further engage in constructive dialogue with citizens to explain its decisions and listen to citizens’ concerns; welcomes, in this regard, President Lagarde’s announcement during the Monetary Dialogue held on 27 September 2021 of

¹ Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law (OJ L 305, 26.11.2019, p. 17).

the decision to make outreach events a structural feature of the ECB's interaction with the public;

59. Notes the decision of the European Ombudsman on the involvement of the President of the ECB and members of its decision-making bodies in the 'Group of Thirty' (Case 1697/2016/ANA) in order to ensure full transparency and public confidence in the independence of the ECB;
60. Regrets and expresses strong concern that only two of the members of the ECB's Executive Board and only two of the 25 members of the ECB's Governing Council are women; reiterates that the nominations of the Executive Board members should be prepared carefully and take a gender-balanced approach, with full transparency and together with Parliament, in line with the Treaties; recalls that, in accordance with paragraph 4 of its resolution of 14 March 2019 on gender balance in EU economic and monetary affairs nominations, Parliament is committed not to considering shortlists that do not respect the gender balance principle; encourages the ECB to make further progress in this regard; calls on the euro area member countries to fully incorporate the principle of gender equality in their appointment processes and to ensure equal opportunities for all genders for the position of governor of their national central banks;
61. Regrets that the gender imbalance also persists across the organisational structure of the ECB, notably in the share of women in senior management positions; notes that, at the end of 2019, the share of women in all ECB management positions rose to 30,3 % and in its senior management positions to 30,8 %; invites the ECB to take further action; welcomes, in this regard, the ECB's new strategy to further improve the gender balance of its staff at all levels, including the objective of hiring women to fill at least half its new and open positions at all levels and the target of increasing the share of women at the different levels to between 40 % and 51 % by 2026; calls on the ECB to further incentivise the participation of women and actively promote a gender-balanced representation in all its positions across the organisational hierarchy;

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62. Instructs its President to forward this resolution to the Council and the Commission.