



# IGC: Reform for Enlargement

The British Approach  
to the  
European Union  
Intergovernmental  
Conference 2000

*Presented to Parliament by the  
Secretary of State for Foreign and Commonwealth Affairs  
by Command of Her Majesty  
February 2000*



Unlike its predecessors, this Government is unwaveringly pro-European.

I believe that constructive membership of the European Union is in Britain's fundamental national interest. That is why I wholeheartedly support the enlargement of the European Union, and the reforms necessary to bring it about. It is these reforms that will be discussed at the Intergovernmental Conference beginning this month.

What we are faced with is nothing less than an historic opportunity. Enlargement will end once and for all the Cold War division of Europe and entrench stability, free markets and democracy right across our continent. I am also determined that an enlarged European Union will also be a reformed European Union: strong, effective, outward-looking, combining economic dynamism and social justice.

For five decades the European Union has helped to create a climate of peace, democracy and economic success in a continent which had suffered two catastrophic conflicts. For many years it did so against the background of the Cold War. Now, at the start of a new century, we are welcoming new members, including some of the new democracies which, for forty years, lay on the far side of the Iron Curtain.

For Britain, enlargement means a more stable, peaceful and prosperous Europe. The European Union has already helped make Britain safer than at anytime in our history. It has reconciled France and Germany. It has acted as a beacon for democracy in Greece, Spain and Portugal. It has brought London and Dublin closer together and underpinned the Northern Ireland peace process politically and financially.

Enlargement will also bring Britain huge new economic opportunities, including easier access to important new markets for our goods and services. Nearly 60 per cent of our exports, involving over 3 million British jobs, is with our partners in the European Union. We already export more to the Netherlands than to China, South Korea, Hong Kong and all the Asian Tigers combined. Japan, America and others now have investments worth over £150 billion in Britain, not least because we give them direct access to the world's largest market. The economic benefits of membership can only increase as the European Union enlarges to encompass almost 500 million citizens.

## Foreword



However, if an enlarged European Union is to succeed in the new century, it will have to reform. Detailed issues such as voting rights, methods of decision taking and the size and structure of the Commission in an enlarging union will need to be resolved. Rules set up for a community of six countries cannot work effectively for a union of twenty or more. That is why we need an Intergovernmental Conference to agree changes to the Treaty.

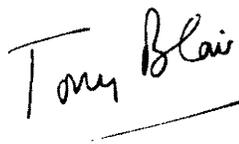
But the reform agenda needs to go wider than this.

The European Commission needs to change if it is to regain the public's confidence. That is why Neil Kinnock is pushing ahead with his reforms to make the Commission more effective and more accountable in the way it uses taxpayers' money.

Perhaps most of all, Europe needs to respond to the challenge of globalisation. We need a Europe that encourages entrepreneurs to enter the industries of the future. And we need innovative public policies that at the same time maintain social cohesion and promote opportunity for all in tomorrow's knowledge economy. That is why Britain has put these issues at the heart of the agenda for the Lisbon Summit in March.

The IGC is therefore part of a wider reform agenda. But the IGC is important in itself because it will allow enlargement to go ahead smoothly, and ensure that the Union works more effectively for the people of Europe.

These reforms, if we manage to get them right, will be in both Europe's interests and Britain's interests. That is the challenge of this IGC.



Tony Blair  
February 2000

## Preface

1. During 2000 an Intergovernmental Conference will be held to make the institutional preparations for enlargement of the European Union to central, eastern and south eastern Europe. This White Paper sets out what that Conference will involve, what the UK position is, and how the negotiations are relevant to Britain's membership of the European Union.
2. The White Paper is intended as a source of information for both Parliament and the general public. It seeks to avoid jargon wherever possible. The text is interspersed with 'factfiles', explaining key words and offering background information on the Community institutions and recent events in the European Union's history. For terms not covered in this way, a comprehensive Glossary is also attached at Annex A.
3. The full text of the White Paper is also available on the Internet as part of the Foreign & Commonwealth Office website at [www.fco.gov.uk](http://www.fco.gov.uk). And for readers who want just a summary of key facts about the Intergovernmental Conference, we are producing free of charge a separate leaflet-style publication. This puts the Conference in context and gives a brief overview of the most important IGC issues.

# I. Introduction: The Inter- governmental Conference and Europe

1. The Intergovernmental Conference begins this month and is expected to conclude in December. These conferences are the way the Member States of the European Union negotiate changes to the treaties which set out what the EU does and how. Britain will be represented by senior officials and Ministers, including at times the Foreign Secretary and the Prime Minister.
2. The Government will be playing an active and constructive role during these negotiations. This IGC is an integral part of the process of enlarging the European Union to include new members including those from the former Soviet bloc. Enlargement to the east will mark a further stage in the historic process of overcoming post-war divisions in Europe. For enlargement to go ahead smoothly and quickly, the way in which the EU's institutions work will have to be reformed. Procedures designed for an organisation of six members will inevitably need to be modernised if a European Union of up to 28 countries is to work effectively.
3. At the European Council in Helsinki last December, the leaders of the European Union agreed the agenda for the IGC. The UK successfully argued for an agenda focusing on the key reforms necessary to prepare the EU for enlargement. This should allow for a short IGC to pave the way for early enlargement.
4. The IGC will therefore principally focus on the following:
  - ◆ Changing the voting arrangements in the Council of Ministers, so that a country's voting weight more accurately reflects its size
  - ◆ Extending qualified majority voting in the Council, so that decisions can be taken effectively in an enlarged Union
  - ◆ Commission reform to prevent it becoming top heavy as enlargement increases the number of Commissioners.
5. This Government's approach to the IGC is part of a wider policy of getting more out of Europe by working within the European Union, rather than against it. This Government came to power determined to give Britain a more positive and productive role in the European Union. As a result, Britain now has more influence on Europe's agenda.

6. Britain is in the EU because this is in our national interest. We are in Europe to stay. It is in our interests to make the EU work better, which is why this Government has put reform at the centre of the EU agenda. The IGC will bring about the institutional reforms necessary for enlargement. There will be further change as a result of the Commission's package of reforms, which we strongly support. The European defence initiative and the development of the Common Foreign and Security Policy under the newly-appointed High Representative, Javier Solana, will make Europe better able to respond to international crises. The Lisbon Summit in March will address important issues of employment, economic reform and social inclusion.
7. For much of the past, Britain was marginalised within Europe. The last Government failed to realise that decisions taken in Europe will affect Britain whether we participate in them or not. The veto and the opt-out is no guarantee against that. That is why there is no point being in the EU, but disengaged from it. Britain will be stronger and better off for working wholeheartedly with our partners. That is true even when we are defending a specific British interest.
8. The Eurosceptic caricature of Europe has damaged Britain's relations with the continent, and so damaged Britain. The Eurosceptics try to portray every difference as if it called into question our fundamental relationship with Europe; and to portray every step towards co-operation as a step towards a superstate. There is not going to be a superstate. There will always be arguments between Member States precisely because they are Member States and not members of a superstate.
9. The Eurosceptic strategy is to present public opinion with a choice between the national interest and Europe. There is no such choice. There is nothing for Britain to fear in constructive engagement with the European Union. There is nothing for Britain to fear in the reforms that lie ahead. Efforts will be made to distort the reality. We will resist those efforts, by setting out the facts clearly and objectively. That is why this White Paper describes in more detail than usual the issues for the IGC and puts them in their proper context of positive reform.



