ECB policy is working, but new challenges need new responses

MEPs on Wednesday asked the European Central Bank to step up its green credentials and address growing financial technology challenges.

The resolution, setting out Parliament’s priorities on the European Central Bank’s (ECB) future policies, spearheaded by Costas Mavrides (S&D, CY), was approved on Wednesday by 452 votes in favour, 142 against and 33 abstentions following Tuesday’s debate with ECB President Christine Lagarde.

For the first time in the EP as ECB President, Christine Lagarde discusses growth and financing climate initiatives with MEPs.

- Slowing economy requires ECB to continue its interventions, but governments must also do their part
- ECB policies should better reflect environmental and climate goals
- More attention should be paid to crypto-assets to protect consumers
Christine Lagarde.

In order to boost the slowing EU economy and encourage growth, MEPs asked the ECB to continue to expand the overall money supply. However, sustainable growth cannot be achieved through monetary policy alone and EU member states still need their own fiscal policies and to implement economic reforms, says the resolution. Furthermore, low or negative interest rates have a harmful impact on pensions and insurance systems, they add. Parliament also notes the importance of continuing with the ECB’s preparatory efforts to ensure EU financial markets remain stable after the withdrawal of the United Kingdom from the EU.

**Bring ECB policies in line with Paris Agreement**

Parliament calls on the ECB to better integrate environmental, social and governance (ESG) principles into its policies and redesign its corporate sector purchase programme (CSPP) to better support environmentally sustainable initiatives. MEPs deplored that green bond issuance still accounts for only 1 % of the overall supply of euro-denominated bonds, while a majority (62.1 %) of ECB corporate bond purchases remain in sectors that are responsible for 58.5 % of euro area greenhouse gas emissions.

**Digital currencies and anti-money laundering**

The resolution invites the ECB to step up its efforts to combat money laundering, tax evasion and other forms of financial crimes, by creating a system to better monitor large transactions. MEPs also note the need to monitor crypto-assets more closely. In collaboration with the Commission, the ECB should assess the EU legal and regulatory framework on e-money, financial instruments and virtual currencies/assets.

**Greek bonds**

MEPs regret that the ECB has not yet included Greek bonds in its public sector purchase programme (PSPP), despite positive developments in Greece.

**Further information**

- Video recording of the debate on European Central Bank - annual report 2018
- Text adopted (12.02.2020)
- European Central Bank annual draft report for 2018:
- File Procedure:
- Presentation of draft report in ECON (04-11-2019):
- Free photos, video and audio material
- Committee on Economic and Monetary Affairs
Contacts

John SCHRANZ
Press Officer
📞 (+32) 2 28 44264 (BXL)
📞 (+33) 3 881 74076 (STR)
✉️ (+32) 498 98 14 02
🐦 @EP_Economics
✉️ john.schranz@europarl.europa.eu