



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 1.10.2007
COM(2007) 543 final

COMMUNICATION FROM THE COMMISSION

**Annual Report from the European Commission to the European Parliament on the
functioning of the European School System 2006**

{SEC(2007) 1199}

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1. INTRODUCTION

This report focuses on the main events and developments affecting the European Schools System and the role played by the European Commission during 2006.

It has been a year of inspiring developments for the future of the system. The major high-level conference in the spring of 2006 in Noordwijk was a milestone for the reform process that has been ongoing at different levels. It was followed towards the end of the year by an informal ministerial meeting that advanced the debate on the future of the schools to a high political level. The Board of Governors of the European Schools (BoG) now has the challenging task of putting the political intentions into practice.

However, everyday life in some schools is still very difficult due to overcrowding and the lack of political will in some host countries to take the necessary urgent action and make the much-needed investments in infrastructure or, in the worst cases, the actual provision of appropriate infrastructure.

Overall, the Commission is concerned that a number of Member States are not facing up to their obligations as host countries to European institutions and the European Schools, both in terms of providing infrastructure and also in terms of seconding teachers. This has the direct result that the conditions of schooling and the quality of everyday life for pupils and school staff are seriously affected.

The combination of these two issues is indeed endangering the long-term prospects for the European Schools. The Commission is well aware that some staff are seeking alternative education solutions for their children, often with regret, because the European Schools System cannot always provide them with a satisfactory option for their children. The overcrowding problem must be taken very seriously by all parties concerned and the Commission will not cease to put pressure on the relevant host countries to urge them to fulfil their obligation

2. IMPORTANT DEVELOPMENTS DURING 2006

2.1. Overview of the current situation in the European Schools

The schools continued to be a popular choice for many parents and pupils, bringing the total number of pupils to 20 582 attending the 13 schools. They are of crucial importance for temporary staff as their children will have to continue education in their mother tongue until they return to their home country. With the accession of two new Member States, Bulgaria and Romania, in January 2007, the diversity and demands on the European School System are ever increasing. Detailed statistical information is provided in the Annual Report of the Secretary-General¹.

¹ Ref.: 2912-D-2006-en-1 See <http://www.eursc.eu/index.php?id=134>.

2.1.1. *Continued overcrowding in Brussels*

The restrictive enrolment policy of 2006/2007 meant that new enrolments were directed to the school in Uccle, the only school with some remaining capacity. A large number of families as a result renounced to enrol their children in Uccle, on the ground that this would have resulted in unacceptably long commuting times for their children. All of the three existing schools in Brussels are now filled to saturation. All three schools have far exceeded their nominal capacity, to the detriment of everyday conditions for the pupils. In April 2006 the Board decided what language sections will start in Laeken once this school opens in 2009². The Commission stressed on several occasions that the Belgian authorities should provide a transitional site close to Laeken to be operational for the start of the school year 2007. In July, the Belgian State proposed the single option of Berkendael, which is situated on the opposite side in the south of Brussels. As a transitional site to Laeken, situated in the north, this was in the opinion of the Commission and the parents' representatives a very unsatisfactory and incoherent proposal, which risked repeating the experience of the 2006/2007 enrolment exercise that already led to many families opting out of the European School System.

During autumn 2006, the Board concurred with the view of the Commission and demanded on three occasions that the Belgian authorities supplement their proposal for a transitional site. To its regret the proposal was not substantiated. In November 2006, the Board was therefore forced to take a decision in view of the absolute necessity to have space for new enrolments in September 2007. The Commission made a statement setting out its position³.

2.1.2. *Further delays in Luxembourg*

The premises of the school of Luxembourg I remain overcrowded, particularly in secondary, where 2134 pupils are enrolled in eleven sections and despite the progressive transfer of primary classes of eight sections to the second school. The urgent need for the provision of a permanent building to accommodate Luxembourg II still remains. The Luxembourg authorities indicated during 2006 that the new building will be available only in 2011. The Commission continues to be very concerned about the delays and has raised this issue with the Prime Minister, emphasising the need for action without further delay.

