



**EUROPEAN CENTRAL BANK**  
EUROSYSTEM

**ECB-PUBLIC**  
*COURTESY TRANSLATION*

Christine LAGARDE  
President

Mr Piernicola Pedicini  
Member of the European Parliament  
European Parliament  
60, rue Wiertz  
B-1047 Brussels

Frankfurt am Main, 29 June 2020

L/CL/20/169

**Re: Your letter (QZ-030)**

Honourable Member of the European Parliament, dear Mr Pedicini,

Thank you for your letter, which was passed on to me by Ms Irene Tinagli, Chair of the Committee on Economic and Monetary Affairs, accompanied by a cover letter dated 30 April 2020.

As part of the non-standard monetary policy measures to support the monetary policy transmission mechanism and provide the amount of policy accommodation needed to ensure price stability, the Eurosystem purchases debt securities issued by public and private entities. In particular, in the context of the public sector purchase programme (PSPP) or the pandemic emergency purchase programme (PEPP), the Eurosystem actively purchases in the secondary market bonds issued by EU institutions.<sup>1</sup>

I welcome the ongoing work on a dedicated EU recovery instrument, Next Generation EU. Debt instruments issued for the financing of Next Generation EU could be eligible for secondary market purchases under the PSPP and the PEPP to the same extent as debt instruments issued by EU institutions. The eligibility criteria are laid out in Article 3 of the PSPP Decision<sup>2</sup> and Article 2 of the PEPP Decision.<sup>3</sup>

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<sup>1</sup> For the current list of international and supranational institutions located in the euro area whose securities are eligible for the PSPP and PEPP, see: <https://www.ecb.europa.eu/mopo/implement/omt/html/pspp.en.html>.

<sup>2</sup> Decision (EU) 2020/188 of the European Central Bank of 3 February 2020 on a secondary markets public sector asset purchase programme (ECB/2020/9) (recast): <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32020D0188>.

<sup>3</sup> Decision (EU) 2020/440 of The European Central Bank of 24 March 2020 on a temporary pandemic emergency purchase programme (ECB/2020/17): <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32020D0440>.

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Yours sincerely,

[signed]

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