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**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND
THE COUNCIL**

The European Schools system in 2012

TABLE OF CONTENTS

1.	Introduction	4
2.	Situation in the schools	4
2.1.	Alicante	4
2.2.	Bergen	4
2.3.	Brussels	5
2.4.	Culham	5
2.5.	Frankfurt.....	6
2.6.	Karlsruhe	6
2.7.	Luxembourg	6
2.8.	Mol	6
2.9.	Munich	7
2.10.	Varese.....	7
3.	Budgetary developments and challenges	7
4.	Political developments and challenges.....	8
4.1.	Accredited schools	8
4.2.	Overcrowding / infrastructure	9
4.3.	Cost-sharing by the Member States	10
4.4.	Category III school fees	10
4.5.	Legal cases	11
4.6.	Internal audit	11
5.	Pedagogical and organisational developments and challenges.....	11
5.1.	The European baccalaureate reform.....	11
5.2.	Actions for pupils with Special Education Needs (SEN).....	12
5.3.	Organisation of studies in the secondary cycle	12
6.	Future challenges	12

1. INTRODUCTION

2012 was a relatively stable year for the European Schools system (ESS) with the ambition to maintain the high quality of teaching whilst trying to continuously control the budget. Indeed, the efficient use of resources, together with the budget allocated proved sufficient for a smooth running of the system in 2012. Some impact of decisions taken in 2011 was already felt and further measures were decided upon in 2012 that should have a positive influence on the ESS in the years to come.

However, the continuously growing number of pupils together with the lack of consensus between the Member States on the cost-sharing issue still constitutes a stark challenge for the system. With some Member States not fulfilling their obligations concerning seconding teachers and providing infrastructure, the EU financial contribution to the ESS budget has yet again increased in 2012, and the situation will most likely aggravate if a sustainable solution to the problem is not found. The Commission is therefore urging the Member States to advance in the debate on the sharing of costs.

In Brussels and Luxembourg major events included the opening of the Brussels IV school in Laeken and the Luxembourg II school in Bertrange/Mamer. However, the number of pupils in the Brussels schools is constantly growing and several of the Brussels schools remain seriously overpopulated. The Commission together with the Secretariat-General of the European Schools have been insisting throughout 2012 to obtain a formal proposal from the Belgian authorities concerning the location of a future fifth school in Brussels.

2. SITUATION IN THE SCHOOLS

2.1. Alicante

The school population rose slightly and reached 1052 pupils at the beginning of the school year 2012/2013¹. For the first time since its creation ten years ago, category I² pupils constitute more than half (54.8%) of the school's population. These are mainly children of the employees of the Office for the Harmonisation of the Internal Market (OHIM). There are four linguistic sections in the school (DE, EN, ES and FR), of which, as in previous years, Spanish is the most populated one (37.2%).

2.2. Bergen

The number of pupils continued to decrease and went down to 556, from 578 in the school year 2011/2012, and 595 in 2010/2011. The majority of pupils (80.4%) are those of category III (447). The number of category I pupils (108) has slightly increased and constitutes 19.4% of the total school population. The school celebrated

¹ Statistical figures on the population of the ES are given in the Report of the Secretary-General of the ES "Facts and Figures on the beginning of the 2012-2013 school year in the European Schools" (http://www.eursec.eu/fichiers/contenu_fichiers2/1842/2012-10-D-15-en-1.pdf)

² The rules governing admission to the European Schools are given in the Digest of Decisions of the BoG of the European Schools (http://www.eursec.eu/fichiers/contenu_fichiers2/1794/2011-04-D-4-en-1.pdf)

its 50th anniversary in 2013, with the highlight of the festivities being the visit of Her Majesty Queen Beatrix in March.

2.3. Brussels

There is a continuous growth of the population of pupils in the European Schools of Brussels, which at the beginning of the school year 2012/2013 reached 10 606 pupils, as compared to 10285 the year before (+ 3.1%). Some of the schools remained drastically overcrowded; however the opening of the new premises for the school of Brussels IV in Laeken in September 2012 did slightly contribute to the decrease of number of pupils in the school of Brussels I and contributed to stabilise the population in Brussels II and III.

The school of Brussels I in Uccle saw the biggest reduction in pupils, with a decrease from 3131 in 2011/2012 to 3040 in 2012/2013. Due to the renovation works planned by the "Régie des Bâtiments"³ in the so called Fabiola building it was decided to temporarily move all the nursery and primary 1 sections to the site in Berkendael from September 2012 until the end of the 2014/2015 school year when the works are planned to be completed.

