THE PROPOSAL FOR A NEW DIRECTIVE (COM (2002) 119 final)

EBLIDA Annual Council Seminar – Estoril, 14/5/2004

<u>IMPORTANT</u>: this paper does not legally bind the Commission or DG "Internal Market"

1. BACKGROUND

In May 2001 at the time of the adoption of Directive 2001/19/EC on professional recognition¹, the European Parliament, the Council and the Commission agreed that "it is important to have consolidated versions, easily accessible to everyone, of the legal texts applicable in the field of mutual recognition of professional qualifications". At the same time, the Commission stated its intention to continue this work in two parts: "initially, it plans to integrate the sectoral Directives into a consolidated framework. The Commission will then examine the possibility of consolidating the Directives relating to the general system, in order to continue simplifying the legislation and further facilitate the free provision of services with regard to the conclusions of the Lisbon Summit".

Also in February 2001 the Commission adopted its Communication to the Council on *New European Labour Markets*, *Open for All, with Access for All*². Specifically on professional recognition, the Commission indicated in the Communication that it will:

- "present in 2002 proposals for a more uniform, transparent and flexible regime of professional recognition based on the existing General System, including ways of promoting more widespread recognition"; and
- "adopt a priority action, building on existing information and communications networks, as well as on current work on improving transparency of qualifications, to ensure that citizens can rely on a more comprehensive service providing information and advice specific to their individual interests and rights".

This Communication was presented to the Stockholm European Council on 23 and 24 March 2001. The Council Conclusions state that "the Commission intends to present for the 2002 Spring European Council [...] specific proposals for a more uniform, transparent and flexible regime of recognition of qualifications and periods of study"³.

As also envisaged in this Communication, a High Level Task Force on Skills and Mobility was created which produced a report in December 2001 stating, in relation to professional recognition, that "the EU and Member States should attach priority to increasing the speed and ease of professional recognition (for regulated professions) including conditions

Directive 2001/19/EC of the European Parliament and of the Council of 14 May 2001 amending Council Directives 89/48/EEC and 92/51/EEC on the general system for the recognition of professional qualifications and Council Directives 77/452/EEC, 77/453/EEC, 78/686/EEC, 78/687/EEC, 78/1026/EEC, 78/1027/EEC, 80/154/EEC, 80/155/EEC, 85/384/EEC, 85/432/EEC, 85/433/EEC and 93/16/EEC concerning the professions of nurse responsible for general care, dental practitioner, veterinary surgeon, midwife, architect, pharmacist and doctor (hereinafter referred to as the SLIM Directive), OJ L 206 of 31.7.2001, p. 1.

² Document COM(2001) 116.

³ Conclusions of the Stockholm European Council, 23 and 24 March 2001, point 15.

supporting more automatic recognition, and introduce a more uniform, transparent and flexible regime for the recognition of qualifications in the regulated professions by 2005"⁴.

In the Commission's Action Plan for Skills and Mobility⁵ it is stated that "comprehensive improvements should be made to the existing Community system for recognition in the regulated professions to make it easier to manage and clearer, quicker and more friendly for users. The Community institutions and Member States should facilitate employment opportunities and the provision of services through the wholesale consolidation of the existing regimes of professional recognition in the regulated professions with a view to a more uniform, transparent and flexible system with amendments particularly directed to ensuring clearer and more up-to-date and automatic conditions of recognition, through the adoption of proposals in 2003 and for implementation by 2005".

In the pursuit of the mandate from the Lisbon European Council, the Commission adopted at the end of year 2000 a Communication on *An Internal Market Strategy for Services*⁶. This Communication drew attention to the importance of services in the general economy, the new opportunities and practices developing out of new information and communications technologies and the need to facilitate conditions of cross-frontier service provision Community-wide.