*The Rt Hon Robin Cook MP,  
Secretary of State for Foreign and  
Commonwealth Affairs.*

## II. Why Engage?



*Keith Vaz, Minister for Europe, on the 'Your Britain, Your Europe' roadshow.*

### What Britain gains from the European Union

10. Membership of the European Union underpins British jobs, our future prosperity, and our national security.
11. The Single Market allows our companies to operate in a home market of over 370 million people. Nearly 60 per cent of our trade is within the EU, and that business represents 3.5 million British jobs. The Single Market is also benefiting customers as well as businesses. To give only two examples: it has halved prices on some telephone calls (a three minute call to Italy in 1989 was £1.89, in 1999 it was 91p) and European flights (a flight to Rome in 1989 was £222, and in 1999, it was £118).
12. Hundreds of thousands of jobs have been created by investment from companies that see Britain as the best gateway into the Single Market. The UK receives 27 per cent of all investment into the EU. There are 5,700 US, and 1,000 Japanese companies based in the UK, and in the last year alone, more than 44,000 new jobs have been created by foreign investment. These international companies are manufacturing from the UK for the whole of Europe, not just the UK market. And they want the UK to be a leading player in Europe, setting the agenda.
13. The EU has helped make Britain safer now than at any time in our history. It has reconciled historic enemies, France and Germany. It has brought London and Dublin closer together and underpinned the Northern Ireland peace process. It has acted as a beacon for democracy in Spain, Portugal, Greece and now in Eastern Europe and the Balkans.
14. The EU has also opened up new opportunities for ordinary people to live, work, study and retire abroad. 100,000 British people now work across Europe. 200,000 have retired to other EU countries. Without agreement between EU Member States, this freedom would not be possible.
15. Thanks to EU-wide regulations at the start of the Millennium we will all benefit from improvements in air quality, and action on acid rain. Over the next five years emissions from cars, light vans and lorries will be substantially reduced, in some cases by over 70 per cent. The harmful sulphur and benzene content of petrol and diesel will be slashed. It was the EU's collective agreement to cut greenhouse gases, when the United States and others were far more reluctant, that led to the Kyoto Protocol in 1997 under which developed countries agreed to targets for reducing their emissions.

16. Finally, membership of the EU has strengthened the UK's voice on the world stage. 'If Britain's voice is less influential in Paris or Bonn, it is likely to be less influential in Washington.' So said Ray Seitz, former US Ambassador, in his book *Over Here*. The UK is an important country in the world – the fifth largest trading nation, with a seat on the UN Security Council, and membership of the G8. But the EU is also now an important world political player. It negotiates as a Union of 15 in multilateral trade negotiations. The UK can therefore further its own political position by being a leading player in the EU. A strong EU is in the UK's interest.

### **What benefits has the Government achieved with its constructive engagement?**

17. Britain now has more influence on Europe's agenda. We are more respected and that respect is achieving results that are good for Britain. The following are some examples of our recent successes:
- ◆ **Financing and Policy Reforms:** At the Berlin European Council in March 1999, Heads of State and Government set out the framework for financing the Union until 2006. Constructive engagement secured the UK's best ever deal on structural fund receipts (£10 billion over the 2000–2006 financing period) and kept the UK abatement (worth about £2 billion a year). Berlin also began the process of reforming the Common Agricultural Policy. Once implemented, the reforms agreed will save a family of four around £65 a year.
  - ◆ **Single Market:** We have made a significant contribution to the Commission's new Single Market Strategy. This reflects UK priorities for the Single Market including utilities liberalisation, reducing state aids, opening up services markets, improving the application of the principle of mutual recognition, and implementing and enforcing Single Market Directives. All this should level the playing field to the benefit of UK business, bringing increased export opportunities, and creating jobs and wealth for the UK.
  - ◆ **Social Dimension:** We have brought the benefits of the Social Chapter and the Working Time Directive to British employees. As a result, over three million British workers now benefit for the first time from four weeks' annual paid leave.

- ◆ **Immigration:** Constructive engagement produced in the Amsterdam Treaty a Protocol establishing for the first time an explicit legal base for maintenance of the UK's border controls.
  - ◆ **Crime and Justice:** At a special European Council held in Tampere, Finland, on 15–16 October 1999, EU Heads of Government agreed a range of measures to enhance people's access to security and justice in other European countries. The UK extensively influenced Tampere's outcome. Our joint papers with France and Germany (on asylum and immigration), Sweden and Denmark (crime prevention) and Spain helped to shape the debate.
  - ◆ **Foreign Policy and Defence:** The UK, with its unique relationship with so many parts of the world, is particularly well placed to shape and influence EU foreign policy making. For example, we played a pivotal role in maintaining the cohesion of the Alliance during the Kosovo campaign. This would not have been possible without our new standing in the EU. In December 1998, the UK and France agreed at the St Malo Summit on the importance of the EU being able to take decisions on military deployments in support of peacekeeping and crisis management tasks, in order to back up its political voice. Since then, we have worked closely with France and our other partners to put new defence arrangements in place within the EU.
18. Over the last two years, the EU has also put greater emphasis on economic reform. Much has been achieved already. The UK Presidency secured agreement in the European Union on 'the Cardiff process' to push modernisation of EU product and capital markets. This agenda will now be taken forward at the Lisbon Summit in March on economic reform, employment and social cohesion. This will be one of the biggest events in the current Portuguese Presidency. It will be a decisive opportunity to mark and continue the momentum towards the modernisation of EU economic and social policy, and to set ambitious targets for the next decade, based on a shared vision of creating the most dynamic, high employment, knowledge-based society in the world.

19. Enlargement has been a longstanding goal of successive Governments. It will have a dramatic effect on Europe, bringing greater opportunities for peace and stability and burying the risk of a return to the Iron Curtain that divided the continent for almost fifty years. Moreover, it will increase the size of the Single Market to over 500 million people. That means more opportunities for British companies, and better prospects for British jobs. Prospective membership is already a catalyst for progress and reform in the accession countries themselves. In order to become EU members they will have to meet certain criteria agreed at the Copenhagen European Council in 1993 (the so-called 'Copenhagen criteria'). That means putting in place a democratic society, respecting human rights and establishing a viable market economy. It means restructuring industry to make it safer and healthier, more productive and more efficient; and it means beginning to tackle

### III. The Future: The Prize of Enlargement

The EU and Applicant States with Populations (in millions)



problems such as the environmental damage inflicted during the Soviet era. Three candidate countries are phasing out nuclear reactors that do not satisfy internationally accepted safety standards. Those are changes that will benefit us all.

20. Inevitably, enlargement will lead to a re-assessment of the EU's political priorities and sometimes its policies. Some of these issues are discussed below in relation to the Intergovernmental Conference. But we should not fall into the trap of reading more into these changes than is really the case. They will not lead to the superstate that the Eurosceptics predict. Enlargement will not undermine the core strengths that have underpinned Europe throughout its development.
21. The Union will continue to be a mixture of intergovernmental co-operation and, where it makes sense, integration. To make the Single Market effective in a wider Europe and to respond to the challenges of globalisation, European countries will want to co-operate closely together, and they will want to use the Commission and the European Parliament to make this happen and to ensure democratic oversight. The capacity to agree and then enforce common rules will remain hugely important.
22. But the Member States themselves will remain at the heart of decision making in Europe. Co-operation and co-ordination will be the general rule. In responding to the challenges of economic policy co-ordination, the development of an effective role in defence and in building co-operation in justice and home affairs, it will be decisions taken by governments, working together, that shape Europe.