The school in Woluwe, Brussels II, hosts the biggest population of all the European Schools, with 3144 pupils at the beginning of the school year 2012/2013. The opening of the new bus parking improved the security of the internal playground of the school as the more than 50 school buses do not need to enter the school yard premises anymore.

With 2892 pupils enrolled in September 2012, the population of the school in Ixelles, Brussels III, is stable compared to the previous school year thanks to the enrolment policy in force in the ES in Brussels⁴. However, the school is still overcrowded which causes daily practical difficulties especially in the common facilities (library, sports hall, playground, etc.).

1530 pupils started the 2012/2013 school year on the new premises of the school of Brussels IV in Laeken. The new site was officially inaugurated on 24 October 2012 by President Barroso, Vice-president Šefčovič, State Secretary Verherstraeten and Minister Smets, in the presence of Their Majesties King Albert II and Queen Paola. There are six language sections in the school, including the newly created Bulgarian one. In addition a Romanian section will open in September 2013, as confirmed by the Romanian representatives at the Board of Governors' meeting in December 2012.

The school in Laeken will reach its full capacity sooner than expected. Given the continued growth trend in the number of pupils enrolled to the Brussels schools and the overpopulation in some of the schools there is an evident need for a fifth school to be opened in Brussels by 2015 as requested by the Board of Governors of the European Schools already in 2010.

³

Régie des Bâtiments: The Belgian federal agency in charge of official buildings.

⁴

Policy on enrolment in the Brussels ES for 2012-2013 school year, document 2011-10-D-33-en-D (<http://www.eursec.eu/index.php?id=248&l=2>)

2.4. Culham

Following the decision of the Board of Governors of 2007 to gradually phase out the type I European School by 2017⁵ no pupils were admitted at the nursery and primary 1 level, and the school population has decreased by 8.5%, from 745 in 2011 to 682 at the beginning of the school year 2012/2013.

The new Free School managed by the national authorities has been opened on the Culham site since September 2012 and it accommodates the two nursery years and primary year 1 and 2. It will share the infrastructure with the European School of Culham until 2017 and will take it over after its definitive closure.

2.5. Frankfurt

In 2012 the Frankfurt school celebrated its 10th anniversary, with a yet again higher number of pupils. The school saw an increase of the population by 4.8%, growing from 1136 at the beginning of the school year 2011/2012 to 1191 in September 2012. The majority of pupils (823) in the school belong to category I, being mainly the children of the staff of the European Central Bank. The saturation problems the school has been suffering from for years have increased and are likely to become even more serious with the expected increase of the European Central Bank staff in relation to Banking Supervision. At the request of the Commission and the Office of the Secretary-General of the ES (OSGES) the issue will be discussed by the Board of Governors in 2013.

2.6. Karlsruhe

The pupil population in the school of Karlsruhe continued to decrease and reached at the beginning of the school year 2012/2013 the total of 911 pupils, of which only 173 are category I pupils (19%). Category III pupils are still the most numerous, but their number decreased over the years from 524 in 2009 to 484 in 2012 (53%). Karlsruhe has the highest amount of contracts signed with companies of all the schools, and the biggest share of category II pupils (28% in 2012/2013). The European School of Karlsruhe was inaugurated in 1963 and festivities commemorating its 50th anniversary take place during the whole 2012/2013 school year.

2.7. Luxembourg

A new chapter has started for the European Schools in Luxembourg with the opening of the new premises at Bertrange/Mamer for the Luxembourg II school in September 2012.

2715 pupils started the new school year in the school of Luxembourg I. Since the cohabitation of the school premises with the Luxembourg II school finished with the opening of the latter in Betrange/Mamer in October 2012, the overcrowding problem was solved for the Luxembourg I school. Being the oldest of all the European Schools, Luxembourg I celebrated its 60th anniversary in 2013.

⁵

Due to the move of the Joint European Torus (JET) to Cadarache (France).

The new site for the school of Luxembourg II was officially inaugurated in the presence of Vice-President Šefčovič and Ministers Wiseler and Delvaux-Stehres on 1 October 2012. The school accommodated 1965 pupils in eight language sections (Czech, German, Danish, Greek, English, French, Hungarian and Italian). The Luxembourg authorities helped to put into place transport services for the pupils of the Bertrange/Mamer school and provided a free of charge shuttle service between the two school sites.