This new Directive on professional recognition in the field of regulated professions will operate in parallel with other actions which also follow-on from the decisions of the European Councils in Lisbon and Feira in 2000, as well as the Commission Communication of November 2001 on 'Making a European Area of Lifelong Learning a Reality'. This Communication describes the aim of a strategy on transparency and recognition of qualifications and competences (Action Point 1: 'Valuing learning'). This strategy supports a range of Member State and Community initiatives concerning academic and vocational qualifications and is fully coherent with the present draft Directive. In June 2001 the Commission launched a public consultation on the main issues under consideration for a new directive on the recognition of professional qualifications.

In July 2001 the Commission published its *White Paper on European Governance*⁷. In this document, the Commission suggested that, for its part, it will: promote greater use of different policy tools including framework directives leaving the executive to fill in the technical detail via implementing "secondary" rules; simplify existing EU law including combining legal texts; publish guidelines on the collection and use of expert advice; and combine legislative and regulatory action with action taken by the actors most concerned (co-regulation).

Finally, the European Union is committed to the future enlargement of the European Union. This enlargement will extend the responsibilities of the Community institutions with respect to the application of Community law and its administration.

2. THE MAIN OBJECTIVES OF THE PROPOSAL

2.1. Contribution to flexible labour and services markets

A clear, secure and quick system for the recognition of qualifications in the field of the regulated professions is required to ensure free movement. This is important to help to ensure that employment vacancies are filled by qualified applicants and to ensure that there is a regular supply of qualified service suppliers to meet market demand. The free movement of qualified professionals makes a particular contribution to the knowledge-based society.

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High Level Task Force on Skills and Mobility, Final Report, 14 December 2001, p. 20.

Point 15 of the Commission's Action Plan for Skills and Mobility. Document COM(2002)

⁶ Document COM(2000) 888.

Document COM(2001) 428.

Conditions of free movement have also proven to have particular importance in cases of specific shortages of qualified personnel at specific times in different Member States for such professions as teachers, veterinary surgeons, doctors and nurses.

To date the rules on professional recognition have evolved in a piecemeal fashion with numerous parallel provisions and variations. Detailed variations in, and links between, different parts of the legislation have produced a system which has been criticised by migrants and professionals alike as too complicated to understand, difficult to follow, often unclear and sometimes slow in its application and in places out-of-date or unsuited to the particularities of a specific profession.

In order to make the system clearer, easier and simpler to understand and apply, this proposal for a single directive comprehensively revises all of the directives founded on recognition of title so as to maintain the principal conditions and guarantees, while simplifying the structure and making improvements to the working of the system. The proposal also provides for simpler conditions for the cross-frontier provision of services compared with those applicable to the freedom of establishment in order further to contribute to the flexibility of labour and services markets.

2.2. Consolidation and simplification

The Commission has already achieved a considerable consolidation of the 35 transitional directives concerning crafts and trades professions through the third General System Directive 1999/42/EC⁸. The subsequent adoption of the Directive 2001/19/EC has further simplified the legal and procedural regime for professional recognition. There continue to exist some twelve main directives covering the seven professions of doctor⁹, general care nurse¹⁰, dental practitioner¹¹, veterinary surgeon¹², midwife¹³, pharmacist¹⁴ and architect¹⁵ adopted mainly

Directive 1999/42/EC of the European Parliament and of the Council of 7 June 1999 establishing a mechanism for the recognition of qualifications in respect of the professional activities covered by the Directives on liberalisation and transitional measures and supplementing the general systems for the recognition of qualifications, published in OJ L 201 of 31.7.99, p. 77.

Council Directive 93/16/EEC of 5 April 1993 to facilitate the free movement of doctors and the mutual recognition of their diplomas, certificates and other evidence of formal qualifications (hereinafter referred to as the "doctors" Directive), published in OJ L 165 of 7.7.93, p. 1, and last amended by the SLIM Directive.

Council Directive 77/452/EEC of 27 June 1977 concerning the mutual recognition of diplomas, certificates and other evidence of the formal qualifications of nurses responsible for general care, including measures to facilitate the effective exercise of this right of establishment and freedom to provide services. (hereinafter referred to as the "nurses' recognition" Directive), published in OJ L 176 of 15.7.77, p. 1, and last amended by the SLIM Directive.