### **How the Intergovernmental Conference can help to make enlargement a success**

23. Enlargement is not just about the applicant countries reforming in order to join the Union. It is also about the existing Member States reforming in order to receive them. Enlargement will have a dramatic effect on the Union, possibly doubling the number of Member States within the next decade or so. That means that the Union too must change.

24. At the Berlin European Council in March 1999, Heads of State and Government agreed changes to the Union's financing arrangements, to structural spending and to the Common Agricultural Policy.
25. The next major task is **institutional reform**. Enlargement will have a significant impact on the way the Community's institutions work. If we want a Union that is efficient, effective and accountable, we need institutions that are efficient, effective and accountable too: that means reforming the European Commission, the Council of Ministers, the European Parliament and the European Court of Justice.
26. Next year's IGC will be part of that process. All these institutions were originally designed for a Community of just six Member States. Now we have to ensure that they have the capacity to cope with a Union that is significantly larger. That means reforming the way they work and the way they take decisions.

# IV. Reform Outside the Treaty

## Factfile:

### Changes in the Commission

Since taking office in September 1999, Romano Prodi and Neil Kinnock have already implemented a number of reforms in the Commission. These include:

- ◆ A new Code of Conduct governing Commissioners' behaviour both in and immediately after leaving office
- ◆ Commissioners moving closer to the Departments that support them
- ◆ Renunciation of Commissioners' entitlement to tax-free goods
- ◆ A reorganisation of the structure of the Commission to improve efficiency, and of senior Commission jobs and the way they are filled (from now on, senior officials will be chosen on merit, not on the basis of a national quota system).

Neil Kinnock announced a comprehensive package of reform proposals on 19 January. This focuses on:

- ◆ An overhaul of financial management
- ◆ Improved personnel management
- ◆ Better matching of resources to objectives, based on proper evaluation of outcomes.

More reforms will follow soon, e.g. a new code of good administrative behaviour for officials, and a code of public access to documents.

27. Change is already taking place. For example in the **Commission**. Following the resignation of the Commission last year, it was clear that root-and-branch reform was needed of the Commission's working practices. The European Council acted quickly in nominating Romano Prodi as the new Commission President. Neil Kinnock, the Vice-President for reform, has begun with Romano Prodi the process of modernising the Commission, with the aim of ensuring that in future it is run to the very highest standards of management.

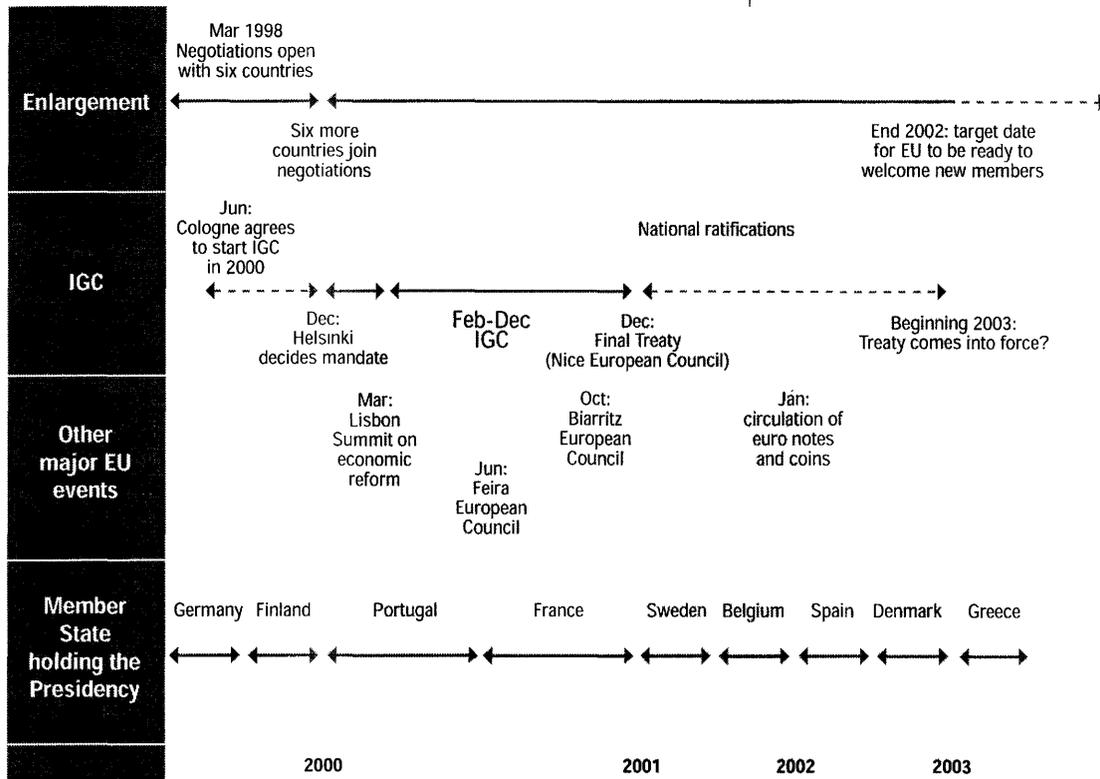
28. The Commission is not the only institution undergoing change. **The Council of Ministers** too is discussing its future with an eye on enlargement. The Council is the primary decision making body of the EU. It is therefore vital that, as enlargement proceeds, it remains effective and coherent. The Helsinki European Council in December 1999 endorsed a package of reforms designed to improve the Council's working practices, including a reduction in the number of Council formations and improvements to the way the current and incoming Presidencies co-ordinate work. These ideas will be taken forward by the Portuguese and French Presidencies in 2000.

29. Finally, the **European Parliament** is considering its own reforms. It is already in the process of reconfiguring the way its Committees work. The Government hopes that agreement will also soon be reached on a Statute setting out terms and conditions for all MEPs, including salaries and pensions. The UK attaches particular importance to reform of the European Parliament's expenses system so that MEPs are reimbursed for the actual costs incurred in the performance of their duties. Negotiations on the terms of a Statute are currently taking place between the Council and European Parliament.

30. Much can, and is, being done therefore to reform the Community's institutions without changing the Community Treaties. But not everything can be achieved this way. Where Treaty change is needed, this must be done through an Intergovernmental Conference in which the Member States meet and seek to agree unanimously on precise changes. The Treaties can only be changed if and when all Member States agree and all their national Parliaments support what has been agreed. The process is laborious, but rightly so: it provides a guarantee that the 'rules of the club' cannot be changed without the agreement of all members.
31. Apart from accession conferences, there have been three principal Intergovernmental Conferences to change the Treaties since the European Community was founded in 1957. These led to the Single European Act in 1986, the Treaty on European Union ('Maastricht Treaty') in 1992 and the Amsterdam Treaty in 1997.

## V. Treaty Change: The Inter- governmental Conference

### The IGC in Context



## Factfile:

### How will the IGC work?

The IGC itself will be launched under the Portuguese Presidency in February. It will run for about ten months (until the European Council at Nice in December 2000) and be negotiated between the Member States of the Union. There will be three levels of discussion:

- ◆ **A preparatory group of Representatives from each Member State's Government:** This will meet on a regular basis to discuss in detail the full range of IGC issues. Most representatives are likely to be senior officials, in many cases Brussels-based Permanent Representatives (the Member States' EU 'Ambassadors')
- ◆ **The General Affairs Council:** Foreign Ministers and Europe Ministers will meet monthly for political discussions on the topics covered in the preparatory group
- ◆ **The European Council:** Final decisions will rest with Heads of State and Government in the European Council.

