



EUROPEAN CENTRAL BANK

EUROSYSTEM

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DG International & European Relations

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The Chair  
Committee on Petitions  
European Parliament  
60, rue Wiertz  
B-1047 Brussels

Frankfurt am Main, 22 June 2018

**Re: Petition No 0429/2017 by Harald Bolsinger (German) on the compliance of the European Central Bank with the EU Charter of Fundamental Rights**

Honourable Member of the European Parliament, dear Ms Wikström,

Thank you for your letter informing the European Central Bank (ECB) about the discussion held by the Committee on Petitions of the European Parliament.

The ECB's President, Mario Draghi, had the opportunity to discuss the issues raised by the petitioner in both the regular hearings before the European Parliament's Committee on Economic and Monetary Affairs and in published replies to a significant number of written questions from Members of the European Parliament (MEPs).

In particular, in the reply letter to Ms Lynn Boylan dated 11 May 2017, he clarified that the ECB's primary objective, as mandated by the Treaty on the Functioning of the European Union, is to ensure price stability over the medium term.<sup>1</sup> The eligibility of assets for our monetary policy operations is thus primarily guided by our monetary policy objective and appropriate financial risk management considerations. Further remarks made more recently by the ECB President regarding the issues raised by the petitioner can be found in other written replies to MEPs, including in the letter to Ms Laura Agea and Mr Marco Valli dated 23 January 2018.<sup>2</sup>

The ECB's collateral policy was also recently discussed in the ECB feedback on the input provided by the European Parliament as part of its resolution on the ECB Annual Report for 2016,<sup>3</sup> which explains that a

<sup>1</sup> The letter is available on the ECB's website at [https://www.ecb.europa.eu/pub/pdf/other/ecb.170511letter\\_boylan.en.pdf](https://www.ecb.europa.eu/pub/pdf/other/ecb.170511letter_boylan.en.pdf)

<sup>2</sup> The letter is available on the ECB's website at [https://www.ecb.europa.eu/pub/pdf/other/ecb.mepletter180123\\_Valli\\_Agea.en.pdf](https://www.ecb.europa.eu/pub/pdf/other/ecb.mepletter180123_Valli_Agea.en.pdf)

<sup>3</sup> The document is available on the ECB's website at [https://www.ecb.europa.eu/pub/pdf/other/ecb.20180409\\_feedback\\_on\\_the\\_input\\_provided\\_by\\_the\\_european\\_parliament.en.pdf](https://www.ecb.europa.eu/pub/pdf/other/ecb.20180409_feedback_on_the_input_provided_by_the_european_parliament.en.pdf)

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broad set of eligible collateral helps to ensure that monetary policy is implemented smoothly and effectively. The document also clarifies that the Eurosystem has in place a detailed set of requirements relating to the eligibility and use of assets as collateral, as well as a detailed set of risk control measures applied to collateral. These requirements and measures are publicly available, and the ECB publishes the list of marketable assets which are eligible as collateral on a daily basis.

In relation to the specific issues of environmental protection that the petitioner raised, I would refer you to the ECB President's comments in his written answer to several MEPs dated 11 April 2017.<sup>4</sup> The ECB recognises the great importance of climate-related issues to our societies and believes that, in the first instance, it is up to political authorities to define, agree and promote appropriate measures to address such issues. In this sense, the ECB welcomes the European Commission's action plan on financing sustainable growth of 8 March 2017, which is a plan for a greener and cleaner economy. The ECB supports the political efforts to develop a common EU taxonomy of sustainable assets, as well as the proposals for strengthening sustainability disclosure. The ECB also participates in various international and European fora (e.g. the G20, the Financial Stability Board and the European Systemic Risk Board), where implications and challenges arising from climate change and climate change-related policies are discussed, and supports the ongoing work to identify the best way forward on this important global challenge. As an example of global work in this regard, the ECB contributes to the G20 Green Finance Study Group, which is investigating how to enhance the ability of the financial system to mobilise private capital for green investment. Moreover, the ECB recently joined the Network for Greening the Financial System, which brings together central banks and supervisors committed to developing common supervisory and macroprudential practices to address climate-related and environmental risks. Finally, the ECB's Vice-President, Vítor Constâncio, stated to the Committee on Economic and Monetary Affairs on 9 April 2018 that, despite the absence of an explicit climate-related target in the ECB's purchases under the extended asset purchase programme (APP), the programme has made a positive contribution to funding climate-related projects through its purchases of green bonds in monetary policy portfolios. This issue has also been recently discussed in a letter of reply to several MEPs dated 12 June 2018.<sup>5</sup>

I hope these actions have adequately highlighted the extent to which the ECB has already presented its views on the fulfilment of its mandate to the European Parliament and MEPs.

Yours sincerely,



<sup>4</sup> The letter is available on the ECB's website at

[https://www.ecb.europa.eu/pub/pdf/other/170411letter\\_damato\\_valli\\_pedicini\\_evi.en.pdf](https://www.ecb.europa.eu/pub/pdf/other/170411letter_damato_valli_pedicini_evi.en.pdf)

<sup>5</sup> The letter is available on the ECB's website at [https://www.ecb.europa.eu/pub/pdf/other/ecb.mepletter180615\\_Tang-Gill-Fernandez.en.pdf](https://www.ecb.europa.eu/pub/pdf/other/ecb.mepletter180615_Tang-Gill-Fernandez.en.pdf)

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