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**REPORT FROM THE COMMISSION**

**Annual Report from the European Commission to the European Parliament on the  
functioning of the European School System 2005**

**{SEC(2006) 1070}**

## 1. INTRODUCTION

This report to the European Parliament highlights the main issues and challenges for the European School System during 2005. The 13 schools are now accommodating close to 20 400 students. The year 2005 saw the European Commission launch several initiatives and make a particular effort in certain areas in order to make 2006 a year of reform and response to major challenges. The future reform of the financial regulation is one example.

Furthermore, many schools are experiencing overcrowding with all the related problems, while others are in contrast facing a reduction in the number of sections. At the two biggest sites, Brussels and Luxembourg, plans for additional capacity in the form of new schools were discussed at length in 2005 in order to prepare for the decisions to be taken in 2006.

In 2004, the European Commission launched a Communication concerning the future development of the system as a whole<sup>1</sup> and received feedback during 2005 from all stakeholders. Furthermore, a staff survey was launched on the same topic.

Following the feedback received from a wide range of stakeholders, it is clear that reform is necessary and should bring about welcome modernisation of the pedagogical, financial and governance aspects of the system. Many practical issues also need to be dealt with, most importantly the responsibility of the host country to provide adequate facilities to ensure the necessary capacity in a timely fashion. This particular problem became quite pressing at several European School sites during 2005.

The overall question of the future of the European School System in its entirety will continue to be debated between Member States and the Commission. To this end, Vice President Kallas and the Dutch Presidency of the European Schools set up a High Level Group in 2005 to prepare an intergovernmental conference on this topic in May 2006.

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1 COM(2004) 519 final.

## **2. IMPORTANT DEVELOPMENTS IN 2005**

### **2.1. Overview of the current situation**

2005 showed a varying picture at the different European school sites. The Annual Report of the Secretary-General to the Board of Governors of the European Schools is annexed and contains relevant statistical information.<sup>2</sup>

#### *2.1.1. Overcrowding in Brussels*

The rise in the number of pupils at the three existing schools in Brussels (located in Uccle, Woluwe and Ixelles) led to overcrowding in 2005. This in turn led to a stricter enrolment policy in Brussels for all children of non-EU staff. For certain language sections at two of the schools, restrictions were also necessary for children of EU staff, to the inconvenience and disappointment of many concerned parents and pupils who could not always enrol at the school of their choice. The Belgian authorities have the responsibility to propose a temporary site as a solution to the overcrowding, as, according to their timetable, the fourth school in Laeken will not be opened until 2009.

The Commission has been very active in trying to have the temporary site proposed as soon as possible, and well ahead of the opening of Brussels IV in Laeken in 2009. Both President Barroso and Vice-President Kallas have been in contact with the Belgian authorities in order to assure that a selection of temporary sites are offered early in 2006, in order to have the site operational preferably by the school year 2006/2007 and in any case for September 2007. The delays in receiving proposals for a temporary site are a serious concern for the Commission and the parents.

#### *2.1.2. Delays in the building works in Luxembourg and privatisation of the canteen*

The increase in the number of pupils in Luxembourg has led to a restrictive enrolment policy in Luxembourg for the children of non-EU staff. The new school, which is currently open on a provisional site, can only welcome pupils in the following nursery and primary linguistic sections: EN, FR, DE, HU, CZ, SL, SK, DK, GR, IT. The secondary cycle pupils in these sections will stay in Luxembourg I until the definitive opening of Luxembourg II.

During 2005, the land was acquired for the new school. The Luxembourg authorities have announced that further delays can be expected, making it likely that the school cannot open as originally planned in 2008 but rather in 2010. The Commission's representative on the Administrative Board voiced deep concerns and urge the Luxembourg authorities to speed up the provision of the new building.

Though a decision was taken by the Board of Governors in January 2003 (with the parents' association's approval) to distribute pupils between Luxembourg I and Luxembourg II according to language sections, parent representatives underlined in 2005 that they prefer a division by age group rather than by linguistic section and

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2 Ref.:1512-D-2005-en-1. Annex 1.

consequently that the secondary cycle should be in Luxembourg II. The follow-up on this issue will need to be carefully monitored in 2006.