2.8. Mol

The European School of Mol welcomed 744 pupils at the beginning of the school year 2012/2013 (23 less than the year before), out of which 593 were category III pupils and 140 category I. The size of the German section went down again from 72 in 2011 to 64 in 2012. The Dutch and the English sections count 263 and 262 pupils respectively, whereas the French one 155.

2.9. Munich

For another year the school of Munich observed a steady growth of its pupil population, due to the increasing number of staff in the European Patent Office. 78% of the 2063 pupils were of category I, and the school is obliged to apply a restrictive enrolment policy until 2017, when the construction of an extension to the school is due to be completed.

2.10. Varese

The school population in the Varese school remained stable, with 1384 pupils enrolled at the start of the school year 2012/2013. More than half of the pupils belong to category I, and the number of category II pupils continues to decrease due to the on-going crisis.

Despite the promises from the Italian authorities and reminders sent by the Commission, the EUR 400 000 lump sum meant for the improvement of the infrastructure has not been paid to the school yet.

3. BUDGETARY DEVELOPMENTS AND CHALLENGES

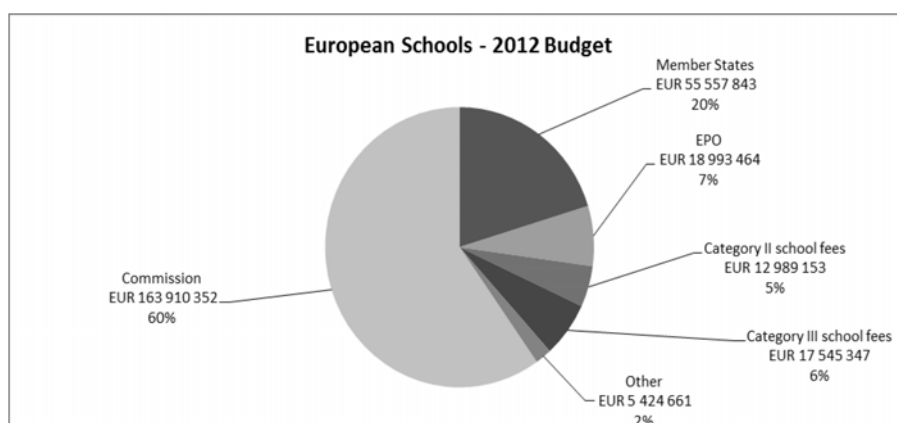
The overall 2012 budget adopted for the European Schools system stayed relatively stable with a slight increase. Thanks to the structural measures decided in 2011, the execution of the 2012 budget even produced a surplus. These measures included the adjustment of the salary scale for the seconded staff and locally recruited teachers to that of the EU officials following the EU Staff Regulations reform in 2004 and a more effective organisation of courses. Also, the salaries of the seconded staff and administrative and ancillary staff (AAS) recruited after 2007 were not increased in 2012. They are ruled by a method parallel to the one on the salaries of EU staff which have not increased since July 2011 as the Council of Ministers refused to adopt the decision on their adaptation. Further decisions taken in 2012, like the increase of school fees for category III pupils, should have a budgetary impact for the following years.

There was a 2.1% increase (3.1% in Brussels) in the total number of pupils enrolled in the European Schools compared to 2011, from 23 367 to 23 869⁶. With 18 017 pupils, category I pupils constitute just over 75% of all the European Schools' population. The economic crisis was again reflected in a further decrease of category II pupils, which accounted for just below 5%. The number of category III pupils fell again as well, to 4 695, and accounts for just below 20% on average. The fall is also a result of the current economic context, and in addition of a very restrictive enrolment policy in place in the overcrowded Brussels schools.

In 2012, the average annual cost per pupil for all the European Schools was approximately EUR 11 506⁷. As a result of some Member States not fulfilling their secondment quotas, the revenues were EUR 4.04M lower than budgeted, thus increasing the percentage of the EU financial contribution to the ESS budget to 60%. There were 105 seconded teaching posts not filled in 2012, and the number is likely to grow in the years to come if a tangible solution to the cost-sharing issue is not found.