The decision concerning the division of pupils between Luxembourg I and II taken by the Board in 2003 continued to be discussed during the year and a round table meeting with all concerned parties took place early in January 2007, initiated by the parents' associations and the Local Staff Committee. The location of the second school (Bertrange-Mamer) and the split between the two schools were discussed during this meeting.

A call for tender was successfully launched for the running of the canteen and the cafeteria, which are now operational.

² The composition of the Laeken School will be as follows: FR, EN, DE, IT, NL, and RO and BG (the last two as SWALs and language sections at the appropriate time)

³ See Annex 1 for the full text of the statement.

2.1.3. *Other schools – many issues of overcrowding*

Varese

In Varese the problem of overcrowding continued and it is extremely disappointing that the actual needs of the school were not met in terms of additional infrastructure. The Commission wrote to the Italian government during the year to ask for urgent funding and has recently brought up the issue again with the responsible Minister and awaits a reply.

A procedure aiming at transferring the management of the canteen to a parents' cooperative created at the initiative of the Local Staff Committee of the Joint Research Centre in Ispra is planned for 2007/08. The arrangements for such a transfer need to be approved by the Administrative Board of the school during the first half of 2007.

Frankfurt

The school population is constantly increasing (7% in 2006) owing to the presence of the European Central Bank (ECB), which provides an inflow of pupils. Some improvements have been made on the present site to meet the needs of new nursery classes, but the maximum capacity of the school is almost reached. The ECB is planning to move to new premises on the current Großmarkthalle site in Frankfurt, which will influence future decisions concerning the school.

Alicante

Alicante saw the first class of Baccalaureate students graduate during the year with a success rate of 97.7%. The Spanish authorities approved a new law, still to enter into force, which will remove the requirement for a selection test (*selectividad*) for pupils of foreign systems in order to access higher education in Spain.

The proportion of children of EU staff in the European School in Alicante increased slightly last year (36.8%) but remains far from the required 50%⁴.

Munich

Work has been carried out during the year to improve the situation of overcrowding in the nursery buildings, but there are still problems of space. The German authorities have plans for further building works requested by the school on the existing site, but a new site will have to be sought in the future to respond to the needs of the European School.

Bergen, Culham, Mol and Karlsruhe

These four schools were the subject of an external study, the "Van Dijk report", which was carried out during 2005/06 at the request of the Commission to examine the long-term future of these schools. The report recommends the progressive closure

⁴ See reference made in last year's report, COM(2006) 451 final.

of the school in Culham considering that its “raison d’être” will disappear with the move of the Joint European Torus (JET) to Cadarache in France planned for 2016.

The schools in Bergen, Mol and Karlsruhe provide schooling for the children of staff working at the Joint Research Centres (as does the school in Varese), and the report makes proposals relating to the efficient management and cost effectiveness of these schools, recommendations which are supported by the Commission. However, the Commission does not agree with the recommendation made in the study that the language section of the host countries be eliminated.

2.2. Problem areas

The Commission is very alarmed that certain Member States are not facing up to their obligations as host countries to the institutions in terms of providing adequate infrastructure for the European Schools to function properly. There are several issues at stake, the most flagrant being the provision of appropriate infrastructure in due time, which is proving to be a crucial problem in Belgium but also in Luxembourg and Italy.

This is not the only problem area. The European Commission has initiated a formal request for the Belgian authorities to settle their running debt to the system, part of which dates back to 1995.

The Commission is also very concerned about the number of seconded teachers’ posts not filled by some Member States. This has the consequence that the vacant posts have to be filled by part-time locally recruited teachers, at the sole cost of the EU part of the budget and therefore outside the Member States’ rightful contribution to the budget. Furthermore, the Commission regrets the timing of some secondments of teachers which are without consideration for the standard starting dates of the school year, making the integration of the teachers more difficult and the start of the school year challenging for the pupils beginning without designated teachers. The Commission has brought this problem to the attention of the Secretary-General of the European Schools and addressed several formal letters to the national authorities of some concerned Member States.

3. BUDGET AND FINANCIAL REFORM

3.1. 2006 budget

The contribution initially allocated to the European Schools by the EU budgetary authority in 2006 was €127.126 million. The most recent breakdown of the various contributions to the total budget was:

- 56% from the EU budget;
- 22.5% from the Member States;

- 6.5% from the EPO⁵;
- the remainder from category II and III pupils' school fees and other sources.

