

Pierre Gramegna talks to GlobalCapital

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Interviews



Selected remarks of GlobalCapital podcast interview, recorded at Euromoney Global Borrowers and Investors Forum, London, 20 June 2023

Interviewee: Pierre Gramegna, Managing Director of ESM

Interviewer: Ralph Sinclair, Frequent Issuers Editor, GlobalCapital

Pierre's focus at ESM in first six months:

Pierre Gramegna said he is taking stock of where the ESM stands in the financial architecture of Europe. He said he was currently visiting all 20 euro area Member States. He underscored it is important to see the shareholders of the ESM, to see how they envisage the existing role and the potential additional role that an institution like this one, which is a rescue fund, can play in times of persistent crisis and crises that change their

nature very often.

On the current role of the ESM and the EFSF:

The Managing Director referenced that in the lockdown of the pandemic, Europe was able to respond quickly to the situation. The ESM was part of that response with a credit line available for euro area Member States, the Pandemic Crisis Support.

On what investors tell the Managing Director:

Pierre Gramegna said the ESM is well known among investors. It's a major issuer of bonds. And because it is a Triple-A rated institution, it's a very attractive investment. As an issuer the ESM and EFSF also contribute to building the euro safe asset class and the euro itself is becoming even more attractive for markets.

On ESM and the drive for ESG in Europe:

The Managing Director said ESG is a topic that's very important and close to his heart. He referred to the ESM's scoring of its ESG assets and said the institution is one of only a few International Financial Institutions to score ESG. The grading that the ESM achieved, according to the methodology from rating agency Moody's, is 73 out of 100, which means that the ESM is very ESG-sensitive. .

On how the ESM can evolve over the next five years:

Pierre Gramegna said that there is a new treaty that needs to be ratified where the ESM will be the backstop for the Single Resolution Fund which will strengthen financial stability in Europe. That's going to happen in the months to come. Second is providing precautionary loans. That means helping countries before they are at cliff edge. And preventing a crisis is far less costly than solving a crisis.

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