Budgetary contributions (excluding surplus carried forward and use of reserve funds):

2012 (total: EUR 274 420 820)



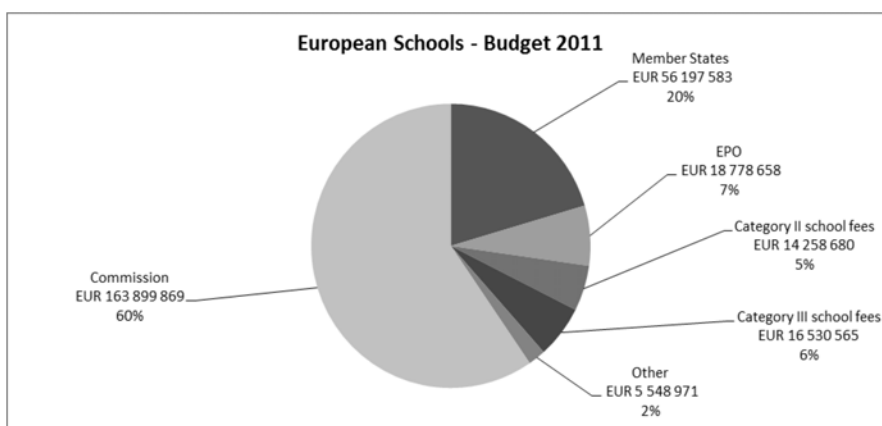
2011 (total: EUR 275 214 326)

⁶

See footnote 1.

⁷

Financial data given in the Annual Report of the Financial Controller of the European Schools, document 2013-02-D-6-en-1



The salaries of the teachers in the ESS are dependent on the same mechanisms as those of the staff of the EU Institutions. In December 2012, as the decision on the salary raise was not taken, the Council decided to cut the initially planned EU contribution to the 2013 ESS budget by withholding an amount of approximately EUR 2.3M, corresponding to the potential salary raise for teachers in 2012. The total budget for the ESS for 2013 was set at EUR 288 324 192 and the EU financial contribution at EUR 171 554 083 (i.e. 59.5%).

4. POLITICAL DEVELOPMENTS AND CHALLENGES

4.1. Accredited schools

Following the reform of the European Schools system it has been possible since 2009 for the Member States to request accreditation of national schools to enable them to offer a European curriculum and the European Baccalaureate. Type II schools are either administered and financed by the national education systems of the individual Member States of the EU or private schools. They have been established close to some of the European Agencies. Typically, they also have a large number of pupils drawn from other backgrounds whose parents want the European type of education for their children. Type III schools can be public but also private schools accredited by the Board of Governors (BoG) that offer the European style of education to their pupils, but they do not have children of the EU staff enrolled and there is no necessity of a European Agency in the vicinity.

Two new accredited schools opened their doors in September 2012: a type II school, The International School of the Hague (the Netherlands) and a type III school in Bad Vilbel (Germany). After the signature of the agreement on pedagogical matters between the Secretary-General of the European Schools and the Dutch Authorities the school in The Hague will be able to approach the European Commission for the financial contribution from the EU.

The conformity files were approved by the BoG in December 2012 for two other schools undergoing the accreditation procedure, namely Tallinn European Schooling (Estonia) and the European School of Copenhagen (Denmark), both due to open in September 2013.

Six national schools had been accredited in the previous years, located in: Parma (Italy), Dunshaughlin (Ireland), Heraklion (Greece), Helsinki (Finland), Strasbourg (France) and Manosque (France). With the exception of Manosque, all the schools have signed the contribution agreement with the EU and are receiving financial contributions from the Commission. Between the school year 2009/2010 and January 2013 they have received a total amount of EUR 11 345 706.

4.2. Overcrowding / infrastructure

The overall number of enrolments of category I pupils continued to increase in 2012 and several schools face a serious overpopulation problem. The situation is particularly critical for the ES of Brussels II and III, and of Frankfurt.

In Brussels, the total number of pupils reached 10 606 at the beginning of the school year 2012/2013, which is 321 more than a year earlier. The pressure is especially on the schools in Woluwe and in Ixelles, where saturation problems lead to daily difficulties in the common facilities. In addition, it can already be seen that even the recently opened school in Laeken will reach its capacity limits quickly (increase of population of 44.5% in 2012). As a result a very restrictive enrolment policy is in force in the ES of Brussels. The need for a fifth school is confirmed for 2015, and the European Commission has continued to insist that Belgian authorities should make a proposal on the location of the new school in Brussels. Only the provision of a fifth school together with a proper structural revision of the distribution of the language sections between the ES of Brussels will properly alleviate the infrastructure problems and ensure a more efficient and economic allocation of resources. The Secretary-General of the ES was mandated by the Board of Governors in December 2012 to present a concrete proposal for the composition of the language sections in the fifth school for the next meeting.