Council Directive 77/453/EEC of 27 June 1977 concerning the coordination of provisions laid down by Law, Regulation or Administrative Action in respect of the activities of nurses responsible for general care., (hereinafter referred to as the "nurses coordination" Directive), published in OJ L 176 of 15.7.77, p. 8, and last amended by the SLIM Directive.

Council Directive 78/686/EEC of 25 July 1978 concerning the mutual recognition of diplomas, certificates and other evidence of the formal qualifications of practitioners of dentistry, including measures to facilitate the effective exercise of the right of establishment and freedom to provide services (hereinafter referred to as the "dentists' recognition" Directive), published in OJ L 233 of 24.8.78, p. 1, and last amended by the SLIM Directive.

Council Directive 78/687/EEC of 25 July 1978 concerning the coordination of provisions laid down by Law, Regulation or Administrative Action in respect of the activities of dental practitioners (hereinafter referred to as the "dentists' coordination" Directive), published in OJ L 233 of 24.8.78, p. 10, and last amended by the SLIM Directive.

Council Directive 78/1026/EEC of 18 December 1978 concerning the mutual recognition of diplomas, certificates and other evidence of formal qualifications in veterinary medicine, including measures to facilitate the effective exercise of the right of establishment and freedom to provide services (hereinafter referred to as the "veterinary surgeons' recognition" Directive), published in OJ L 362 of 23.12.78, p. 1, and last amended by the SLIM Directive.

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over a twenty year period in the 1970s and 1980s, plus the three General System directives ¹⁶, as up-dated by the SLIM Directive. A consolidation of these directives will provide a simpler and clearer set of rules for the professions concerned.

The directives on the provision of services and establishment of lawyers¹⁷ are not covered by this exercise, since they concern the recognition not of professional qualifications but of the authorisation to practice. Recognition of lawyers' qualifications is currently governed by Directive 89/48/EEC, which is covered by this exercise.

This proposal does not propose major changes to existing co-ordinated provisions upon which recognition under the sectoral directives is founded. The public consultation organised in 2001 did not produce widespread calls for such developments. The Commission has not proposed this kind of change as inappropriate for a framework proposal largely directed to consolidation and administrative simplification of rules applicable to a large number of professions. This does not preclude continuing dialogue with interested parties and national authorities to clarify issues and positions with a view to possible future action specific to each profession. Such work should take into account actions to be undertaken under the proposed Community public health programme to promote quality in the field of health, as set out in the

Council Directive 78/1027/EEC of 18 December 1978 concerning the coordination of provisions laid down by Law, Regulation or Administrative Action in respect of the activities of veterinary surgeons (hereinafter referred to as the "veterinary surgeons coordination" Directive), published in OJ L 362 of 23.12.78, p. 7, and last amended by the SLIM Directive.

Council Directive 80/154/EEC of 21 January 1980 concerning the mutual recognition of diplomas, certificates and other evidence of formal qualifications in midwifery and including measures to facilitate the effective exercise of the right of establishment and freedom to provide services (hereinafter referred to as the "midwives' recognition" Directive), published in OJ L 33 of 11.2.80, p. 1, and last amended by the SLIM Directive.

Council Directive 80/155/EEC of 21 January 1980 concerning the coordination of provisions laid down by Law, Regulation or Administrative Action relating to the taking up and pursuit of the activities of midwives (hereinafter referred to as the "midwives coordination" Directive), published in OJ L 33 of 11.2.80, p. 8, and last amended by the SLIM Directive.

Council Directive 85/432/EEC of 16 September 1985 concerning the coordination of provisions laid down by Law, Regulation or Administrative Action in respect of certain activities in the field of pharmacy (hereinafter referred to as the "pharmacists coordination" Directive), published in OJ L 253 of 24.9.85, p. 34, and last amended by the SLIM Directive.

Council Directive 85/433/EEC of 16 September 1985 concerning the mutual recognition of diplomas, certificates and other evidence of formal qualifications in pharmacy, including measures to facilitate the effective exercise of the right of establishment relating to certain activities in the field of pharmacy (hereinafter referred to as the "pharmacists' recognition" Directive), published in OJ L 253 of 24.9.85, p. 37, and last amended by the SLIM Directive.