Finally, the resulting Treaty will be put to each Member State for ratification in accordance with national procedures. It cannot enter into force until all have ratified it. In the UK, ratification will be dependent on Parliamentary approval.

32. These three IGCs covered a wide range of issues. The IGC in 2000 will not be so wide-ranging. Heads of State and Government have already made clear that it should be relatively short, lasting less than a year, and that it should be focused clearly on the institutional changes necessary for the next enlargement.
33. This is reflected in the basic agenda that has already been agreed. The Cologne European Council in June 1999 decided that the IGC would focus on three issues that had been discussed but not resolved at the Amsterdam European Council in June 1997. These are known as the 'Amsterdam issues':
  - ◆ The size and composition of the Commission
  - ◆ The reweighting of votes in the Council of Ministers
  - ◆ The possible extension of qualified majority voting.
34. In addition, Cologne agreed that the Conference might deal with subjects related to these Amsterdam issues or to the implementation of the Amsterdam Treaty itself. In its recent report to the Helsinki European Council in December, the Finnish Presidency concluded that this might include some or all of the following:
  - ◆ Reform of the European Court of Justice
  - ◆ Reform of the European Court of Auditors
  - ◆ The possibility of extending codecision in line with any extension of qualified majority voting
  - ◆ Discussion of how Commissioners are appointed, and how they can be disciplined and dismissed (the 'individual responsibility of Commissioners'), and
  - ◆ The number of seats each Member State will have in the European Parliament.

All these topics are covered in detail below.

35. The Helsinki European Council confirmed this agenda. It also left open the possibility of the Portuguese Presidency proposing the addition of further agenda items, though these too should be within the overall context of the IGC and focused on enlargement and reform. There have been several suggestions for topics. Two are discussed below: co-operation between certain Member States ('flexibility') and Treaty restructuring.

36. **Defence** will not be a specific item on the IGC agenda. The Cologne and Helsinki European Councils agreed the basis for taking forward discussions on the development of a European defence identity. The aim is to give the Union the capacity to take decisions on military issues and to improve its capabilities, so that it can contribute effectively to crisis management, thereby strengthening Europe's role within NATO. These discussions will continue in parallel to the IGC. But if they result in the need for Treaty change, these changes could be folded into the IGC process later in the year.
37. The Government believes that an agenda along these lines is demanding, but realistic. Agreement will not be easy. Many of the issues being tackled go to the heart of Member States' relationships with the Union and with each other. But they are necessary reforms if enlargement is to be a success.

### **Will the European Parliament and Commission have a role?**

38. Treaty change is for Member States. But the Commission and European Parliament both have a role to play in the IGC process. The Commission presents an IGC Opinion and is present at all IGC discussions, including the final European Council. It can at any point put forward proposals for the IGC to consider. The Parliament also produces an IGC Opinion. It has no formal role once the IGC has begun, but in order that its views may be taken into account, the Helsinki European Council last December agreed that two EP observers will attend meetings of the preparatory group. And the EP's President, Nicole Fontaine, will be invited to attend the opening of all Foreign Minister and European Council meetings. Member States will also take into account the views of the applicant countries themselves.

### **DETAIL**

39. The remainder of this White Paper sets out the Government's approach to the issues most likely to feature on the IGC agenda. Our overriding concern during the negotiations will of course be to promote and safeguard Britain's interests. We set out our opening position and, where appropriate, the criteria by which we shall judge the eventual outcome.

# The 'Amsterdam Issues'

## THE COMMISSION

40. The Commission has a vital role in delivering the objectives that the EU's political leaders set. In an enlarged EU, it will require the capacity to:
- ◆ Deliver EU spending programmes efficiently and effectively in co-operation with Member States
  - ◆ Negotiate on behalf of the EU in trade and enlargement negotiations
  - ◆ Take tough, fair and independent regulatory decisions (e.g. on competition issues) in order to make the Single Market work
  - ◆ Propose legislation where necessary to ensure that the Single Market and other common policies continue to develop effectively
  - ◆ Monitor the implementation of EU law
  - ◆ Work effectively in a supporting role to the Member States on foreign policy issues and in the field of police and judicial co-operation.
41. To carry out this role effectively, the Commission will have to operate to the very highest standards of public sector management, setting itself clear objectives and priorities, making efficient use of its resources, getting the most out of its staff and showing no tolerance of mismanagement. The Government welcomes the new Commission's commitment to these goals.
42. Commission reform does not on the whole require Treaty change. But there are some ways in which the IGC could help to strengthen the effectiveness of the Commission.

## Commission size

43. The number of Commissioners has already grown from nine to twenty since 1967. There is a risk that successive enlargements will lead to an unwieldy Commission, in which the responsibilities of Commissioners are fragmented. This would be bad for Europe and bad for the UK.

44. To avoid this outcome, the Government believes that the UK should remain willing (with Germany, France, Italy and Spain) to move to one Commissioner per Member State as part of a general streamlining of the Commission, provided that an appropriate modification of voting weights in the Council takes place at the same time.
45. But the Commission could still, after future enlargements, grow to an unwieldy size. The Government therefore believes that the IGC should examine the arguments for further limiting the size of the Commission. We also recognise that there are arguments in favour of all Member States, large or small, having a Commissioner. But it is important to note that Commissioners do not represent their Member States. They are legally bound to act independently and in the interests of the EU as a whole.
46. There are no easy solutions to this issue. One option might be for the IGC to agree a future cap on the size of the Commission, perhaps between 21–25 Commissioners. This would imply further decisions once the number of Member States exceeded the cap.
47. In any event, the possibility should exist in future for the College of Commissioners to be organised in such a way that allows effective political and administrative leadership to be exercised. This would involve some restructuring of the College. There are various options, including Commissioners working in teams on particular issues under the leadership of senior Commissioners. The IGC might look at the extent to which Treaty change could help a future President of the Commission organise the College in the most effective way. The President of the Commission might, for example, find it useful to be able to vary the number of Vice Presidents, currently limited by the Treaty to two.

#### Factfile:

### The Amsterdam agreement

The Amsterdam European Council in June 1997 considered the question of reducing the number of Commissioners. No solution could be agreed at that time, but the European Council did agree a framework for future agreement. At the moment the large Member States (UK, Germany, France, Italy and Spain) nominate two Commissioners, while everyone else nominates one. A Protocol at Amsterdam (see Annex B) agreed that we should move to one Commissioner per Member State provided that the large Member States were compensated by a greater weighting of votes in the Council.

**Factfile:**

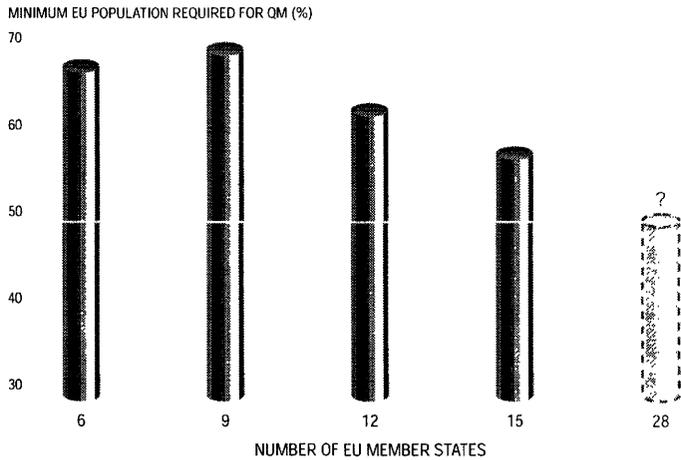
**How does QMV work?**

Under qualified majority voting Member States are allocated a certain number of votes depending on their size. For example, large countries like the UK currently have 10 votes whereas Luxembourg (the smallest Member State) only has two. Out of a total of 87 votes, 62 are needed to pass legislation (by a 'qualified majority'), 26 to block.

