



EUROPEAN CENTRAL BANK

EUROSYSTEM

# Climate and nature plan 2024-2025

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Civil society seminar

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European Central Bank  
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# 1

## Our climate and nature plan 2024-2025

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# Climate change and the ECB's mandate



## We will act wherever we can within our mandate:

- Understanding the climate crisis and its implications for the economy and financial sector is **essential to deliver on our primary mandate and core tasks.**
- Within our mandate, we must also support the **EU's general economic policies including climate goals.**

Increasing urgency drives **need for more action**, and we are stepping up our climate work – despite **our limits as policy takers.**

# Rationale from our climate and nature plan



Reaffirm our commitment to **do our part to address climate change**:

- **Build on the activities** we put in place since the 2021 strategy review
- Regularly review the **effectiveness of our measures**



Define a **forward-looking climate and nature plan for 2024-2025** to:

- Keep up the **ambition** and the **commitment** across the ECB and the Eurosystem
- **Expand** our work in 2024-2025, guided by **3 focus areas**

# Our climate and nature plan 2024-2025



## What we have achieved

In recent years the ECB established its **climate action in all fronts**

## What we will continue

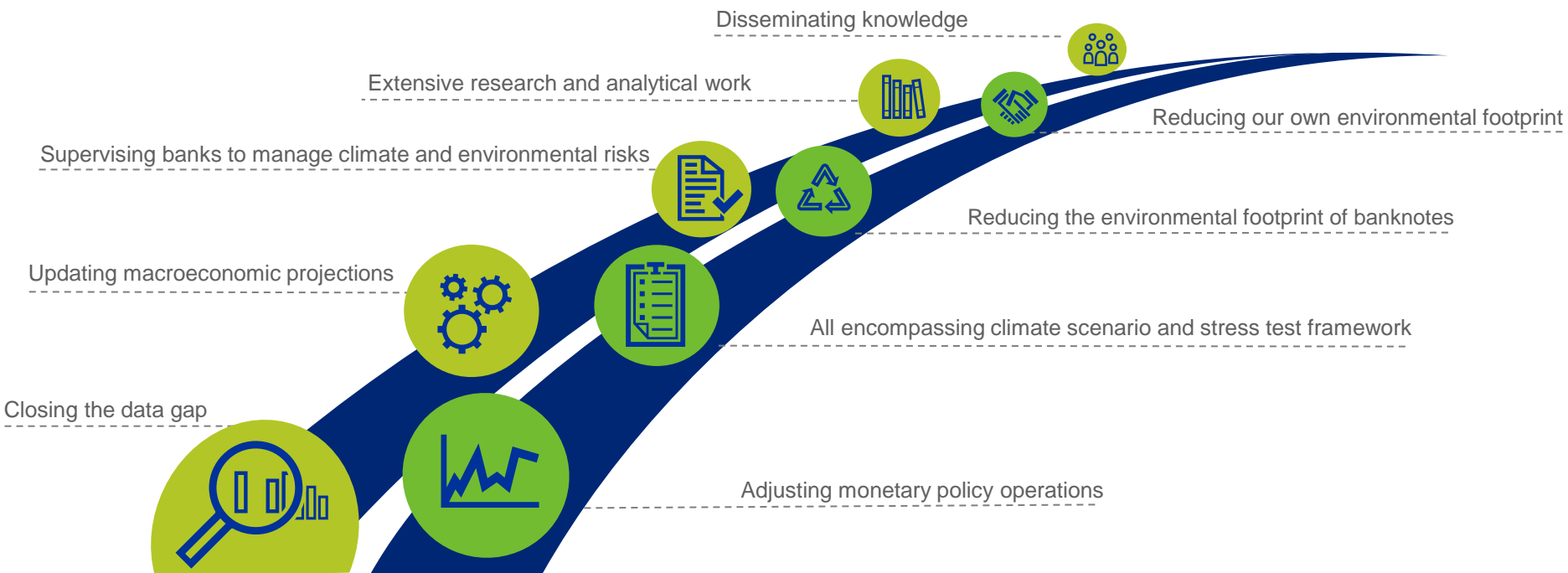
**We'll build on and expand work** already in place

