

NOTE

from:	Secretariat
to:	Working group VI on "Economic Governance"
Subject:	Summary of the meeting held on 17 July 2002

Outcome of Proceedings

1. Opening by the Chair

The chairman announced the agenda and referred to the draft elements for conclusions which had been circulated following the previous meeting. It was intended that the group would examine these once discussions on all parts of the mandate had been completed.

2. Discussion on the issues in paragraph 11 of the group's mandate (CONV 76/02)

Interventions by members of the group confirmed that there should be no change to the current attribution of responsibilities between the different institutions within the area of monetary and economic policy. As far as the issue of accountability is concerned, some members considered the current arrangements as being sufficient, and do not therefore wish to see any changes, stressing that sticking with the rules will provide confidence in the Euro.

Others made some specific proposals for addressing what they considered to be a deficit in accountability both in economic policy coordination and in monetary policy. Regarding the economic policy, suggestions included enhancing democratic legitimacy by giving the EP a greater role in the preparation of BEPGs and in the process of open coordination. Regarding the monetary policy, while the group agreed that no measures should be taken which might affect the independence of the European Central Bank, some members suggested that the accountability of the ECB could be improved by enhancing the ECB's reporting to the EP and/or by giving the EP a greater role in the designation of ECB Board members and/or by providing for the obligatory publication of ECB minute.

The President noted in conclusion that there were no calls for fundamental change to the current attribution of responsibilities between the different institutions within the area of monetary and economic policy. He noted that regarding the BEPGs, a majority of members requested some improvements in term of democratic legitimacy by giving the EP a greater role in the preparation of and in the process of open coordination. Regarding the European Central Bank, he noted that the group agreed that no measures should be taken which might affect the independence of the European Central Bank, but that no consensus was reached as to enhance what some members saw as being a lack of democratic legitimacy on the functioning of the ECB.

3. Discussion of the issues in paragraph 12 of the group's mandate.

On the issue of the future status of the Eurogroup, some members proposed that the Eurogroup should be formalised in order to give it full decision-making powers and increase its transparency. Others considered that it was important to preserve the informal character of the Eurogroup, and saw no particular problem over building on the existing arrangements whereby the Treaty already provided for some decisions to be taken in ECOFIN, but only by participating countries. Some suggested that this issue should be kept under review in the

light of enlargement. The President noted that a majority of members agreed that the Eurogroup should not be formalised, although this issue should be kept under review in the light of enlargement.

4. Discussion of the issues in paragraph 13 of the group's mandate

On the issue of external representation of the Euro, some members considered that there should be no change to the status quo. Others considered that the current arrangements were unsatisfactory and suggested giving the role of external representation to the Commission or extending the current role of the President of the Eurogroup and the President of the ECB. The President concluded that the group agreed that efforts should be made to increase the effectiveness of the external representation of the Eurozone but that a part of the members pleaded for building on the existing arrangements while others were in favour of giving this role to the Commission.

5. Update on proposals for hearings

The group agreed on having part of the meetings of 29 August and 13 September 2002 dedicated to hearings. The President will invite the following experts :

Mr Pedro SOLBES MIRA, Mr Wim DUISENBERG, Mr Jacques DELORS,
Mr Johnny ÅKERHOLM, Ms Anna DIAMANTOPOLOU, and
Ms Maria João RODRIGUES.

6. Preliminary discussion on overall conclusions of Working Group

Members started to review the elements for possible conclusions drafted on basis of the discussions at the meeting of the Group on 20 and 24 June 2002.

7. Agenda for the next meeting

The President distributed a table indicating the texts of references in the Treaties related to the elements of conclusions and invited the members to use this document in order to determine if and how some conclusions of the Working Group should lead to Treaty amendments and/or mentions in a fundamental Treaty. The President proposed that on the 29 August meeting, the Group should review the last elements of conclusions on the issues already discussed and hear to some experts.