**REWEIGHTING OF VOTES IN THE COUNCIL**

- 48. The Council is the primary decision making body in the EU. It is the institution that Ministers from the Member States attend and, with the European Parliament, takes decisions on Community legislation. It is therefore important that it is able to work in an efficient and effective way.
- 49. Where the Council takes decisions by qualified majority voting, it does so according to a system of weighted votes. Under the current system, large Member States have more votes. But the system is not proportional to population. Smaller countries like Luxembourg have more votes than their size alone would merit. One Luxembourg vote represents just 200,000 people, whereas one UK vote represents nearly 6 million people.
- 50. There is no suggestion that the voting system should become entirely proportional to population. The sovereign status of a Member State should continue to be taken into account in addition to its size. But, if small Member States retain grossly disproportionate voting weight, and if, as more smaller Member States join the Union the disproportion is extended, the difference between the percentage of votes needed to form a qualified majority and the percentage of the EU's population those votes represent will continue to grow. Without reform, there is even the prospect in an EU of 28 Member States that countries with a minority of the EU's population could outvote the majority. This would negate democratic legitimacy in the Council.

**QMV Through the Years**



51. It is this anomaly that has prompted Member States to discuss reform of the system. The Amsterdam IGC in 1996–97 considered various solutions, but could not find one acceptable to all. Instead it agreed a framework for a future agreement. Votes would be reweighted in favour of the large Member States. But in return they would move from two Commissioners to one per Member State. The UK stands by this agreement.
52. There are two possible approaches to reform of the qualified majority voting system. The simplest would be to maintain the current system of weighted votes, but to change the number of votes per Member State to give more weight to population. The alternative is to introduce a two-pronged system of a certain number of votes per Member State plus a pure population criterion (the so-called ‘dual majority’). In a dual majority system, a measure would have to attract a certain number of votes and those votes would need to represent a certain percentage of the population in order to be adopted.
53. The two systems are not, of course, mutually exclusive. A population element could be combined with a simple reweighting of votes. The UK would be happy to consider either system, or a combination of both, although a simple reweighting has the advantage of being clearer. But in considering options, we believe that the following factors should be taken into account:
- ◆ The starting point for negotiations will be for votes to be reweighted in favour of the more populous Member States, both to ensure that they have the right degree of influence in an enlarging Union, and as compensation for the loss of their second Commissioner
  - ◆ The threshold of votes or population at which legislation can be passed. Currently 62 out of 87 votes are needed for a measure to be adopted. Whichever approach to reweighting is adopted, the right balance will need to be struck between the ease with which legislation can be passed or blocked.

## **POSSIBLE EXTENSION OF QUALIFIED MAJORITY VOTING**

- 54.** The Government recognises that, as the Union grows in size, so decision making by unanimity becomes more difficult. Qualified majority voting (QMV) in the Council of Ministers can help to make decision making easier. It has already done so in the Single Market, for environmental issues and in a range of other legislative areas. The Government is therefore happy to see QMV on the agenda of this IGC.
- 55.** QMV does not weaken Britain's position in Europe. On the contrary, it helps Britain to pursue an agenda that is in our interests. The Single Market is a prime example of that. It could not have been put in place without qualified majority voting. The UK is very rarely outvoted in a Council. Only three times on a legislative act last year, in fact, and twice the year before. Other Member States such as France or Germany have been outvoted more frequently.
- 56.** QMV is already the norm for most Community legislation. Following extensions of qualified majority voting to 42 new areas under the Single European Act in 1986 and the Maastricht Treaty in 1992, 80 per cent of Council legislation adopted in 1996 was already under a legal base subject to QMV. What we shall be doing at this IGC is examining the remaining articles to see whether, with enlargement imminent, QMV should sensibly be extended any further in the interests of efficient decision making.
- 57.** There are currently 73 articles and sub-articles subject to unanimous voting in the main EU Treaties. They range from issues such as the appointment of the Council Secretary General or judges to the ECJ to decisions on Treaty change and the size of the Union itself.
- 58.** Clearly some areas, such as Treaty change and accession, will have to remain subject to unanimous agreement. And the Government has also made clear that we shall insist on retaining unanimity for other key issues of national interest such as Treaty change, taxation, border controls, social security, defence and 'Own Resources' (the EU's revenue-raising mechanism).

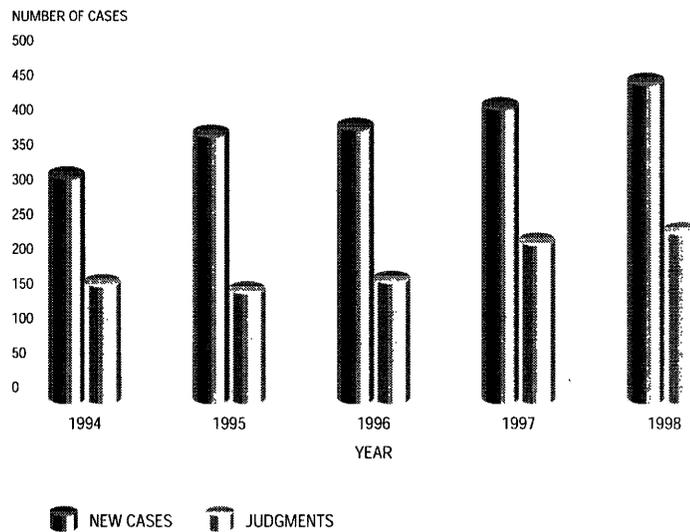
59. But for some areas currently subject to unanimity, QMV would clearly be in our interests. Where that is the case, we shall actively promote it. QMV for Council approval of ECJ Rules of Procedure, for example, would help the Court to make judgments more quickly.
60. In other areas we will look at the pros and cons of qualified majority voting on a case-by-case basis. On appointments to the Economic and Social Committee or the Committee of the Regions, for example. Or for transport, where the current unanimity provision provides a potential barrier to the Single Market.
61. Our approach to QMV extension will therefore be to agree to QMV where it is in Britain's interests. But in areas of key national concern we will insist on retaining unanimity.

# Possible Additions to the Agenda

## REFORM OF THE EUROPEAN COURT OF JUSTICE

62. The Government has long advocated its support for a strong and effective Court and recognises that the Court is under increasing pressure. This is mainly due to a continuous increase in its caseload and the extension of its powers brought about by the Treaty of Amsterdam. Without making necessary reforms, the challenges that enlargement will bring will only exacerbate the Court's problems with the inevitable result of a corresponding increase in the delivery time of judgments.

### Cases Before the ECJ



63. In May 1999, the Court itself produced a paper putting forward ideas on the *Future of the Judicial System of the European Union*. This raised the possibility of a number of amendments to the Court's Rules of Procedure, including an accelerated procedure for preliminary rulings and a simplified procedure for certain basic questions referred for a preliminary ruling.

64. Many of these ideas could be implemented without Treaty change and do not need to feature in the IGC. In fact, they are already being discussed in the Council. But there are some issues that can only be implemented by changing the EU Treaties and the Government would be happy to see these on the agenda of the IGC.

