

SPEECH

Digital euro: protecting our freedom, autonomy and security

Keynote speech by Piero Cipollone, Member of the Executive Board of the ECB, at the Baltic digital euro conference “Payments & Policy in a Changing Environment” organised by Eesti Pank in cooperation with Latvijas Banka and Lietuvos bankas

Tallinn, 29 September 2025

I often think about the ECB's role as the guardian of the euro.

The euro is more than just a currency. It is a commitment, a commitment to stability, to unity and to a shared European destiny. A destiny built on peace and prosperity. Yet, as we look to Europe's borders not too far from here, the challenges to peace and prosperity are all too visible.

Europe has faced these challenges with determination and a great resolve to go further. It is bolstering its readiness, strengthening its capacity to prevent and respond to threats and reinforcing the very foundations of our common security.^[1]

At the ECB, our aim is clear: to uphold Europe's economic and financial stability in a world that never stands still. Price stability is the primary objective of our monetary policy. And we also help to preserve financial stability by supervising banks, adopting macroprudential policy measures and overseeing payment systems.

But today is an opportunity to discuss one vital element in our ongoing efforts to deliver stability: ensuring that central bank money – our sovereign money, which Europeans use every day in the form of cash – remains universally accessible for everyday transactions.

To achieve this, cash needs to be available not just in physical form, but also digitally. As legal tender, a digital euro could be used wherever digital payments are accepted. It would preserve our freedom to choose how we pay.^[2]

In my speech today, I would like to focus on how the digital euro will bolster Europe's unity, safeguard our autonomy and strengthen our resilience in the face of ever-evolving challenges.

Sharing a currency: more than just money

Sharing a currency is about sharing more than just money. It affirms that our future is bound together.^[3] It unites us.

When the Baltic States joined the euro area, it was not just an economic decision. It was a commitment to stability. And even more, it was a declaration of belonging, of choosing, in the strongest possible way, to be part of the European project.^[4]

Sharing a single currency has a strong geopolitical dimension. My predecessor on the ECB's Executive Board, Fabio Panetta, once remarked that our monetary union "is as close as it gets to a collective economic defence clause. An attack against one of its members would be an attack against all of them" because it would affect a key element of our shared sovereignty.^[5]

Sharing a common currency also fosters a sense of belonging that transcends national borders, one that builds on and contributes to our European identity.^[6] This is also reflected in citizens' support for the euro, which is rooted largely in shared values. It provides a powerful anchor of stability, cementing Europeans' trust in their money even in times of crisis.^[7]

The bedrock of our currency is central bank money, embodied by the banknotes that we have in our wallets. When Estonians, Latvians and Lithuanians hold euro banknotes in their hands, they hold a tangible reminder that they are part of a united Europe.

In a world that grows more fragmented by the day, there are strong reasons to preserve and reinforce our money in the years ahead.

That is why we are designing a new series of banknotes, which will celebrate our shared culture and Europe's natural heritage.^[8]

And that is why we are getting ready to issue a digital euro. As payments become increasingly digital, central bank money must evolve to keep pace and remain an option for the people of Europe.

Between 2019 and 2024 the share of cash used at physical point of sale locations in the euro area fell from 72% to 52% in terms of volume, and from 47% to 39% in terms of value.^[9] And as the role of online payments has grown, the role of cash in all day-to-day transactions has been declining at an even faster pace: between 2019 and 2024 its share fell from 68% to 40% in volume terms and from 40% to 24% in value terms.

At its heart, the digital euro would ensure that European people and businesses retain the freedom to pay with cash in their daily transactions. It would allow them to pay digitally using sovereign money anywhere in the euro area, at all times.^[10]

Safeguarding our autonomy and economic security

The digital euro is not merely a "nice to have". As the use of cash declines, Europe is increasingly dependent on non-European payment solutions. This puts us at the mercy of decisions made elsewhere.

Two-thirds of card-based transactions in the euro area are processed by international schemes. Today, in 13 out of 20 euro area countries, daily in-store payments depend entirely on these schemes. Estonia,

Lithuania and Latvia are a case in point: electronic payments are booming, yet global card networks dominate, putting everyday transactions squarely in the hands of non-European companies.