In 2005, the financial, legal and practical difficulties in running the canteen in Luxembourg were acute following the decision in 2004 by the Board of Governors to withdraw an undue budget contribution to the canteen. The situation was resolved by the Administrative Board, which decided to reemploy the staff of the canteen in other posts in the European School itself, and to launch a European call for tender to outsource the canteen and cafeteria service from the start of the 2006/2007 school year in order to maintain the best possible conditions and service for pupils.

### 2.1.3. *Other schools*

The schools in Bergen, Mol, Karlsruhe and Varese provide schooling for the children of staff working at the institutes of the Joint Research Centre, which is a Directorate General of the Commission.

#### *Varese*

In Varese, the problem of overcrowding is significant due to the lack of classrooms. Pressure has been put on the Italian authorities to find an appropriate solution to the difficulties in undertaking the necessary extension works. The Italian Government, like all host countries, has to provide suitable premises in line with the needs of the European School. The Commission supports the Board of Governors' demand for the Italian authorities to fulfil their commitments.

There is a legal issue concerning the staff of the school canteen in Varese. The school management has undertaken to regularise this issue, which will be reviewed by the Administrative Board during 2006.

#### *Frankfurt and Munich:*

The two German schools also suffer from overcrowding and modifications are underway to improve the situation as much as possible on the current premises. However, a new site will probably be needed for the school in Frankfurt in the coming years, given the increase in staff planned by the European Central Bank. A request has been made to the German authorities to this end.

#### *Bergen, Culham, Mol and Karlsruhe:*

In 2004, the Board of Governors confirmed its decision on the gradual closure of 7 very small language sections (with a total of only 17 children of EU staff) in Bergen, Culham, Mol and Karlsruhe. This process started in September 2005 and will last for 7 years. It ensures that the children in question can finish either the primary or secondary cycle of their studies in their current school. The Commission launched an external study in 2005 to examine the long-term future of these schools. The results of the study are expected in July 2006 and will be presented at a meeting of the Board of Governors.

#### *Alicante*

The European School in Alicante has been in existence since 2002, and the 2005/06 school year will be the first to see a class graduating with the European

Baccalaureate. The majority of pupils in Alicante are children of non-EU staff (63.6%). This is worth noting since the so-called Gaignage criteria<sup>3</sup> state that at least 50% of the pupils in a European School outside Brussels and Luxembourg should be children of EU staff. An increase in the latter was recorded for 2005, but the proportion is still well short of 50%.

## 2.2. Pedagogical issues

With the creation of several new Agencies in the Member States, the question of educational provision for the children of EU staff at these locations is becoming more and more acute. There are often a relatively small number of staff working at these locations, which in some cases are also fairly remote. The prospects of setting up classical European Schools there are thus unlikely due to the limited number of EU staff children.

A working group, called "Troika II - Expansion of European Baccalaureate", was set up by the Board of Governors to look into these issues. Among other things, its mandate was to examine the scope for cooperation between European Schools and other schools and to reflect on how to make the European Baccalaureate more widely available by opening it up to schools outside the existing system. Furthermore, it examined the pedagogical structure of the Schools with a possible view to greater autonomy and established criteria for defining "European schooling".

In April 2005, the Board approved their report, which outlined the main characteristics of education in European Schools and identified the essential criteria. The report proposed cooperation with local schools to provide the essential features of the education given in European Schools as well as a timetable for obtaining the agreement of the interested countries.

Italy, Ireland and Greece, all with a European Agency on their territory, have expressed their interest in this arrangement: The Italian authorities have set up a school in Parma in order to accommodate the children of staff at the European Food Safety Agency, with a wide range of programmes in 3 language sections. In 2005, it opened secondary years 1 to 3. The Irish have made special provision in Dunshaughlin for the children of the Veterinary Agency in Grange. Italy and Ireland have applied for accreditation of the European schooling they provide in their respective pilot projects.

