



EUROPEAN CENTRAL BANK
EUROSYSTEM

ECB-PUBLIC

Christine LAGARDE
President

Mr Bas Eickhout
Member of the European Parliament
European Parliament
60, rue Wiertz
B-1047 Brussels

Frankfurt am Main, 26 June 2025

L/CL/25/174

Re: Your letter (QZ-010)

Honourable Member of the European Parliament, dear Mr Eickhout,

Thank you for your letter on the ECB's secondary objective, which was passed on to me by Ms Aurore Lalucq, Chair of the Committee on Economic and Monetary Affairs, accompanied by a cover letter dated 20 May 2025.

As noted in your letter, the ECB included a box on its secondary objective in its 2023 Annual Report. It explains how the secondary objective is considered in the conduct of the ECB's monetary policy and how the ECB communicates about its actions on the secondary objective. Boxes in the ECB Annual Report, as well as in other ECB publications, are self-contained inserts that provide further analysis of selected topics. The boxes in the 2024 Annual Report covered different issues from those in 2023 – in line with the usual practice of highlighting different specific areas of the ECB's work each year.

As outlined in the ECB's recent feedback on the European Parliament resolution¹, the 2024 Annual Report continues to cover matters related to the secondary objective.² This includes examples that relate directly to the secondary objective: (i) noting that by means of its medium-term orientation, and without prejudice to

¹ See "[Feedback on the input provided by the European Parliament as part of its resolution on the ECB's Annual Report 2023](#)".

² See the ECB's [Annual Report 2024](#).

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maintaining price stability, the monetary policy of the ECB contributed to supporting employment and productivity, which are among the European Union's objectives to which the ECB can contribute (Section 1.2); and (ii) stating that, to the extent that different configurations of the operational framework are equally conducive to ensuring the effective implementation of the monetary policy stance, the ECB's operational framework shall facilitate the pursuit of its secondary objective of supporting the general economic policies in the EU – in particular the transition to a green economy – without prejudice to the ECB's primary objective of price stability (Box 2). It also includes examples of where the secondary objective has played a key supplementary role: (i) the significant headway made on completing a robust regulatory framework for the financial sector in addition to providing a summary assessment of banks and the financial system and elaborating on sources of resilience and fragility for financial stability (Chapter 3); (ii) advances made during 2024 in the ECB's analytical capacity with regard to climate change in statistics, including substantially enriching and updating climate change-related statistical indicators on sustainable finance, carbon emissions and physical risks (Section 7.2); and (iii) the ECB's efforts and progress in climate and environmental work, such as scenario analyses and supervisory expectations on climate-related and environmental risks, as well as ongoing efforts to reduce the environmental impact of euro banknotes and electronic payments (Section 11.5).

The ECB regularly communicates with the public to explain its policies, including those it pursues under its secondary objective. These communication efforts are reflected across a range of publications and public interventions. Where appropriate, the ECB explains how its actions help to 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 of the Treaty on European Union (TEU), without prejudice to its primary objective of price stability. This includes explaining which considerations are particularly relevant in this context.

Key examples of this communication include the overview of the ECB's monetary policy strategy³, published on its website following the 2021 strategy review⁴, including a section on "Other considerations relevant to the pursuit of price stability" which explains considerations related to the secondary objective. Likewise, in the context of the ECB's operational framework review in 2024⁵, the Governing Council explicitly communicated on how the operational framework shall facilitate the ECB's pursuit of its secondary objective – in particular the transition to a green economy. Climate change is a good example of where the ECB has communicated extensively with the public on the relevance to both its primary and its secondary objective. The ECB presented its climate action plan in 2021⁶ and has since published a 2022 climate agenda⁷ and a climate and nature

³ See "[An overview of the ECB's monetary policy strategy](#)".

⁴ For more communication on the secondary objective in light of the 2021 strategy review, please see "[The ECB's monetary policy strategy statement](#)", point 10.

⁵ See "[Changes to the operational framework for implementing monetary policy](#)", Statement by the Governing Council, 13 March 2024.

⁶ See "[ECB presents action plan to include climate change considerations in its monetary policy strategy](#)", press release, 8 July 2021.

⁷ See "[ECB climate agenda 2022](#)", 4 July 2022.

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plan⁸ for 2024-25, all of which outline concrete efforts to incorporate climate considerations into its activities. The ECB also addresses issues on climate change and nature degradation in various channels of its communication, including speeches by ECB Board members, podcasts and press releases.⁹

The ECB remains committed to effective and understandable communication with the public on its monetary policy. This will include continuing to provide regular, accessible information about policy decisions, ensuring the public understands the ECB's role clearly. While doing so, the ECB will also continue to communicate about how it supports general economic policies in the Union, consistent with its mandate.

Yours sincerely,

[signed]

Christine Lagarde

⁸ See "[ECB climate and nature plan 2024-2025](#)", 30 January 2024.

⁹ See, for example, Elderson, F., "[The European Climate Law and the European Central Bank](#)", keynote speech, Amsterdam, 1 December 2022; Schnabel, I. and Elderson, F., "[Tackling climate change as a central bank](#)", podcast; "[ECB takes further steps to incorporate climate change into its monetary policy operations](#)", press release, 4 July 2022.

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