Council Directive 85/384/EEC of 10 June 1985 on the mutual recognition of diplomas, certificates and other evidence of formal qualifications in architecture, including measures to facilitate the effective exercise of the right of establishment and freedom to provide services (hereinafter referred to as the "architects" Directive), published in OJ L 223 of 21.8.85, p. 15, and last amended by the SLIM Directive.

Council Directive 89/48/EEC of 21 December 1988 on a general system for the recognition of higher-education diplomas awarded on completion of professional education and training of at least three years' duration, published in OJ L 19 of 24.1.89, p. 16, and last amended by the SLIM Directive.

Council Directive 92/51/EEC of 18 June 1992 on a second general system for the recognition of professional education and training to supplement Directive 89/48/EEC, published in OJ L 209 of 24.7.92, p. 25, and last amended by the SLIM Directive.

Directive 1999/42/EC of the European Parliament and of the Council of 7 June 1999 (Cf. footnote 5).

Council Directive 77/249/EEC of 22 March 1977 to facilitate the effective exercise by lawyers of freedom to provide services, published in OJ L 78 of 26.3.77, p. 17;

Directive 98/5/EC of the European Parliament and of the Council of 16 February 1998 to facilitate practice of the profession of lawyer on a permanent basis in a Member State other than that in which the qualification was obtained, published in OJ L 77 of 14.3.98, p. 36.

Commission Communication on health strategy of the European Community¹⁸. In addition to pure consolidation, a review of the various provisions of the different directives has shown that a rationalisation and streamlining of the provisions into a single directive would contribute to greater simplification and increased clarity while retaining existing guarantees. Procedural simplification is called for in addition to simplification of legal texts. The sectoral directives have in the past been supported by administratively burdensome advisory committees in addition to committees or groups of national officials. Other directives operate with the support of a single committee of national officials, meeting normally twice a year (the Co-ordinators Group of the General System). While the advisory committees have focussed on training, the Treaty and Community action in this area focus on free movement ¹⁹. EU enlargement will bring a large number of new Member States and additional languages which would increase this form of administration.

Modern information and communication systems allow for more flexible procedures for the gathering of information and the exchange of views. Means of increased co-operation at the European level have already been developed among professional and educational representatives. The requirements of an enlarged European Union and conditions of good administration require the application of simpler and more flexible procedures to ensure that the conditions underlying automatic recognition are considered by the Commission and national authorities. This can be done by maintaining regular meetings of national officials at Community level, organised by the Commission, while making more open provision for the inclusion of external views and positions for discussion at the initiative of the Commission or any Member State. Flexible means of collaboration have already been operated in some areas and produced good results. Consolidation, modernisation and simplification can therefore be obtained in the procedures which support the legal texts as well as in the texts themselves.

The Commission considers that, in addition to established means of consultation operating within the Member States, guarantees for the provision of information, recommendations and reports on the operation of the Community regime at the European level can be ensured by arrangements to be entered into between the Commission and the relevant representative bodies of the professions and educational establishments benefiting from automatic recognition on the basis of minimum co-ordination of training requirements. These arrangements should ensure that information and advice are provided to the Commission and the Member States on a regular basis. They also ensure that such contributions will be included in the agenda of the next relevant meeting of national officials organised by the Commission dealing with the relevant profession. These arrangements could be confirmed by the Commission in an appropriate form. On this basis, the Commission will withdraw its proposal to repeal the Decisions setting up advisory committees alongside the sectoral directives²⁰ and present a new proposal for a Council decision abolishing the existing advisory committees during the legislative process on this proposal.

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¹⁸ Document COM (2000) 285 final.

The Treaty itself excludes harmonisation in the fields of education and training (Articles 149 and 150 in Chapter 3). At the same time, Article 47.2 continues to allow for action co-ordinating national provisions for the taking up and pursuit of self-employed activities, albeit only on the basis of unanimous agreement in the Council if amendment of "existing principles laid down by law governing the professions with respect to training and conditions of access for natural persons" is required in one Member State.