At the beginning of 2006, the Board accepted the dossiers submitted by the Italian and Irish authorities to demonstrate conformity with the European School specifications for *Scuola per l'Europa* in Parma and the Centre for European Schooling at Dunshaughlin, respectively, as the second step in their accreditation as associated schools of the European School System. The Board also accepted the general-interest dossier presented by the Greek authorities in 2005 as a first step in applying for accreditation of the Heraklion School for European Education, set up to accommodate children of the staff of the European Network and Information Security Agency.

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3 Ref # 2000-D-7510. Annex 2.

## 2.3. Budget and finances

The budget of the European Schools is made up of contributions from the Member States (which pay the national salaries of their seconded teachers), the income from fees paid for the children of non-EU staff and a balancing contribution from the EU budget.

### 2.3.1. 2005 Budget

The contribution initially allocated to the European Schools by the EU Budgetary Authority in 2005 was €127 million, the same as in 2004. The final breakdown of the various contributions to the total budget was:

- 53% from the EU budget;
- 23% from the Member States;
- 7% from the EPO<sup>4</sup>;
- Remainder from other sources.

The European Schools did not take up €10.6 million of the total contribution allocated in 2005, but nevertheless closed their annual budget with a surplus of approximately €8.3 million.

### 2.3.2. Decisions on the 2006 Budget

For 2006, 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 led the Commission to request a contribution for 2006 at the same level as in 2005: €27.13 million.

In December 2005, the Budgetary Authority decided to freeze 25% of the EU contribution for 2006 to the Office of the Secretary General (OSG), which receives 80% of its funding from the EU budget, to encourage the OSG:

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

The Commission communicated this decision to the Secretary General and proposed that its services could help the OSG take the measures requested and organise contacts with the European Parliament.

### 2.3.3. New Financial Regulation for the European Schools

The Commission and the Budgetary Authority both consider reform in this area to be absolutely essential. Following the recommendations in the report of the Troika Working Group I "Financial Burden-Sharing and Co-Financing", the Board of Governors approved the modernisation of the European Schools' Financial

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

Regulation in April 2005. This will also allow the recommendations on financial autonomy to be implemented. The approach taken is to bring the existing rules into line with the new Financial Regulation applicable to the general budget of the European Communities from 2002. The main points are:

- Principle of sound financial management;
- Internal audit
- Standards of internal control;
- Procurement
- Annual Report
- ES budgetary calendar

The OSG, helped by the Commission, has launched the process and intends to propose a new Financial Regulation for the European Schools to the Board of Governors in October 2006; with a view to it entering into force on 1 January 2007.

#### *2.3.4. Audit of the OSG*

In November 2005, the Commission sent a letter to the OSG proposing that one of the Commission's internal audit services should carry out an audit of the OSG. The OSG considered that it could not take such a decision. The question was not debated in the Board of Governors due to time constraints, as it was put at the end of the agenda and all the arguments were therefore not fully considered. The Board responded to the proposal by written procedure and rejected it in February 2006.

## **2.4. Governance**

### *2.4.1. Follow-up to the Communication of July 2004*

In 2004, the Commission presented the Communication "Consultation on options for developing the European School System". The consultation was ongoing during 2005 and yielded interesting and stimulating results. Among the respondents were parents' association representatives, some individual staff of the European Institutions and their representatives, pupils' representatives, representatives from Member States, the members of the Board of Governors and representatives of school employees.

In order to complete the consultation process, a survey containing the key ideas in the Communication was sent during September 2005 directly to the staff of the European institutions and received about 4000 answers.

The preliminary results of the consultation show there is a general consensus on the need for reform. The proposal to carry out an external evaluation of the functioning of the whole European School System was overwhelmingly endorsed. The general view was also that the governance of the European Schools could be made more efficient. The staff of the Institutions who replied to the staff survey greatly supported the proposal that the Commission should have decision-making power in proportion to its budgetary contribution. Increased autonomy for the schools combined with greater accountability was also supported by most stakeholders.

There was strong support for improvement in the provision for pupils with special educational needs and for pupils who do not have access to a language section for their mother tongue. Most stakeholders also agreed that budget preparation and execution should be improved and made more transparent.

An in-depth analysis of the results of the consultation and the extensive survey will be finalised and made public during 2006.