This excessive dependency not only hampers competition, resulting in higher fees for merchants that translate into higher prices for consumers. It also calls our sovereignty into question by threatening our ability to act independently in one of the areas most critical for the functioning of our economy: money.

In the face of this challenge, the digital euro would safeguard Europe's autonomy. Introducing a digital euro would provide an attractive alternative to non-European payment solutions, ensuring that Europe sets its own standards for how Europeans pay.^[11]

A digital euro would give people the freedom to transact seamlessly and securely, without being dependent on decisions made outside the EU. With the digital euro, Europeans would remain in control of their money, their choices and their future.

The digital euro will also empower European payment companies. By providing a powerful infrastructure, open standards and a European-wide acceptance network, a digital euro would allow these companies to scale up their solutions across the continent in a cost-efficient way. And they would be able to use the digital euro platform to offer innovative services that would make life easier for consumers and businesses, as evidenced in the report we published last Friday, which presents the findings from our innovation partnerships with market participants.^[12]

Today, even the most advanced innovations in the area of retail payments – including those from Baltic banks and fintechs – struggle to cross national borders. Tomorrow, the digital euro, thanks to its wide acceptance as legal tender, will open borders for these solutions, strengthen competition, foster innovation and ensure Europe can shape the future of European payments on its own terms.

Strengthening our resilience

The digital euro will strengthen European resilience. Payment systems are a vital part of our daily lives – as utterly indispensable as other critical infrastructures like energy.

Digital payments are fast and convenient but they depend on the resilience of our digital infrastructure. If critical services fail, people expect public authorities to maintain continuity. This is not hypothetical: incidents like sabotage in the Baltic Sea remind us how fragile our systems can be.

Everyone in society has a part to play in strengthening resilience. It is a shared responsibility and, especially for central bankers, a top priority.^[13]

The digital euro, alongside physical cash, can take on a leading role in preserving Europe's resilience. It is not just a technological innovation – it is also a public good that will bolster Europe's strength, stability and adaptability under pressure.

The digital euro is designed with three critical features in mind.^[14]

First, its infrastructure will be distributed across at least three regions, each equipped with multiple servers. So in the face of a cyberattack or one of many other hypothetical crisis scenarios, digital euro payments can continue – disruptions should not bring the system to a standstill.

Second, the ECB will provide a dedicated digital euro app, which will let you switch seamlessly between providers. This means you will be able to continue using your digital euro even if some providers are hit by an outage.

Third, the digital euro will also function offline, adding another layer of security and reliability. Even if the internet is down, ATMs are out of order or you have no phone signal, you will still be able to pay with digital euro.

These features have been significantly improved by active contributions from several euro area countries, including the Baltic States.^[15] Drawing on this rich source of expertise and experience also ensures that the digital euro harnesses best practices from all over Europe, which both reflects the foundational EU principle of unity through diversity and strengthens our ability to withstand major crises.

Conclusion

At its core, our shared currency is a declaration: we choose unity over division, community over isolation and common destiny over fragmented paths.

This idea is embedded in every facet of what we do at the European Central Bank. It is at the very heart of our work on the digital euro: we are designing a safe, reliable and universally accessible form of central bank money for the digital age.

And as ECB President Christine Lagarde said earlier this month “The digital euro is not just a means of payment; it is also a political statement concerning the sovereignty of Europe.”^[16]

The digital euro offers a digital form of the very same cash that we all use every day, from Lisbon to Tallinn. It would be a European solution based on European infrastructure. It can protect our freedom, our autonomy and our security. And it can make European payments more competitive and resilient.

European leaders highlighted this in their Euro Summit Statement in March. They emphasised that in a more fragmented and digital world, accelerating progress on a digital euro is key to supporting a competitive and resilient European payment system and contributing to Europe’s economic security.^[17]

But a project of this scale cannot succeed if the ECB, the national central banks, the European Commission and European legislators work alone. It requires expertise, creativity and commitment from all stakeholders, especially the national communities who bring local insight and innovation from every corner of Europe.

Through close dialogue and active engagement at events like today’s, we can shape a digital euro that truly simplifies everyday payments for Europeans and protects their freedom, autonomy and security.

In doing so, we are not just shaping the future of payments – we are reaffirming Europe as a place where innovation serves the public good, where resilience meets opportunity and where our shared currency

continues to unite us in an increasingly challenging world.

