



Brussels, Tuesday, 15th December 1999
MO D(99)

NOTE TO THE FILE

Subject: Luxembourg and Ioannina

1. The Luxembourg compromise

On July 1st, 1965, France broke off the negotiations on CAP financing. The French Government ordered its officials not to take part in meetings of the Council or COREPER. On 28/29 January 1966, the "Luxembourg Compromise" was agreed. After seven months of an "empty chair" policy in the Community, France resumed its place in the Council in return for retention of the unanimity requirement when very important interests are at stake. The actual text of the accord was the following:

"Accord du Conseil, du 29 janvier 1966, sur le vote majoritaire au sein du Conseil / Compromis de Luxembourg

«1. Lorsque, dans le cas de décisions susceptibles d'être prises à la majorité, sur proposition de la Commission, des intérêts très importants d'un ou de plusieurs partenaires sont en jeu, les membres du Conseil s'efforceront, dans un délai raisonnable, d'arriver à des solutions qui pourront être adoptées pour les membres du Conseil, dans le respect de leurs intérêts mutuels et de ceux de la Communauté, conformément à l'article 2 du traité.

2. La délégation française estime que, lorsqu'il s'agit d'intérêts très importants, la discussion devra se poursuivre jusqu'à ce qu'on soit parvenu à un accord unanime.

3. Les six délégations constatent qu'une divergence subsiste sur ce qui devrait être fait au cas où la conciliation n'aboutirait pas complètement.

4. Les six délégations estiment néanmoins que cette divergence n'empêche pas la reprise, selon la procédure normale, des travaux de la Communauté. »

2. The Ioannina Agreement

The Ioannina Agreement was the result of the difficult negotiations on institutional matters linked to the 1995 enlargement to Austria, Sweden and Finland. Britain's John Major wanted to avoid giving the impression to public opinion and to his Eurosceptic party members that the country was losing voting powers to block insatisfactory EU legislation, while Spain feared the EU's South being outvoted by Northern EU States in structural funds, CAP, etc. Javier Solana, then Minister of Foreign Affairs, led the resistance, which exasperated Jacques Delors and the Commission. The Greek Presidency proposed a compromise solution to a special

meeting of EU Foreign Ministers on Sunday 27th of March, and this was accepted by the Member States on Tuesday 29th of March.

The Ioannina Compromise, which was incorporated into a Council Declaration, laid down that where members of the Council who together represent 23 to 25 votes (i.e., the pre-enlargement blocking minority) state their intention of opposing adoption of a Council decision by qualified majority, the Council will do all in its power to obtain a satisfactory solution; this is to be adopted with at least 65 votes in favour (instead of 62), within a reasonable period of time and without prejudice to the mandatory time limits specified by the Treaties and derived law. With the 95 enlargement, the total number of votes in Council became 87 instead of 76, and the number of votes required for a qualified majority was 62.

The Ioannina Compromise also entailed an agreement by the Member States that the 1996 IGC should have considered the reform of the institutions and re-examine the minimum number of votes required for a qualified majority. The Corfu European Council of 24 and 25 June 1994 confirmed the Ioannina Compromise and agreed that the 1996 IGC was to examine the provisions of the Treaty which needed to be revised and propose possible changes (number of votes, qualified majority ceiling, size of the Commission, and other measures to ensure the smooth running of the institutions in the context of enlargement).

3. Current Status

Subject to expert legal advice, and since the Amsterdam Treaty failed to tackle the above issues, the two compromises appear to be part of the Community "acquis" and thus can be invoked by Member States. The political opportunity of doing so (particularly the Luxembourg one) for not fundamental questions, e.g. CAP or Structural Funds reform, is less clear. Naturally, the IGC 2000 should settle this matter for good.

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