## What we will focus on

**Three focus areas** with targeted actions to guide future work

What we  
have  
achieved

# The ECB has integrated climate actions on many fronts





# We will continue and further expand our actions

... building on the ECB's monetary policy climate action plan 2021, ECB's climate agenda 2022, and SSM supervisory priorities 2024-2026:

## Monetary policy and macroeconomic analysis

- Implement **collateral pool limits**
- **CSRD-related disclosure requirements in collateral framework**
- Further advance **transition policies in macromodels and projections**

## Financial stability and banking supervision

- Publish **NGFS short term scenarios** and **Fit for 55 Stress test**
- Deadline for banks to meet **supervisory expectations + enforcement actions**

## Climate-related data

- Publication of enhanced **climate-related statistical indicators**

## Corporate sustainability, banknotes, payment and infrastructures

- Implement **Environmental Management Programme 2022-2024**
- Decide on Euro Series 3 design including **eco-design** principles
- Environmental footprint considerations in development of **digital euro**

Note: These are examples of the foreseen actions. A detailed list is can be found in the press release on the ECB's website.

# Three focus areas for 2024-2025

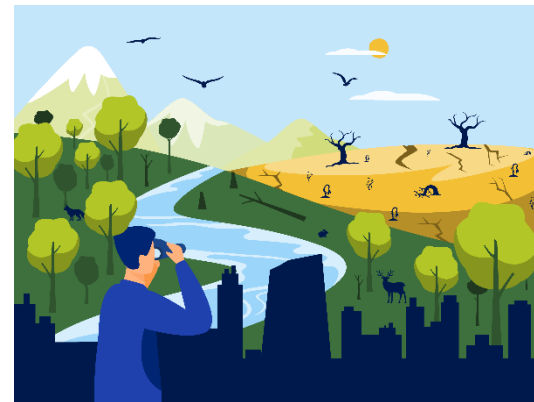
## 1. Navigating the transition towards a green economy



## 2. Increased physical impact of climate change



## 3. Advance work on nature related risks





# Focus area 1:

## Navigating the transition towards a green economy



- The **transition progresses** with implications for the macroeconomy and the financial system
- **Understanding** its impacts, risks and the financing needs is **essential to deliver on price stability**
- Within its mandate, the ECB should **support the transition** through our own actions.

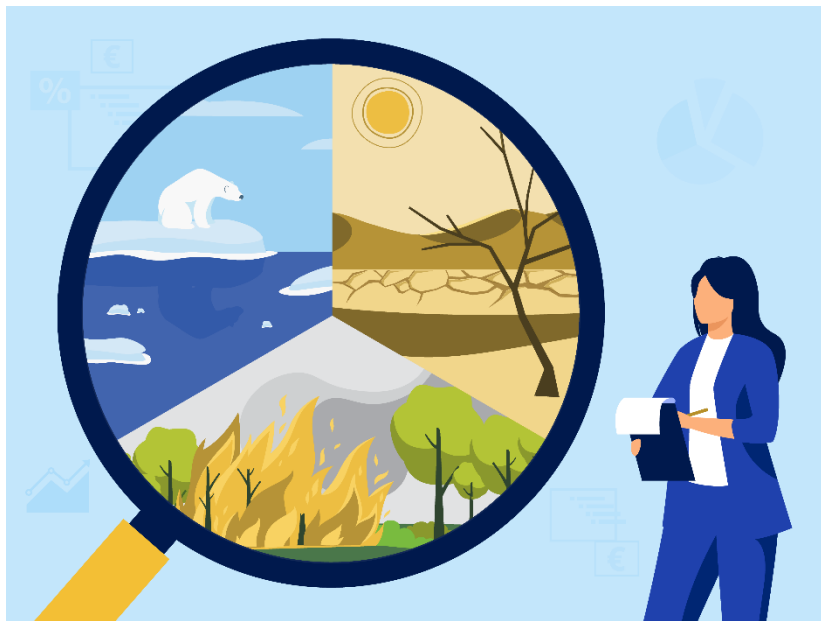
# Focus area 1:

## Navigating the transition towards a green economy

### What we will look into:

- Assess **green investment needs** and its **funding**
- Analyse the **structural consequences** arising from the **transition**
- Advance the **macroeconomic modelling framework** with a focus on climate aspects
- Analyse the effects of transition funding and risks on **the transmission mechanism of monetary policy**
- Explore within our mandate the case for **further climate change considerations in monetary policy instruments and portfolios**

## Focus area 2: Increased physical impact of climate change



- **Physical impacts** of climate change are rising faster than expected and are having **more severe consequences**
- Delivering on our tasks require us to improve our **understanding of these effects**, the related risks and the transmission channels to the macroeconomy and financial system

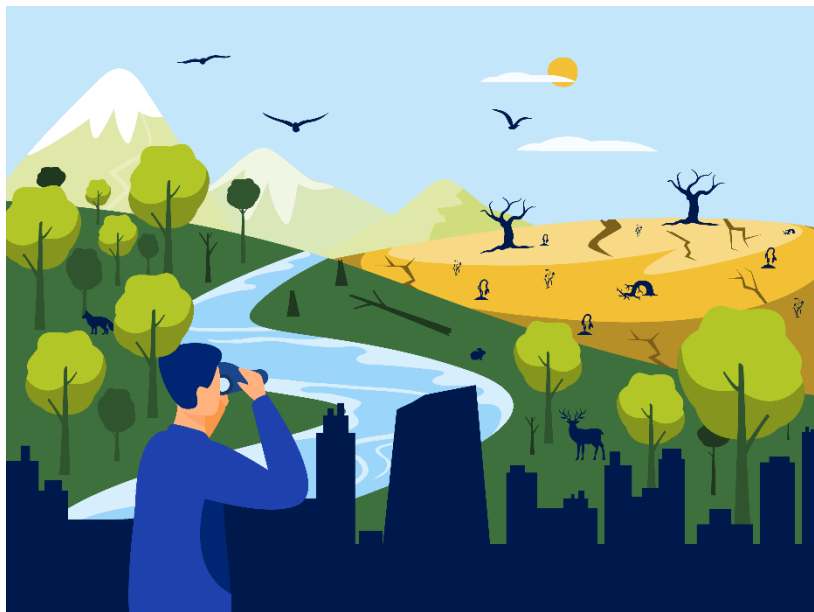
## Focus area 2: Increased physical impact of climate change

### What we will look deeper into:


- Steps to **integrate climate change impacts into climate scenarios** and the **analytical framework used for macroeconomic projections**
- Availability of **data** to support physical risk analysis
- Explore the **impact of adaptation**, including the climate insurance protection gap

# Focus area 3:

## Advance work on nature-related risks



- **Degradation of nature** affects the economy and leads to financial risks, due to the high dependency on ecosystem services
- Strongly **connected with climate change** - two sides of the same coin
- Work on the relevance of these **risks for and impacts on ECB's tasks** and actions



What we will  
focus on

## Focus area 3:

### Advance work on nature-related risks

#### What we will look into:

- Further explore the **economic and financial implications** of biodiversity loss and degradation of nature
- Work closely with our peers in **European and international fora**

# 2

## Q&A and discussion

# Q&A and discussions

Now we also want to hear from you!

1. **Questions and reactions on our climate and nature plan 2024-2025**
2. **How can we keep climate and nature on the agenda**



# Next steps



**Let's continue the debate!**

**Do not hesitate to contact us at  
[CivilSociety@ecb.europa.eu](mailto:CivilSociety@ecb.europa.eu)**



Thank you!

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