65. The most obvious example is one already cited in the section above on qualified majority voting for amendment of the Court's own Rules of Procedure. But there are also others that the IGC might look at, such as how to filter appeals to the ECJ from the Court of First Instance and the setting up of a tribunal to handle disputes involving staff of the Community institutions.

## **REFORM OF THE EUROPEAN COURT OF AUDITORS**

66. Some Member States have suggested that the Treaty provisions dealing with the European Court of Auditors (ECA) should be examined at the IGC to see if improvements could be made to help ensure that the ECA remains effective after enlargement. No specific proposals have yet been put forward, but the Government will consider any sensible measures which could be taken which would improve standards of financial management in the EU.

## **CODECISION**

67. It seems sensible, if the IGC is to consider the extension of qualified majority voting, for it at the same time to look at the extension of codecision to articles moving from unanimity. Not all such articles may be appropriate for codecision. If QMV were extended to the appointment of the Secretary General of the Council, for example, then clearly there would be no reason for the European Parliament to become involved. But where qualified majority voting is newly extended to legislative articles, codecision is likely to be appropriate.

## **RESPONSIBILITIES AND ACCOUNTABILITY OF INDIVIDUAL COMMISSIONERS**

68. The resignation of the last Commission brought into focus public concern about the accountability of Commissioners. Whilst it is important that Commissioners remain independent and that the Commission as a whole operates as a College, it is also only right that all Commissioners carry out their tasks to the highest possible standards. The Treaty already includes a procedure for dealing with Commissioners who act improperly during their period of office or subsequently. However, the events of last year have raised the question of whether the Treaty provides adequate mechanisms for dealing with those cases in which a Commissioner, while not guilty of actual misconduct, suffers such a loss of political authority that staying in office is not credible or acceptable.

69. The President of the Commission, Romano Prodi, has already made clear that he will ask for the resignation of any Commissioner who fails to live up to the high standards expected, or who loses the political confidence of his/her colleagues. The IGC is likely to look at whether a specific procedure should be set out in the Treaty for the dismissal of an individual Commissioner.
70. But the Government does not believe that giving the European Parliament the power to sack individual Commissioners would be the right way to achieve greater accountability, as it would weaken the collegiality of the Commission and lead to a significant change in its relationship with the European Parliament. It would also overlook the important role of the Member States in nominating Commissioners in the first place.

#### **NUMBER OF SEATS IN THE EUROPEAN PARLIAMENT**

71. It is possible that the IGC may consider the re-allocation of the number of seats in the European Parliament held by each Member State following enlargement.
72. The Treaty of Amsterdam introduced a ceiling of 700 MEPs to avoid the European Parliament becoming unwieldy and inefficient, and to keep it on a par with the size of other parliamentary bodies, such as the House of Commons and the Bundestag. The EP already has 626 MEPs and enlargement would lead to the ceiling of 700 being breached, unless the formula for allocating seats is changed.
73. If this issue is considered at the IGC, the UK will support retention of the 700-seat ceiling for the European Parliament. We are willing to look at different models for the re-allocation of seats and would like to see a sustainable formula that can then be applied at successive enlargements.

## FLEXIBILITY

74. The Amsterdam Treaty sets out a procedure for authorising a group of Member States to use the EU's institutions to move ahead with an activity in first or third pillar areas, even though not all Member States wish to take part. This is called 'closer co-operation', though it is often referred to simply as flexibility. The conditions in which such an authorisation may be granted are carefully defined. For example, the proposed activity must not affect the operation of the Single Market, a majority of Member States must take part, and non-participating Member States must have the right to join in later. Although the initial decision to authorise such 'closer co-operation' is taken by QMV, any Member State that feels that important national interests are threatened may request that the decision be referred to the European Council, where it is decided by unanimity. This is the so called 'emergency brake'.
75. Some Member States have suggested that, in an enlarged EU, there will be more occasions where a core of Member States want to move ahead with an activity, whilst others stay out. They argue that the procedures currently in the Treaty are too difficult to use and should be changed. In particular some feel that the emergency brake should be removed.
76. The Government feels that a stronger case will have to be made in order to justify changing procedures that were agreed only in 1997 and which have not yet been put to the test, or indeed used at all. The conditions governing the use of closer co-operation were intended to ensure that too much flexibility did not undermine the Single Market, or could not be used against the interests of a minority of Member States. Those remain important objectives.
77. As far as defence is concerned, the EU will have to agree decision making procedures that allow for the possibility that some Member States will support, but not participate in, an EU-led operation, and that some non-EU allies will participate and therefore enjoy decision making rights over the conduct of that operation. This could be described as a form of flexibility, but it would not be a simple replication of the closer co-operation provisions.

## Other Issues That Have Been Raised as Possible IGC Items

## RESTRUCTURING THE TREATIES

**78.** The Finnish Presidency report to the Helsinki European Council on the IGC referred to the fact that proposals have been made by the European Parliament and the Commission to restructure the Treaties, with different ratification procedures for the amendment of different Treaty sections. A majority of Member States, including the UK, has made clear that this issue should not be discussed at this IGC.

## CONCLUSION

**79.** The IGC will start in February and the Government, in common with other Member States, is still considering its position on the detailed issues to be discussed. But we can confirm now that our approach to the IGC will be a positive one. The IGC agenda is our agenda. It is pro-enlargement and pro-reform. As the Union changes, it is vital that its institutions change too. That is what this IGC is all about.

**80.** We must be realistic about the IGC. Agreement will need to be reached between all 15 Member States. To avoid the risk of delay to the enlargement process, agreement is required by the end of 2000. Nor will the changes we make to the EU institutions next year be the last. The Union will continue to develop and we may have to return to some of these issues at a later date.

**81.** But the 2000 IGC offers the opportunity to make a significant step towards the kind of institutions and the kind of Union that we want to see post-enlargement. It is important that this IGC is a success. The Government will do its best to ensure that it is. It will not sign up to an outcome which does not, in its view, advance UK interests.

## GLOSSARY

### A

#### **AMSTERDAM TREATY (1997)**

The Treaty of Amsterdam entered into force on 1 May 1999. It provides for important changes in the range of matters falling under EC competence – incorporation of the Schengen acquis, moving visas and asylum policy to the first pillar, an employment chapter, incorporation of the social protocol. It also brings about changes in the way that the Community goes about its business – extension of codecision and QMV, transparency, etc.

#### **ATLANTIC ALLIANCE (NATO)**

The North Atlantic Treaty Organisation was founded in 1949 and has its headquarters in Brussels. It has 19 members: the EU Member States (with the exception of Austria, Finland, Ireland and Sweden), Poland, Hungary and the Czech Republic, Canada, the United States, Iceland, Norway and Turkey.

### C

#### **CABINETS OF THE EUROPEAN COMMISSION**

Each Commissioner has a private office, or cabinet, of personal staff, the head of which is called the chef de cabinet. There are usually six cabinet members (the President's being larger). On Romano Prodi's instructions, all cabinets now have staff of at least three nationalities.

#### **CODECISION PROCEDURE (ARTICLE 251 EC)**

Introduced by the Treaty of Maastricht, this procedure has been modified by the Treaty of Amsterdam and now applies to most areas of Community legislation. It is a complex process – what follows is a simplified version to act as a guide only.

A proposal submitted by the European Commission to the European Parliament and Council is first examined by the Parliament (First Reading). Any amendments must be accepted by a simple majority of MEPs. These views are then considered by the Commission, which may make an amended proposal to take them into account. The Council modifies this text and adopts its Common Position, by either QMV or unanimity depending on the circumstances.