In the course of 2012, the Commission addressed the issue of the fifth school with the Belgian authorities on several occasions. The Vice-President also wrote to the Prime Minister Di Rupo and the question was discussed at the EU-Belgium Task Force. In December 2012, the Belgian Government decided to create a restricted working group (composed of the representatives of the Belgian authorities, the Secretary General of the ES and the Commission) to evaluate the real needs for the fifth school in Brussels and enable taking the final decision on its potential location. The group produced a final report in the first half of 2013, which was transmitted to the Prime Minister. The document confirms the need for a fifth school and mentions its possible locations.

The ES of Frankfurt is also facing more and more severe overpopulation problems, with a high increase of category I pupils. As a result of the decision on the Banking Supervision, a further increase of staff in the European Central Bank is expected already at the beginning of 2013, and the already overcrowded school will have to accept quite a high number of new pupils. As it is an obligation of the host country to provide the infrastructure for the European school(s) on its territory, the Commission has addressed the issue with the German authorities and is now waiting for a proposal of concrete measures to be taken regarding an extension of the existing site and installation of additional prefabricate containers on the school's premises as a temporary solution.

4.3. Cost-sharing by the Member States

The magnitude of the European Union's financial contribution to the European Schools system (ESS) is dependent on the size of that of the Member States. In 2012 it was set at EUR 165.4M. However, the structural problem of the lack of seconded teachers has become even more severe in 2012 with 105 unfilled posts (out of which 47 Anglophone posts, 18 Francophone posts and 17 Germanophone posts) leading to a reduction of revenues of around EUR 4.04M.

The debate launched by the United Kingdom during its presidency of the ESS in 2011/2012 on the sharing of costs between the Member States, and the discussions within the working group created to deal with that matter, did not lead to any tangible results during the year. The issue of the cost-sharing is of utmost importance especially for the UK and Ireland, as they are requested to second many teachers due to high demand for courses in English. French and German speaking countries also experience similar challenges. Despite the efforts of the Commission and the UK to urge the other MS to find a constructive solution to the problem, there is no consensus on how to cover for the deficiencies in the system. The costs of the teachers recruited locally as a result of the lacking seconded teachers are in the current system paid in full by the EU financial contribution.

Furthermore, the UK decision neither to second any new teachers nor to replace those who leave their assignments puts the European Schools system in an extremely difficult situation both financially and in terms of practical recruitment. The Commission will continue its efforts to achieve concrete results in the sharing of costs between the Member States.

4.4. Category III school fees

An important aspect of the reform of the European Schools system decided by the Board of Governors (BoG) in April 2009 was to give more autonomy to type I European Schools concerning the pedagogical, administrative and financial aspect of the schools' operation. Thus, the schools' Administrative Boards have been delegated with the powers to set the levels of school fees for the category III pupils within the limits of a banded range. Following that decision the European Patent Office (EPO) asked for the definition of the banded range by the BoG in April 2011. Subsequently, a working group has been set up to propose a revision.

Within its mandate the "School Fees" Working Group discussed the increase of the school fees for category III pupils, and the reduction of school fees for siblings, and presented proposals to the BoG. At its meeting in December 2012 the BoG, after intense discussions, decided on a compromise option to increase the fees for category III pupils by 25% (+/- 5% according to each school's decision), for all children newly enrolled in that category as of September 2013. Moreover, the reduction of fees for the siblings was decreased to 20% for the first sibling and 40% for all the further siblings, as of the school year 2013/2014 for all new category III children. The Commission welcomes this decision as it will contribute to decreasing the gap between the cost generated by category III pupils and the income received from fees.

4.5. Legal cases

In 2012 there were no new cases concerning the European Schools system presented to the Court of Justice. In February, the Court issued a judgment in favour of the Commission on the appeal brought against the United Kingdom (C-545/09) concerning the exclusion of the teachers seconded to the European Schools by the UK from the salary adjustments awarded to teachers employed in national schools for the duration of their contract. The Commission is insisting that the UK complies with the judgement and steps are being sought for its correct implementation.