#### 2.4.2. *Resolution from the European Parliament*

The European Parliament discussed the Communication in its Budget Committee and the Committee on Culture and Education, and in September 2005 adopted Resolution P6TA(2005)336, which echoes on all essential issues the Commission's Communication. On governance; increased control for the Commission commensurate with its financial contribution, better management of resources, a solution for the Agencies in terms of education provision for the children of their staff, examination of alternative systems of financing, and on a pedagogical level; the expansion of the European Baccalaureate and cooperation of the European Schools with other schools, improved pedagogical provision for SEN<sup>5</sup> children, reduction in class sizes and introduction of an alternative leaving certificate.

In direct response, the Commission has taken initiatives on the issues mentioned above resulting in the planned reform of the Financial Regulation for example. Several aspects can, however, only be addressed in the wider debate of the future of the system. The Commission has in the context of the High Level Group (see 3.3) been very active in promoting change in line with the common views of the Institutions. Simultaneously, several working groups under the Board are working on options for the pedagogical issues.

#### 2.4.3. *Preparation of a conference on the future of the European School System*

The governance aspects of the system are of major concern and the Commission's communication on the future of the European School System was the starting point of a wide debate. In its Resolution of 8 September 2005, for example, the European Parliament stressed the urgent need to act. This view is shared by many observers at both political and non-political level.

Accordingly, Vice-President Kallas and the Dutch Presidency<sup>6</sup> of the European Schools took the initiative to call for a conference, prepared by a High Level Group, to be held in 2006 in the Netherlands with representatives from all Member States in order to give new political impetus in this area. The Commission has taken a very active role in the work of the High Level Group.

The purpose of this conference is to stimulate a high-level process of reflection and to prepare the ground for the discussion of reforms at ministerial level.

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5 "Special Educational Needs". The Commission has no mandate to manage the pedagogical SEN aspects but is actively following the development in the European Schools. In 2005 the overall SEN budget for the European Schools increased by 13%.

6 From 08-2005 to 08-2006.



All Member States have been invited to send representatives to the Conference to put forward the views of their government in the relevant areas, namely governance, financial and pedagogical aspects. See also section 3.3.

#### 2.4.4. *Groupe de Suivi Bruxelles IV- Brussels IV in Laeken*

According to the timetable provided by the Belgian authorities, a fourth European School will be opened in Brussels in 2009. The facilities will be provided by the Belgian state at Laeken. Two major decisions needed to be prepared: which languages sections will be present in this 4<sup>th</sup> school and how to prepare the phasing in of the school and of the various sections.

To define and analyse the various options for these decisions, to be taken by the Board of Governors of the European Schools in April 2006, the Secretary General of the European Schools provided the necessary input and chaired a working group called “Groupe de Suivi Bruxelles IV”. This group consisted of all interested parties: the parents’ associations, the European Schools, the teachers and the Commission.

The Commission was an active member of this group and in particular helped refine estimates of the future number of pupils. These estimates, based on the planned recruitment of staff by the Commission and the current number of pupils of EU staff, were combined with the projections by the directors of the schools and agreed by the working group.

The guidelines for this working group were laid down by the Board at its meeting in October 2005, when it adopted a list of criteria taking into account requests made by the representatives of the parents’ associations. These criteria provided the basis for deciding both the linguistic composition of the Laeken School and the way in which these sections were to be put in place. The list of criteria<sup>7</sup> was adopted almost unanimously by the Board, including the parents’ representative, but with two abstentions (Italy and Spain). The Commission voted in favour.

This “Groupe de Suivi Bruxelles IV” then prepared the ground for the debate and decision on the set-up in Laeken. The Commission has played a crucial role in this group and is devoting great attention to the analysis and presentation of the facts to the Board, which will decide on the phasing in of the school and the various language sections. This decision has to be adopted by a two-thirds majority, with each Member State and the Commission having one vote.