The European Schools received the total contribution allocated in 2006 and closed their annual budget with a surplus of approximately €12.2 million.

The part of the budget that is allocated to children with special needs ("SEN" children) has increased by 24% over the last two years. The Commission has stressed that the annual report on this topic should include a more qualitative analysis of the situation in order to provide solid input for future improvements. In spite of all the efforts, it is not always possible to integrate pupils with severe learning disabilities. Families have to find an alternative which is more difficult when the mother tongue is not a language of the host country.

3.2. The new Financial Regulation

The Commission was highly involved in, and gave considerable support to, the preparations for the new Financial Regulation for the European Schools, which is much inspired by the regulations in place for the institutions and adapted to the specificities of the European Schools System. The Commission was very happy to see the adoption (with unanimity minus one abstention by Austria) of the new Financial Regulation during the year 2006. The new rules have mainly entered into force from 1 January 2007. The audit function aspects as well as the public procurement rules will be implemented progressively, on 1 July 2007 and 1 January 2008 respectively.

3.3. Decision on the 2007 budget

For 2007, the Commission and the Office of the Secretary-General (OSG) decided to make a detailed analysis of the reasons for the recurrent under-spending and surplus of recent years. This situation led the Commission to request a contribution for 2007 at the same level as in 2006: €127.13 million for the existing schools and the OSG, and €2.54 million for the future school Brussels IV on the transitional site of Berkendael.

3.4. Freezing of part of the 2006 contribution to the OSG

The EU budget contributes 80% of the funds allocated to the Office of the Secretary-General (OSG). In December 2005, the budgetary authority decided to freeze 25% of that contribution in 2006, to encourage the OSG:

- to find solutions to the problem of overcrowding in the European Schools;
- to improve the governance and the management of the European Schools.

⁵ For the European School in Munich, the European Patent Office's (EPO's) share of the budget is similar to that of the Commission's in the other European Schools.

The Commission transmitted this decision to the Secretary-General and suggested that its departments could help the OSG to take the measures requested and to organise contacts with the European Parliament.

In May 2006 the Commission and Parliament deemed that the measures requested had been taken and thus Parliament released 15% of the contribution. Subsequently, the OSG's cooperation with the Commission on the work of revising the Financial Regulation convinced Parliament to release the remaining 10%.

4. GOVERNANCE

The governance issue was under discussion on a global level in relation to the future and the reform of the system but also on a more practical level, for example in the creation of the Central Enrolment Authority in Brussels.

4.1. Conference in Noordwijk and ministerial meeting

Vice-President Kallas and Dutch Education Minister van der Hoeven (holding the presidency of the European School System 2005-2006) both felt that political impetus for reflection on the future of the whole system was necessary. They therefore took the initiative to invite representatives from all the Member States to participate in a conference in May 2006 in the Netherlands. A High Level Group, in which the Commission participated very actively, was put in place to prepare the options to be discussed at the conference.

The conference took place on 15-16 of May in Noordwijk with the participation of Vice-President Kallas, Minister van der Hoeven and the Portuguese Secretary of State for Education, Mr Pedreira (Portugal took over the presidency of the European Schools from August 2006).

The conference enabled fresh political momentum to be given to the discussion on the future of the European Schools. Following this conference a High Level Group, composed of conference participants, continued the work by preparing a meeting of Ministers responsible for the European Schools from all the Member States.

Vice-President Kallas, as European Commissioner in charge of the European Schools, and the 25 ministers of the Member States met on 13 November 2006 to discuss the European Schools reform process. The meeting resulted in a broad consensus on the key ideas to enable the system to meet the challenges of an enlarged EU. A clear political framework has now been established, providing guidance for starting the following phase. The Board of Governors has the responsibility to take the concrete steps to achieve the reform. (See Annex 2 for the Presidency conclusions.)

