



EUROPEAN CENTRAL BANK

EUROSYSTEM

ECB-PUBLIC

Mario DRAGHI

President

Ms Lynn Boylan

Member of the European Parliament

European Parliament

60, rue Wiertz

B-1047 Brussels

Frankfurt, 11 May 2017

L/MD/17/177

Re: Your letter (QZ-023)

Honourable Member of the European Parliament, dear Ms Boylan,

Thank you for your letter, which was passed on to me by Mr Roberto Gualtieri, Chairman of the Committee on Economic and Monetary Affairs, accompanied by a cover letter dated 22 March 2017.

Let me start by saying 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. The eligibility of assets for our purchase programmes is thus primarily guided by our monetary policy objective and appropriate financial risk management considerations, while applying an internal benchmark defined at issuer group level.¹

Under the corporate sector purchase programme (CSPP), the Eurosystem purchases investment-grade bonds issued by non-bank corporations established in the euro area. The aim of the CSPP, which is part of the Eurosystem's asset purchase programme, is to further strengthen the pass-through of the Eurosystem's asset purchases to the financing conditions of the real economy thereby contributing to the return of inflation rates to levels below, but close to, 2% over the medium term.

Please note that there has been no change in the eligibility criteria for the CSPP since the programme was first implemented. In order to maximise the effectiveness of the CSPP from a monetary policy perspective, its eligibility criteria are broadly defined. The eligible universe therefore consists of a diversified set of bonds (in terms of sectors and issuers), including certified green bonds.

¹ This neutral benchmark refers to the nominal outstanding amount of eligible bonds issued by the issuer group in question as a share of the entire CSPP-eligible universe, thereby ensuring a diversified allocation of purchases.

Address

European Central Bank
Sonnemannstrasse 20
60314 Frankfurt am Main
Germany

Postal Address

European Central Bank
60640 Frankfurt am Main
Germany

Tel. +49-69-1344-0
Fax: +49-69-1344-7305
Website: www.ecb.europa.eu

Let me conclude by saying that the ECB is of the view that climate-related issues are of great importance to our society. Moreover, we believe that it is up to political authorities to define, agree and promote appropriate measures to address this issue. The ECB fully complies with current regulations in this field. We also support the work that goes into identifying the best way forward in respect of this considerable global challenge. For example, the ECB contributes to the G20 Green Finance Study Group, which looks into how the financial system may help to encourage private green investment.

Yours sincerely,

[signed]

Mario Draghi

Address

European Central Bank
Sonnemannstrasse 20
60314 Frankfurt am Main
Germany

Postal Address

European Central Bank
60640 Frankfurt am Main
Germany

Tel. +49-69-1344-0
Fax: +49-69-1344-7305
Website: www.ecb.europa.eu