4.6. Internal audit

Within the framework of a Service Level Agreement (SLA) concluded between the Board of Governors and the Internal Audit Service (IAS) of the Commission in 2007, the IAS has been regularly preparing the audit action plans for the European Schools. In 2012 the IAS conducted a risk assessment exercise the results of which served as a basis to draft the strategic audit plan for the European Schools 2013-2015. A number of important issues have been identified, that will require a close follow-up from the European Schools system. The Commission will be following it closely in order to ensure that the audit recommendations are being taken into serious consideration by the concerned parties.

5. PEDAGOGICAL AND ORGANISATIONAL DEVELOPMENTS AND CHALLENGES

5.1. The European baccalaureate reform

The impeccable organisation of the European baccalaureate exam is a key element to the credibility of the diploma. The 2009 reform of the European Schools system had as one of its aims making the European baccalaureate exams more efficient and less costly. In addition to previously taken decisions on the simplified arrangements for the organisation of the exams, in April 2012 the Board of Governors (BoG) decided on the new structure of the question papers that will enter into force as of 2015 baccalaureate session.

During the 2012 European baccalaureate session some organisational problems occurred during the mathematics exams, leading to numerous negative reactions from pupils and parents. Consequently, the Chairman of the Examining Board of the European Baccalaureate 2012 asked an expert from the Institute of Education at London University to produce a report that led to the decision that the final scores of the mathematics tests would be adjusted and that the exam could be repeated in September by those who wished to do so.

The Commission regrets that this type of organisational problems occurred, as they undermine the reputation and credibility of the diploma. At the Commission's request a special point was added to the agenda of the Joint Teaching Committee meeting in October 2012, where the Secretary-General of the ES explained that special steps had been taken as recommended in the report by the expert. The Commission also requested the Secretary General of the ES to analyse the situation in detail and propose concrete measures that will allow avoiding such problems in the future. Moreover, the Commission deems it necessary to clarify the legal framework to define explicitly the procedures in case of this kind of problems. The issue was also

discussed at the BoG meeting in December 2012 and the follow-up of the recommendations regarding the Baccalaureate 2012 will be presented to the BoG in 2013.

5.2. Actions for pupils with Special Education Needs (SEN)

The integration of pupils with special needs in the European Schools is an issue of great importance for the Commission. For another year an increase of SEN pupils was observed in the European Schools in 2012 (702 pupils in the school year 2012/2013 compared to 640 in 2011/2012 and 619 in 2010/2011)⁸. This increase shows the considerable development of the SEN policy.

Efforts have been made to group together the pupils with the same special needs, and to better manage the SEN budget. The total cost of SEN support in the 2012 financial year amounted to EUR 4 121 172.

At its meeting in December 2012 the Board of Governors approved the new Policy on the Provision of Educational Support in the European Schools⁹, a document harmonising all the objectives and principles of educational support across the schools. It replaces all the previous documents concerning SEN support and will enter into force in September 2013.

5.3. Organisation of studies in the secondary cycle

As part of the modernisation of the European Schools system and the efforts to make it more efficient, at its meeting in April 2012 the Board of Governors gave a mandate to the SG to propose a revision of the organisation of studies in the secondary cycle. A working group has been created to that effect and its aim is to propose measures allowing not only a more efficient organisation of studies in the secondary cycle but also to minimise the number of early school leavers. Concrete proposals will be presented to the BoG for decision in 2013.

6. FUTURE CHALLENGES

In the continued difficult financial climate, the main challenge for the European Schools system in the forthcoming years will be to keep providing a high quality education to its pupils whilst making every effort to modernise the structure and rationalise the system.

The reorganisation of studies in the secondary cycle will be one of the main issues at stake in 2013. Making the system more efficient, while maintaining the attractiveness and high quality of the European Schools' curricula, is a challenge that must now be faced.

The Commission is continuously concerned by the difficulties that certain Member States seem to have in meeting their obligations, both in seconding the teachers and

⁸ Figures given in "Statistics on the integration of SEN pupils into the European Schools in the year 2012", document 2013-01-D-28-en-2

⁹ Document 2012-05-D-14-en-5

in terms of infrastructure. It will therefore strive to find a consensus on the cost-sharing issue, so that there is a balance of burden between the Member States.

Taking into account the evident needs for opening a fifth European School in Brussels, the Commission will persist in requesting the Belgian authorities to propose a concrete location close to the EU staff offices/places of residence that would meet the infrastructural needs and the expectations of parents for whom a European School is often the sole option for educating their children.