Proposal for a Council Decision repealing Decisions 75/364/EEC, 77/454/EEC, 78/688/EEC, 78/1028/EEC, 80/156/EEC and 85/434/EEC setting up advisory committees for the training of nurses responsible for general care, dental practitioners, veterinary surgeons, midwives, pharmacists and doctors. Document COM (1999) 177 final.

2.3. Improved management, clarity and flexibility

Under the sectoral directives, automatic recognition is supported by the minimum coordination of training in the directives. These fundamental requirements underlying automatic recognition needed to continue to be set through co-decision of Parliament and Council. However, technical updating of some requirements is more appropriately achieved through the exercise of delegated powers. Account needs to be taken of the increasing pace of development of society and technology in the application of procedures designed to maintain the relevance of the technical provisions underlying the general rules set out in Community law. In this respect, the sectoral directives are unnecessarily inflexible. The main rules on professional recognition should continue to figure in the body of the Directive, but the technicalities specific to their application should appear in annexes, and when suitable, be subject to up-dating through the exercise of delegated powers.

In so far as the General System is concerned, it has proven its worth over some ten years of increasingly extensive application. However, there appears to be scope for adding further transparency, clarity and guarantees under the General System. Within the minimum guarantees, recent statistics on recognition processes already show considerable evidence of recognition being granted on a regular basis without the application of compensation measures in the form of an aptitude test or period of supervised practice. However, experience varies throughout the EU. In addition, some professions covered by the General System have already done considerable work towards the development of common platforms which can contribute to the understanding and recognition of qualifications²¹.

The work on sectoral qualifications being promoted through the European social dialogue and activities supported by the Commission in the field of academic and vocational qualifications, can also make a contribution to the facilitation of the recognition of qualifications in the field of the regulated professions.

The General System directives do not contain specific provisions on the conditions applicable to the cross-frontier provision of services. The rights of establishment and cross-frontier service provision both apply to the benefit of the service economy. Less onerous conditions should be applied to the cross-frontier provision of services than apply to the right of establishment. For this reason the proposal envisages a lighter regime for the provision of cross-frontier services than for establishment, albeit with a safeguard clause. In this way too, the structure and approach followed by the sectoral and General System directives can be brought into combination without losing the main benefits of either approach.

2.4. Better administration and improved information and advice to citizens

The proposal also includes provision for increased means of co-operation between national administrations themselves and with the Commission for the provision of information and advice to individuals and problem solving. This forms part of a wider initiative in the Internal Market context. Information and advice to citizens on their rights and interests in professional recognition should be provided at the point closest to the citizen. This implies an obligation on home and host Member State authorities and contact points to provide information to aid those qualified or seeking recognition in connection with free movement. Existing information and advisory systems need to be developed to ensure that information can be exchanged quickly and in confidence between such authorities so that questions raised in one Member State about conditions of recognition and practice in another are quickly and fully answered.

See the Commission's reply to Written Question No 3429/93 by Christian Rovsing. Register of EUR ING. OJ C 268 of 26/09/1994, p. 38.

At the same time, the Commission intends to encourage greater use of the Europe Direct Call Centre and of the Signpost Service. The Call Centre can provide quick information to citizens on Internal Market issues by telephone and e-mail, while the Signpost Centre - linked to the Call Centre and also contactable directly by e-mail - offers personalised advice on specific problems. The Commission services provide background information for the Call Centre, which, together with the Signpost Centre, has built up considerable experience in dealing with enquiries on professional recognition. These are the routes by which the quickest and most direct response can be provided to this form of citizens' enquiry.

2.5. A simpler and more open regulatory approach

This directive will provide a framework for better government at the Community level. It will introduce maximum flexibility while respecting Treaty requirements. It will provide for several different levels of action most appropriate to the functions in question, thereby applying the principle of subsidiarity. It will introduce simplification in the interests of clarity and accessibility as well as procedural efficiency in an enlarged Union. It will provide the necessary level of detail required to maintain legal security and to avoid uncertainty or overly burdensome procedures. It seeks to privilege private/public sector co-operation. It also seeks to reinforce existing co-operation between national authorities themselves and with the Commission in the provision of information and advice to citizens and to ensure that problems are resolved as quickly and effectively as possible. The proposal follows an open consultation of Member State authorities, professional associations and other interested parties, which has allowed those most directly concerned to make their views known. The proposal therefore respects and applies some of the main lines of action identified in the White Paper on European Governance.