1.

Niinistö, S. (2025), “[Safer Together – Strengthening Europe’s Civilian and Military Preparedness and Readiness](#)”, *Report by the Special Adviser to the President of the European Commission*.

2.

See also Cipollone, P. (2024), “[The digital euro: what’s in it for you?](#)”, *The ECB Blog*, ECB, 1 November, and Cipollone, P. (2024), “[Maintaining the freedom to choose how we pay](#)”, *The ECB Blog*, ECB, 25 June.

3.

An imagined community becomes real when people share values, perceive a common fate and feel bound together. The euro reinforces this, making the EU tangible and highlighting a shared destiny among its users. See Risse, T. (2003), “The Euro between national and European identity”, *Journal of European Public Policy*, Vol. 10, No 4, pp. 487-505.

4.

The Baltic States’ reintegration into Europe was seen as a true homecoming. After regaining independence, they have framed their political identities in terms of the East-West divide, highlighting their deliberate alignment with European institutions and values. See Hüsse, R. (2006), “Imagine the EU: the metaphorical construction of a supra-nationalist identity”, *Journal of International Relations and Development*, Vol. 9, pp. 396-421.

5.

See Panetta, F. (2022), “[Europe’s shared destiny, economics and the law](#)”, Lectio Magistralis on the occasion of the conferral of an honorary degree in Law by the University of Cassino and Southern Lazio, Cassino, 6 April.

6.

See Buscha, F., Muller, D. and Page, L. (2017), “Can a common currency foster a shared social identity across different nations? The case of the euro”, *European Economic Review*, Vol. 100, pp. 318-336 and Negri, F., Nicoli, F. and Kuhn, T. (2020), “Common currency, common identity? The impact of the Euro introduction on European identity”, *European Union Politics*, Vol. 22, No 1, pp. 114-132.

7.

Bergbauer, S., Hernborg, N., Jamet, J.-F. and Persson, E. (2020), “The reputation of the euro and the European Central Bank: interlinked or disconnected?”, *Journal of European Public Policy*, Vol. 27, No 8, pp. 1178-1194.

8.

See ECB (2025), “[ECB launches design contest for future euro banknotes](#)”, press release, 15 July and Cipollone, P. (2025), “[Making euro cash fit for the future](#)”, *The ECB Blog*, ECB, 4 August.

9.

See ECB (2024), [Study on the payment attitudes of consumers in the euro area \(SPACE\)](#), December.

10.

See Cipollone, P. (2025), “[The digital euro: legal tender in the digital age](#)”, introductory statement at the Committee on Economic and Monetary Affairs of the European Parliament, Brussels, 14 July.

11.

Cipollone, P. (2025), “[Empowering Europe: boosting strategic autonomy through the digital euro](#)”, introductory statement at the Committee on Economic and Monetary Affairs of the European Parliament, Brussels, 8 April.

12.

See ECB (2025), [Digital euro innovation platform – Outcome report: pioneers and visionaries workstreams](#), September and Cipollone, P. (2025), “[Preparing the future of payments and money: the role of research and innovation](#)”, keynote speech at the conference “The future of payments: CBDC, digital assets and digital capital markets”, hosted by Bocconi University, the Centre for Economic Policy Research and the European Central Bank, Milan, 26 September.

13.

Cipollone, P. (2025), “[What resilience takes: strengthening the financial system in an era of heightened risk](#)”, keynote speech at the Resilience Conference hosted by De Nederlandsche Bank, Amsterdam, 17 September.

14.

Cipollone, P. (2025), “[The digital euro: ensuring resilience and inclusion in digital payments](#)”, introductory statement at the Committee on Economic and Monetary Affairs of the European Parliament, Brussels, 4 September.

15.

European Central Bank (2025), [Digital euro - WP meeting on 15-16 May - ECB slide presentation - Eurosystem analysis on resilience](#), 16 May.

16.

Lagarde, C. (2025), “[Preliminary remarks during the press conference following the Eurogroup meeting in Copenhagen](#)”, 19 September.

17.

General Secretariat of the Council (2025), [Euro Summit meeting – Statement](#), Council of the European Union, Brussels, 20 March.

Reproduction is permitted provided that the source is acknowledged.

Media contacts