4.1.1. Results of the ministerial meeting: opening up and strengthening the European Schooling System

A large majority of EU ministers and the Commission agreed on the need for a more flexible concept of the European School System, which could be applied in future to

three types of schools: the existing classical European Schools⁶; national or international schools providing European education to the children of EU staff in locations where European agencies are about to be founded, which could be entitled to offer the European Baccalaureate (Type II schools); and a third type where a Member State decides to take such an initiative independently of the existence of an EU agency or institution, at their sole expense (Type III schools).

Type II and Type III schools will seek to provide a European Schooling based on a “common curriculum”, with as far as possible mother tongue education. This common curriculum will comply with the requirements set by the European Schooling System regarding pedagogical targets, and meet the demands regarding exams and accreditation. Attainment contracts on pedagogical, administrative and financial requirements should be signed to guarantee the coherence, quality and accountability of the European Schooling System.

The participants in the meeting also largely agreed on the need for a reform of the governance aspects aimed at giving greater autonomy to the schools, but that this should be balanced with greater accountability in pedagogical issues and in aspects of management and finance.

4.2. Establishment of the Central Enrolment Authority

At its meeting of April 2006 in The Hague, the Board of Governors created a Central Enrolment Authority (CEA)⁷ to decide on enrolments in the Brussels European Schools. The Board decided that "in order to populate the new sections in Brussels IV... admittance will be strictly limited in the other schools". This had become necessary because of the situation of overcrowding in the current schools and the Board's decision to accept Berkendael as the transitional site for and nucleus of Brussels IV (Laeken). Consequently, the CEA was given the following objectives:

- (1) To draw up and publish a clear enrolment policy each year which will ensure that the objectives stated below will be achieved with maximum fairness and transparency;
- (2) To decide the lists of pupils to be enrolled in each of the Brussels schools. These lists will be proposed by the Directors of each school;
- (3) To ensure a balanced distribution of pupils between the Brussels schools in global terms and between the language sections and to ensure the optimal use of the resources of the schools with a view to serving pupils' needs and ensuring pedagogical continuity. In the initial period a further objective of the Policy will be to ensure the filling of Brussels IV;

⁶ There are currently 13 European Schools in seven Member States.

⁷ The CEA is composed of the Secretary-General of the European Schools (Chair), a representative of the European Commission (representing the EU institutions), the Directors of the 3 (4) European Schools in Brussels, a representative of parents, a representative of the authorities of the host country. Furthermore, the Secretary-General elect, 2 (3) parents' representatives (to ensure the representation of the APEEEs of all the Brussels schools), 1 representative of the Brussels Staff Committee and 1 more representative from Belgium (to allow the representation of the Belgian Communities) are present as observers.

- (4) To ensure that a place is guaranteed in a European School in Brussels for all pupils who are children of EU staff seeking admission in Brussels;
- (5) To ensure the enrolment of siblings in the same school;
- (6) To perform a constant monitoring of the evolution of pupil populations in the various language sections and schools.

The details of the composition and procedures of this Authority as well as its precise mandate were decided by the Board during its meeting in October 2006. The Commission has stressed that a degree of flexible intelligence should be applied in this delicate process and that the issue of SWALs (students without a language section) in proportion to mother tongue pupils in each class should be monitored. The Board has also emphasised the importance of clear and direct communication and dialogue with the parents concerned. The CEA took decisions regarding the enrolment in Brussels for the school year 2007/2008 according to the above mentioned objectives and decisions of the Board. According to these decisions, the new pupils for whom a language section and level is available in Berkendael, will be enrolled in this school (except for sibling of pupils already enrolled in another European School in Brussels). If the language section and level is not available in Berkendael, the new pupils will be enrolled as far as possible in the school of their choice.

4.3. Communication, information and dialogue

Seeing that there was much activity during the year and so many important decisions were taken by the Board, the Director-General of DG ADMIN sent no less than seven direct mail messages to all staff in order to keep them informed. There were five open cases handled by the European Ombudsman where the Commission provided explanations or justifications and 19 formal written and oral questions from the European Parliament. President Barroso discussed the topic of the European Schools with different Heads of State and Vice-President Kallas discussed the issue with Parliament on several occasions and also with staff representatives and a range of other interested parties. The Commission departments met regularly with the parents' associations and the Local Staff Committee in order to ensure a clear and direct dialogue.