The Common Position is transmitted to the Parliament (Second Reading) where any further amendments must be adopted by an absolute majority of MEPs. The Commission and Council again examine the resulting text. The Council then decides whether it accepts the Parliament's amendments. If not, the Conciliation Committee is convened to seek a compromise.

## Annex A

### **COMMISSION OF THE EUROPEAN COMMUNITIES**

The Commission is the guardian of the Treaties. It proposes legislation based on the Treaties, and executes the decisions taken by the Council and European Parliament. The Commission is composed of 20 Commissioners (two each from the five larger Member States and one each from the others) appointed by the Member States for a five year term and headed by the President. A full meeting of Commissioners occurs weekly (usually on Wednesdays). The Commission services consist of 24 Directorates-General, dealing with specific policy areas, and a number of other functional bodies (translation, interpretation, legal, etc.).

### **COMMITTEE (EUROPEAN PARLIAMENT)**

Most of the legislative and policy work of the European Parliament is done in specialised committees of MEPs, similar to Select or Standing Committees in Westminster. Committee Reports go to the plenary session for final agreement.

### **COMMITTEE OF PERMANENT REPRESENTATIVES (COREPER)**

Preparation of items for discussion in Council is usually undertaken by COREPER which consists of ambassadors (COREPER II) and deputy ambassadors (COREPER I) from Member States' Permanent Representations in Brussels. Both COREPERs meet at least weekly (e.g. COREPER I generally meets on Wednesdays

and Fridays). COREPER agendas are divided into (I) and (II) points, the latter being for discussion, the former to be approved without discussion. These correspond to 'A' and 'B' points on Council agendas.

### **COMMON AGRICULTURAL POLICY**

The aims of the CAP are: to increase agricultural productivity; to ensure a fair standard of living for the agricultural community; to stabilise markets; to assure the availability of supplies; and to ensure that supplies reach consumers at reasonable prices. To achieve these objectives, the CAP is based on three principles: a single market; Community preference; and financial solidarity.

### **COMMON FOREIGN AND SECURITY POLICY (CFSP)**

An area of intergovernmental activity within the Union, but outside the European Communities. CFSP covers all areas of foreign and security policy. Its objectives include safeguarding common values; strengthening the security of the Union; preserving international security; promoting international co-operation; and consolidating democracy and the rule of law.

**COMMON POSITION**

This is the name given to the first (and most significant) Council-agreed text on a legislative proposal from the Commission. Most issues have been resolved by this stage, and all but (usually) minor details have been finalised.

In the context of CFSP only, a common position has another meaning. Here it is a decision defining the approach of the Union to a particular matter of a geographical or thematic nature. CFSP common positions are adopted by consensus and Member States must ensure their national policies conform to them.

See also the CODECISION PROCEDURE.

**CONCLUSIONS**

Political agreements reached at the end of European Council meetings. European Council conclusions are produced on the authority of the Presidency only. But they are nevertheless a key way for the European Council to signal a political commitment, without the need for binding legislation.

**CO-OPERATION PROCEDURE**

Introduced by the Single European Act, but largely superseded since by the codecision procedure. The co-operation procedure now remains for only four Treaty articles (all on EMU provisions). In process, it is similar to the codecision procedure (see above), but gives the final word

to the Council rather than jointly to the Council and European Parliament.

**COPENHAGEN CRITERIA**

The Criteria for Membership of the EU agreed at the Copenhagen European Council in 1993; namely that 'the candidate country has achieved stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities, the existence of a functioning market economy as well as the capacity to cope with the competitive pressures and market forces within the Union...[and] the ability to take on the obligations of membership including to the aims of political, economic and monetary union.'

**COUNCIL OF MINISTERS OF THE EUROPEAN UNION**

This is the primary decision-making body of the Union. It meets in specialist formats attended by the relevant national ministers (e.g. Social Affairs, Environment and Internal Market Councils), chaired by the Presidency and also attended by the Commission (usually the relevant Commissioner). Working Groups and COREPER prepare its work. It is supported by the Council Secretariat.

#### ***COUNCIL SECRETARIAT***

This is the permanent staff at the Council; responsible for the organisation of meetings at all levels, it also provides the resident experts on precedents and procedures in the Council, and acts as an adviser to the Presidency. It is divided up into Directorates-General.

#### ***COUNCIL WORKING GROUPS***

As the name suggests, meetings of officials (from national capitals and/or Permanent Representations), chaired by the Presidency, where the bulk of negotiation of legislation takes place and the technical detail worked out before the dossier is passed up to COREPER and then the Council itself. The Commission also attends, usually at the level of Head of Unit.

### **E**

#### ***EUROPEAN COMMUNITY***

There are actually three European Communities governed by separate Treaties from the 1950s: the European Community (EC, formerly the European Economic Community EEC), the European Coal and Steel Community (ECSC), and the European Atomic Energy Community (EAEC or EURATOM). The Merger Treaty of 1965 merged the institutions of the three Communities into a single institutional structure. The Single European Act, the Treaty of Maastricht and the Treaty of Amsterdam also amended them. Together these

three Communities form the first pillar of the European Union.

#### ***EUROPEAN COUNCIL***

A summit of Heads of State or Government that has met regularly since the 1970s, and at least twice a year since 1986. Originally an informal gathering, the European Council was given formal recognition in the Single European Act of 1986. Charged by the Treaty of Maastricht with setting the principles of and general guidelines for the CFSP and co-ordinating intergovernmental policy in the area of justice and home affairs, the European Council also retains its original function of stimulating and co-ordinating Community activities. These meetings are sometimes referred to as European summits.

#### ***EUROPEAN COURT OF AUDITORS (ECA)***

The Court of Auditors is composed of 15 members appointed for six years by unanimous decision of the Council of Ministers after consulting the European Parliament. It audits Union revenue and expenditure to make sure it is lawful and proper and ensure that financial management is sound. It was made a full institution under the Treaty on European Union (the 'Maastricht Treaty').

**EUROPEAN COURT OF FIRST INSTANCE (CFI)**

Set up by the Single European Act to assist the European Court of Justice. The Court of First Instance has special responsibility for dealing with administrative disputes in the European Institutions and disputes arising from the competition rules.

**EUROPEAN COURT OF JUSTICE (ECJ)**

The European Court of Justice is composed of an odd number of judges – one from each Member State, plus one more if necessary (i.e. currently 15, but 13 before the accession of Austria, Finland and Sweden), appointed for periods of six years. It rules on questions relating to interpretation of the three Community Treaties, and secondary legislation in direct actions and in cases referred to it by national courts. ECJ judgments form part of national law. It also has certain powers in relation to third pillar measures, but no jurisdiction over CFSP.

**EUROPEAN PARLIAMENT (EP)**

The European Parliament is composed of 626 members (87 from the UK), directly elected every five years in each Member State. Originally a consultative body, successive Treaties have increased its role in scrutinising the activities of the Commission and extended its legislative and budgetary powers. The Parliament meets in plenary session in Strasbourg and Brussels. The last EP elections were in June 1999.

**EUROPEAN UNION**

The European Union was created by the Treaty of Maastricht in 1992 (also called the Treaty on European Union, or TEU). It consists of three pillars – Economic (i.e. the European Community), Common Foreign and Security Policy and, following changes by the Treaty of Amsterdam, police and judicial co-operation in criminal matters. It also created the concept of European citizenship, extended many policy areas and introduced the codecision procedure for adopting legislation. The Members of the European Union are the same as the Member States of the three European Communities.