#### 2.4.5. *Communication with interest groups and information*

The more restricted enrolment policy in Brussels for the 2005/2006 school year was the cause of much frustration during the summer of 2005, and the Director-General of DG ADMIN took the strategic decision to communicate directly to all staff through “message to all” e-mails. This was considered necessary in order to increase transparency, but also to put an end to the misinformation spreading unease and unnecessary distress among parents and pupils. These messages were sent in June 2005 and December 2005 to all Commission staff<sup>8</sup>. This approach has continued in

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7 Ref.: 2005-D-4310-en-2. Annex 3.

8 Annex 4.

2006 to make sure that staff have accurate and timely information. Vice-President Kallas has also taken an active role in communicating with the other Commissioners and keeping them informed of developments.

The relevant services in the Commission have made a considerable effort to reply to all individual requests for information by phone or mail from parents or other interested parties. In total, more than 300 written replies were sent during 2005. This has allowed the Commission to maintain direct contact with many concerned parents. Furthermore, the parents who share common concerns about specific topics have often created ad hoc groups to coordinate their contacts with the Commission. Several meetings with the parents' associations, the Local Staff Committees and the Unions have also taken place.

The European Parliament submitted 30 formal questions concerning the European Schools to the Commission during 2005, all of which were answered orally or in writing. Four complaints were received and treated by the Ombudsman. Vice-President Kallas also went to the European Parliament to personally discuss matters relating to the European Schools with MEPs.

## **2.5. Transparency**

### *2.5.1. Code of Good Administrative Behaviour*

In 2004, the Commission presented the document 'Proposed Actions for Greater Transparency and Good Administration in the European School System' to the Board of Governors which was adopted in April 2006. The aim of such a Code is to guarantee high-quality service in all circumstances for all users of the European School System. The Commission strongly supports this process, which will, once implemented, harmonise the approach and service provided by all the European Schools and increase and promote transparency. It also welcomes the work of the Secretary General during 2005 to consolidate the general rules of the European Schools as a step towards increased transparency.

## **3. LOOKING AHEAD**

### **3.1. Decision on Brussels IV in Laeken**

Following intense debate during 2005 on the linguistic set-up of the school in Laeken, the Board of Governors decided in April 2006 on the following composition: DE, EN, FR, IT, NL, plus BG and RO (if and when created). Once the temporary school site is available, considerable efforts will have to be made to prepare the transition and welcome the pupils to this new site. The Commission's major concern is whether the Belgian Authorities will provide the temporary site in due time to ease the current overcrowding.

It is recognised that plans for a future fifth European School in Brussels are necessary since estimates of pupil numbers show that maximum overall capacity will again be reached soon after Laeken is opened.

### **3.2. Studies launched**

#### *3.2.1. Study on four small schools<sup>9</sup>*

In 2005, the Commission launched an external study to examine the long-term future of four small schools. More specifically, the study was to look into alternative methods for educating the children of EU staff and transitional measures for all the current pupils. The results of this study are expected summer 2006. It will serve as a basis for discussion in the Board, which will then take a decision on the future of these schools.

#### *3.2.2. Study on school fees*

Following the outcome of the working group created to examine the possible redistribution of the financial burden between Member States, the Board of Governors asked an external economist to carry out a study of the optimal level of fees for pupils under special corporate agreements and children of non-EU staff. This study will be discussed by the Administrative and Financial Committee in 2006.

### **3.3. Future of the European School System**

The high-level conference held in May 2006 at the initiative of Vice-President Kallas and the Dutch Presidency of the European Schools brought together representatives of the Member States and the Commission to discuss the future of the European School System. It yielded particularly useful results concerning the pedagogical aspects of the system and its future, with ideas for the schooling of the children of staff employed by the small agencies across the Union, and concerning the opening of the European Baccalaureate to schools without links to a European Institution but which meet certain strict criteria.

The conference also recognised the need for reform of the system and in particular the administrative and financial aspects. In contrast, the debates on the governance aspects and possible changes to the Convention were more mixed.

Discussions on all these aspects will continue in 2006.

Following this conference, the Commission is ready to move ahead and play a constructive part in the modernisation of the system to face up to the challenges of enlargement, and the increasing number of agencies across the European Union while taking into consideration needs of staff.

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9 Culham, Mol, Bergen and Karlsruhe.