

## ANNEX

### SUGGESTED AMENDMENTS IN PART I

**Article I-3:** The Governing Council proposes that the first sentence of Article I-3(3) be amended as follows:

3. The Union shall work for a Europe of sustainable development based on balanced economic growth **and price stability**, with a social market economy aiming at full employment and social progress.

**Article I-29:** The Governing Council proposes that Article I-29 be amended as follows:

1. The European Central Bank (ECB)~~shall direct~~, **together with the national central banks, shall constitute** the European System of Central Banks (ESCB). **The ECB, together with the national central banks of the Member States, which have adopted the euro, shall constitute the Eurosystem. The ESCB and the Eurosystem shall be governed by the decision making bodies of the ECB.** ~~of which it, alongside the national central banks, forms part.~~
2. The primary objective of the **Eurosystem System**~~shall be to maintain price stability. Without prejudice to the objective of price stability, the Eurosystem System shall support general economic policies in the Union with a view to contributing to the achievement of the Union's objectives. The Eurosystem System shall conduct the monetary policy of the Union, as well as other central bank tasks, according to the provisions of Part III of the Constitution and the Statute of the ESCB and the ECB~~~~its statute.~~
3. The **ECB Bank**~~shall have legal personality and shall be independent for its finances. It alone may authorise the issue of the Union currency, the euro. In the exercise of its powers and for its finances, it shall be independent. When exercising their powers and carrying out their tasks and duties, the ECB, the national central banks, and any member of their decision making bodies shall be completely independent in accordance with the provisions of Article III-77.~~ Union institutions and bodies, and the governments of the Member States, shall undertake to respect this principle.
4. The **ECB Bank**~~shall adopt such measures as are necessary to carry out its tasks in accordance with the provisions of Articles III-74 to III-81, and with the conditions laid down in the Statute of the ESCB and the ECB~~~~its Statutes.~~ In accordance with these same provisions, those Member States, which have not adopted the euro, and their central banks, shall retain their powers in monetary matters.
5. Within its areas of competence, the **ECB Bank**~~shall be consulted on all proposed Union acts, and all proposals for regulation at national level; and may give an opinion.~~
6. The organs of the **ECB Bank**, their composition and operating methods are set out in articles III-82 to III-85, as well as in the Statute of the **ESCB and the ECB**~~Bank.~~

## SUGGESTED AMENDMENTS IN PART III

Article III-76(5): The Governing Council considers that provision (b) in the fifth paragraph of Article III-76 should provide for the same procedure with regard to the involvement of the European Parliament, irrespective of whether the Commission or the ECB initiates the legislative procedure, and that it should therefore be amended as follows:

5. Articles 5.1, 5.2, 5.3, 17, 18, 19.1, 22, 23, 24, 26, 32.2, 32.3, 32.4, 32.6, 33.1(a) and 36 of the Statute of the ESCB may be amended:
  - (a) either by a European law adopted after consultation of the European Central Bank;
  - (b) or by a European law ~~of the Council~~ adopted on a recommendation from the European Central Bank, ~~after consent by the European Parliament~~ consultation of the Commission.

Article III-81: The Governing Council proposes that Article III-81 be amended as follows and be moved to Title V of Part III on the external action of the Union.

1. **Without prejudice to Article I-12(2),** ~~in order to secure the euro's place in the international monetary system,~~ Member States ~~whose currency is the euro~~ shall coordinate their action among themselves and with the Commission, with a view to adopting common positions ~~on monetary matters~~ within the competent international financial institutions and conferences. They shall defend and promote these common positions.

~~For monetary policy or directly related matters,~~ **Where appropriate,** the European Central Bank, without prejudice to its independence, shall be fully associated with that coordination.

2. On the basis of that coordination, the Council, on a proposal from the Commission may adopt appropriate European decisions to ensure unified representation within the international financial institutions and conferences.
3. **In accordance with the allocation of powers laid down in Article III-74, the European Central Bank shall define the position of the Union and, where appropriate, shall represent the Union in the competent international institutions and conferences.**

Article III-87(1): The Governing Council proposes that provision (c) in the first paragraph of Article III-87 be amended as follows:

- (c) ~~the observance of the normal fluctuation margins provided for by~~ **participation in** the exchange rate mechanism for at least two years, **without severe tensions,** and without devaluing against the euro.

## EXPLANATORY MEMORANDUM

The Governing Council suggests drafting proposals for amendments to the following draft articles of the Constitution:

**Article I-3:** It is of the utmost importance to the Governing Council that the spirit of the present Community objective of ‘non-inflationary growth’ be reflected in Article I-3 on the objectives of the Union.

Should the notion of ‘non-inflationary growth’ be considered too technical by the Convention, the fully equivalent but simpler notion of ‘price stability’ could be used instead. Price stability yields confidence in the long-term value of the Union’s currency, the euro, and translates into low and stable long-term interest rates, which in turn foster a high level of investment and, ultimately, growth and employment. Price stability also avoids an ad hoc redistribution of wealth as a result of price increases, thereby also contributing to social protection. Omitting such a crucial objective from those listed in Article I-3 could possibly create uncertainties regarding the nature of balanced economic growth in the Union.

**Article I-29:** The Governing Council suggests that the wording of the first paragraph be brought in line with the present Treaty provisions, stipulating the ECB’s role as a component of the European System of Central Banks and stating that the ECB’s decision making bodies govern the European System of Central Banks.

In addition, the Governing Council suggests that the now common concept of ‘Eurosystem’, which receives no mention in the EC Treaty, be recognised. The Governing Council is aware that Part III of the Constitution as well as the Statute of the ESCB and the ECB would have to be adjusted accordingly. Moreover, the Governing Council suggests that the wording of the third paragraph contain a reference to the independence of the national central banks. Finally, the Governing Council suggests an amendment to the imprecise reference in the draft of Article I-29 to the Statute of the European System of Central Banks and the European Central Bank.

**Article III-76:** The Governing Council suggests that the same procedure should apply with regard to the involvement of the European Parliament in provisions (a) and (b) of Article III-76, irrespective of whether the Commission or the ECB initiates the legislative procedure.

**Article III-81:** The Governing Council suggests that the Article on the external representation of the Union in the fields of economic and monetary matters be moved from the Section on Monetary Policy to Title V of Part III on the External Action of the Union. Amendments to paragraph (1) of Article III-81 are also suggested to avoid creating the impression that the Article only relates to the external representation of monetary policy, which – according to the allocation of competences

deriving from Articles I-12 and III-74 – is an exclusive competence of the Union (and no longer of the Member States), exercised by the ECB.

For the same reason, the wording of Article III-81 needs to be clarified so as to duly reflect this allocation of competences. In particular, the role of the ECB in the external representation of matters in its fields of competence should be clearly set out.

**Article III-87:** The Governing Council considers that the wording suggested by the Praesidium for provision (c) of the first paragraph would need to be improved. A reference to the concept of ‘normal fluctuation margins’ no longer seems appropriate given that the width of the fluctuation margins in ERM II does not correspond to that of the fluctuation margins in the EMS when the Maastricht Treaty was signed.