**F**

**FIRST PILLAR**

See EUROPEAN COMMUNITY

**I**

**IMPLEMENTATION**

The application and enforcement of Community law within the Member States, once it has been transposed into national law where necessary.

## L

### **LEGAL BASE (or BASIS)**

The article of the EU Treaties that gives the Union the right to act is often called the legal base. It also describes the voting procedure and type of legislative procedure (e.g. codecision) that should be used.

## M

### **MAASTRICHT TREATY (1992)**

This Treaty amended each of the three existing Treaties (Treaty of Paris and Treaties of Rome) and outlined further activities which the Member States could undertake on an intergovernmental basis (the added 'pillars' of justice and home affairs, and foreign and security policy).

### **MEMBER STATE**

A country which is a member of the European Union.

## P

### **PERMANENT REPRESENTATIONS**

The permanent offices in Brussels of each Member State - effectively the 'embassies'. They generally have four main functions:

- ◆ To participate in and service the negotiating machinery of the Council

- ◆ To maintain contact with Community institutions and other Permanent Representations
- ◆ To provide information and advice to their national authorities, and
- ◆ To deal with visitors representing special interests, particularly organisations interested in Community activities and business people.

The UK's office is known as UKRep.

### **PRESIDENCY**

This is in effect the chairmanship of the European Union. The Presidency rotates every six months among the Member States. Portugal will hold the Presidency from January to June 2000, France from July to December 2000. The Presidency chairs most Working Groups, COREPER and Council meetings and is important in setting the Union's agenda and working towards an agreement.

## Q

### **QUALIFIED MAJORITY VOTING (QMV)**

One of the three forms of voting in the Council, a proposal requiring QMV to be adopted needs 62 votes from Member States in favour out of the total of 87 weighted votes. The UK has 10 votes.

See also UNANIMITY.

## **S**

### **SECOND PILLAR**

Deals with COMMON FOREIGN AND SECURITY POLICY.

### **SINGLE EUROPEAN ACT (1986)**

This Treaty was the first substantial revision of the Community Treaties. Among the main changes it made were the extension of qualified majority voting (for example to allow the rapid development of the Single Market); the introduction of the co-operation and assent procedures; and the setting up of the Court of First Instance. It also gave the first formal Treaty recognition to the European Council.

### **SINGLE MARKET**

Sometimes known as the Internal Market. The term used to describe the free trade area set up between the EU's Member States.

### **STRUCTURAL FUNDS**

The principal mechanism for directing aid towards the less-developed regions of the EU. The Structural Funds support those regions whose development is lagging behind the rest of the EU; regions which are suffering from industrial decline, long-term unemployment or changes in production systems; rural areas; and regions which have an extremely low population density.

## **SUBSIDIARITY**

The concept that action should only be taken by the Community if it cannot be done well enough or better at national level.

## **T**

### **THIRD PILLAR**

Created by the Treaty of Maastricht, this 'pillar' describes the sections of that Treaty which provide for intergovernmental action in the field of justice and home affairs. Following entry into force of the Amsterdam Treaty, the third pillar is now restricted to police, customs and judicial co-operation in criminal matters.

## **U**

### **UNANIMITY**

One of the three forms of voting in the Council, a proposal requiring unanimity must have no Member State voting against (abstentions do not matter).

See also QUALIFIED MAJORITY VOTING.

## Annex B

### PROTOCOL ON THE INSTITUTIONS WITH THE PROSPECT OF ENLARGEMENT OF THE EUROPEAN UNION

THE HIGH CONTRACTING PARTIES,

HAVE AGREED UPON the following provisions, which shall be annexed to the Treaty on European Union and to the Treaties establishing the European Communities.

#### *Article 1*

At the date of entry into force of the first enlargement of the Union, notwithstanding Article 157(1) of the Treaty establishing the European Community, Article 9(1) of the Treaty establishing the European Coal and Steel Community and Article 126(1) of the Treaty establishing the European Atomic Energy Community, the

Commission shall comprise one national of each of the Member States, provided that, by that date, the weighting of the votes in the Council has been modified, whether by reweighting of the votes or by dual majority, in a manner acceptable to all Member States, taking into account all relevant elements, notably compensating those Member States which give up the possibility of nominating a second member of the Commission.

#### *Article 2*

At least one year before the membership of the European Union exceeds twenty, a conference of representatives of the governments of the Member States shall be convened in order to carry out a comprehensive review of the provisions of the Treaties on the composition and functioning of the institutions.

## EXTRACT FROM COLOGNE EUROPEAN COUNCIL CONCLUSIONS

### *Intergovernmental Conference on institutional questions*

52. In order to ensure that the European Union's institutions can continue to work efficiently after enlargement, the European Council confirms its intention of convening a Conference of the Representatives of the Governments of the Member States early in 2000 to resolve the institutional issues left open in Amsterdam that need to be settled before enlargement. The Conference should be completed and the necessary amendment to the Treaties agreed upon at the end of 2000.

53. In accordance with the Amsterdam Protocol on the institutions with the prospect of enlargement of the European Union and the declarations made with regard to it, the brief of the Intergovernmental Conference will cover the following topics:

size and composition of the Commission;

weighting of votes in the Council (re-weighting, introduction of a dual majority and

threshold for qualified-majority decision-making);

possible extension of qualified-majority voting in the Council.

Other necessary amendments to the Treaties arising as regards the European institutions in connection with the above issues and in implementing the Treaty of Amsterdam, could also be discussed.

54. The European Council invites the incoming Presidency to draw up, on its own responsibility, for the European Council meeting in Helsinki, a comprehensive report explaining and taking stock of options for resolving the issues to be settled. In so doing, the Presidency will take into account proposals submitted by Member States, the Commission and the European Parliament. The Presidency may also consider the question of further consultation. An appropriate exchange of views should be held with the applicant countries within existing fora.

## Annex C

# Annex D

## EXTRACT FROM HELSINKI EUROPEAN COUNCIL CONCLUSIONS

### *The Intergovernmental Conference on institutional reform*

14. The European Council welcomes the Presidency's report on the issues raised in relation to the Intergovernmental Conference and setting out the main options the Conference will be confronted with.
15. Appropriate steps will be taken to enable the Intergovernmental Conference to be officially convened in early February. The Conference should complete its work and agree the necessary amendments to the Treaties by December 2000.
16. Following the Cologne Conclusions and in the light of the Presidency's report, the Conference will examine the size and composition of the Commission, the weighting of votes in the Council and the possible extension of qualified majority voting in the Council, as well as other necessary amendments to the Treaties arising as regards the European institutions in connection with the above issues and in implementing the Treaty of Amsterdam. The incoming Presidency will report to the European Council on progress made in the Conference and may propose additional issues to be taken on the agenda of the Conference.
17. Ministers who are members of the General Affairs Council will have overall political responsibility for the Conference. Preparatory work shall be carried out by a Group composed of a representative of each Member State's Government. The representative of the Commission shall participate at the political and preparatory level. The General Secretariat of the Council will provide secretariat support for the Conference.
18. The European Parliament will be closely associated and involved in the work of the Conference. Meetings of the preparatory Group may be attended by two observers from the European Parliament. Each session of the Conference at ministerial level will be preceded by an exchange of views with the President of the European Parliament, assisted by two representatives of the European Parliament.

Meetings at the level of Heads of State or Government dealing with the IGC will be preceded by an exchange of views with the President of the European Parliament.

19. The Presidency will take the necessary steps to ensure that candidate States are regularly briefed within existing fora on the progress of discussions and have the opportunity to put their points of view on matters under discussion. Information will also be given to the European Economic Area.