Following the negative approach by the host country with the largest number of schools, the Commission pressed in the Board in November for a letter to be addressed to the Belgian authorities with a request for a meeting. This would be in order for them to explain, directly through a dialogue with the families from the institutions in Brussels, their position concerning their disappointing attitude relating to the transitional site. This letter was sent by the Presidency in November. The Board and, in particular, the Commission, is unfortunately still awaiting a response from the Belgian authorities.

4.4. Study: the Van Dijk report on four small schools

The so-called "Van Dijk" study on four small schools in Bergen, Culham, Mol and Karlsruhe was presented by the external consultant in 2006 (see heading 2.1.3 "*Other schools*"). The Board of Governors debated this study twice in 2007 and decided that

the school in Culham will be progressively closed over seven years. The schools in Bergen, Mol and Karlsruhe will be maintained as classical European Schools.

4.5. Accreditation

The Board decided, with the full support of the Commission, to accredit the schooling given in the Parma School in Italy and the Dunshaughlin School in Ireland, and an Accreditation and Cooperation Agreement should be signed in 2007 with the competent authorities of the two schools. The Commission strongly supports this process. The children of the staff of the European Food Safety Authority located in Parma and of the Commission (DG SANCO) in Grange will then be able to receive an European education in line with the education provided within the European School System; at this stage, the schools are not yet entitled to propose the European Baccalaureate (accreditation until 5th year secondary level). The Board also decided to approve the first step of the process with a view to a future request for accreditation for the school of Heraklion in Greece, situated close to the European Network and Information Security Agency.

5. FUTURE CHALLENGES FOR 2007 AND BEYOND

5.1. Future follow-up after the ministerial meeting

The Board of Governors is now acting on the instructions as set out in the Presidency conclusions⁸ following the informal ministerial meeting and is proposing a strategy to be discussed in order to move the reform process forward on a practical level. This involves making proposals in order to improve governance according to the guidelines agreed and by so doing devolve more decision-making authority, including financial authority, to school management, to be balanced by greater accountability, as well as reforming the governance structure to achieve the aims of governance at school level and overall governance.

It also includes moving ahead with the ideas of opening up the European Schools System and analysing the measures and practical implementation regarding Type II schools and taking the necessary steps for their improvement and further development.

Furthermore, the European Baccalaureate needs to be upgraded to international standards, including aspects of organisation, administration and quality assurance, beginning with an expert external evaluation to be launched by the Secretary-General.

A working group will examine the issue of cost sharing for the teachers seconded by Member States to the classical European Schools. The Board will as a consequence consider the necessary measures to ensure that the allocation of the costs of the seconded teachers among the Member States would be fair.

In order to advance with the pilot project regarding “Type III” schools, terms of reference should be elaborated involving a maximum of ten schools. The pilot

⁸ See Annexes 2 and 3.

projects should ideally start in the school year 2007/2008. These projects will be monitored by the Board of Governors and be subject to evaluation every two years.

5.2. Opening of Berkendael/Laeken in Brussels

The Board regretted that it was in the position of being forced to accept the transitional school of Berkendael, as the Belgian authorities refused to cooperate and provide a transitional site that fulfilled the necessary geographical criteria. The Commission does not dispute that the school itself is an appropriate building but continues to raise the issue related to its location and the consequences that it will have for the families.

Following the decision under duress of the Board in late 2006, the school in Berkendael opened its doors to receive new pupils in September 2007. Therefore it is now urgent that the necessary structural alterations are made rapidly and that the newly appointed Director acts quickly to prepare the school for welcoming the new pupils. The current Directors in Brussels have played a crucial constructive role in preparatory discussions. The three existing parents' associations in Brussels are taking on a very welcome role of assisting the new school in setting up the school transport service, the running of the canteen and other practical matters. According to the host country agreement the initial fitting-out of the school is the responsibility of the Belgian authorities, which have a chance to show real political will in making this a smooth process.

5.3. Obligations of the Member States

The Commission will make it a priority to continue to address the issues relating to the non-fulfilment of certain obligations by some host countries and will take the necessary legal actions, if and when this should appear appropriate.