



EUROPEAN CENTRAL BANK

Dr. W. F. DUISENBERG

President

Mr. Franco Frattini
President of the Council of the European Union
175, rue de la Loi
B-1048 Brussels

19 September 2003

Opinion of the European Central Bank of 19 September 2003 at the request of the Council of the European Union on the draft Treaty establishing a Constitution for Europe (CON/2003/20)

Dear Mr. President,

On 21 July 2003, the European Central Bank (ECB) received the request from the Council of the European Union, pursuant to Article 48 of the Treaty on European Union, for the ECB's opinion on the draft Treaty establishing a Constitution for Europe ('draft Constitution') prior to the Intergovernmental Conference (IGC) of 4 October 2003. In response to this letter I hereby enclose ECB Opinion CON/2003/20 in all 11 official Community languages¹.

The ECB welcomes the draft Constitution. It considers that it streamlines the legal and institutional framework of the European Union and enhances the Union's ability to act at both the European and the international level. The ECB understands that the transfer of the provisions on the ECB and the ESCB from the EC Treaty to the Constitution will not entail any changes to the substance, and that the tasks, mandate, status and legal regime of the ECB and of the ESCB remain substantially unchanged.

Notwithstanding this generally positive assessment, the ECB has identified some Articles in the draft Constitution that would benefit from further clarifications as set out in the attached opinion. Among these I would highlight the following suggestions:

- introducing a reference to either 'non-inflationary growth' or 'price stability' in Article I-3(3) on the Union's objectives;
- swapping the headings of Title IV of Part I (currently 'The Union's Institutions') and Chapter I of Title IV (currently 'The Institutional Framework of the Union'), so as to clearly indicate that the ECB, as an 'other institution' of the Union, is part of the institutional framework of the Union even though it is not in the list of the 'Union's Institutions' in

¹ The text of the draft Constitutional Treaty on which the opinion is based is document CONV 850/03 of 18 July 2003.

Article I-18, and also adding a reference to the ESCB and the Eurosystem in the heading of Article I-29 which currently refers exclusively to the ECB;

- recognising also in Article I-29 that the national central banks (NCBs) are and will continue to be independent;
- introducing a reference to the widely recognised term 'Eurosystem' in the draft Constitution (in relation to the ECB and the NCBs of only those EU Member States which have adopted the euro);
- adding an explicit reference to the responsibilities of the ESCB in Article III-90 on the international representation of the euro.

I would like to highlight the fact that the ECB opinion is based on the Convention text of 18 July 2003. Should the IGC consider proposals for amendments which involve or may lead to changes to the substance of provisions regarding the ESCB or the ECB, the ECB would also wish to provide an opinion on such proposals.

In this context, I should like to note that the decision of the Council of the European Union on adjusting the voting modalities in the ECB Governing Council, which is based on a recommendation from the ECB, is presently being ratified by the Member States. The ECB sees no further need to review the *modus operandi* of the Governing Council and the operational decision-making framework.

Please note that the opinion has been transmitted to the European Parliament and the European Commission today and will be published in the *Official Journal of the European Union* and on the ECB's website shortly.

With best regards,

A handwritten signature in black ink, appearing to be 'PP Moravcsik', written in a cursive style.

Encl.