3. THE CURRENT STATE OF THE LEGISLATIVE PROCEDURE

The proposal is to be adopted by the European Parliament and the Council of the European Union acting in accordance with the co-decision procedure, which may entail two readings of the proposal by both institutions and a conciliation procedure (Article 251 of the EC Treaty).

3.1. The opinion of the European Parliament

The European Parliament adopted its Opinion in first reading on 11 February 2004 (there is in general no deadline in first reading for either institution). The overall outcome was in general good, in particular regarding cross-border services provision, on the basis of declaration to host Member States authorities for all professions and, for health/social care sectors, *pro forma* registration without control of qualifications.

However, Parliament took a more delicate line on some aspects, such as for instance the elimination of the existing right to recognition of training at different levels (a key element of flexibility in the system) and the excessive obligations of information provision between different national authorities in the context of services provision.

The limitation of recognition to qualifications at the same level is the most fundamentally delicate aspect. The General System directives clearly depend on varying forms of training in Member States. The main differences between these regimes can be bridged through migrants having to undergo a test or do a stage. In this way free movement and standards are guaranteed. Limiting recognition to qualification at the same level will substantially reduce free movement cutting across many professions dependent on differing national systems. This problem will become even more acute in an enlarged Union of 25 Member States, in existence from 1st May 2004.

The Commission therefore submitted an amended proposal on 20 April 2004, in which it rejected the more delicate amendments put forward by the European Parliament. The discussion on the proposal then passed formally to the Council of the European Union, where it had been informally debated since 2002, while the European Parliament's Opinion was being awaited.

3.2. Work in the Council of the European Union

Work in the Council has broadly shown convergence with Parliament with regard to the general approach of maintaining the existing rules, in accordance with the proposal. Views between the two Institutions greatly differ in particular concerning facilitation of services provision, where some delegations still remain opposed to any substantial move, and common (professional) platforms (see below).

The main points being currently discussed at the Council are the following:

a) Cross-border provision of services on a temporary and occasional basis

Under Articles 5 to 9 of the proposal more liberal arrangements (vis-à-vis the current provisions and the case-law) are to be effected. The main outstanding point concerns determining the professions in respect of which the host Member State would be able to conduct a prior verification of the service provider's qualifications for the first provision of services.

b) Common (professional) platforms:

Where someone is seeking recognition of his professional qualifications with a view to establishing himself in order to pursue a regulated profession in another Member State the host Member State may require a compensation measure (an adaptation period of up to three years or an aptitude test) where there are substantial differences between the training requirements in the host Member State and in the Member State whence the applicant comes from (Article 14 of the proposal which takes-over provisions which already exist). Article 15

of the proposal makes provision for such compensation measures to be waived if the applicant meets the criteria set out in a "common platform", which would bridge the substantial differences mentioned previously. The "common platforms" would be adopted by by the Commission and could be based on proposals from Member States or EU wide professional associations.

c) Franchising

Article 13 of the proposal covers the cases where the person concerned (applying for professional recognition of his qualifications) has a qualification issued by an educational establishment in another Member State covering professional training received in the host Member State in an educational establishment with which the educational establishment of the other Member State has a franchising agreement, and the host Member State is of the opinion that the franchised educational establishment in its own territory does not meet the requirements to dispense the training in question.

3.3. Tentative time-table for adoption of the proposal

It is important for the adoption of the proposal that a common position of the Council in first reading (which can in general be adopted by qualified majority) is achieved during the Competitiveness Council (17-18 May 2004) as otherwise the new Parliament will have the possibility to insist on a new first reading. This could take another year or more.

To sum-up: if a common position is reached on 17-18 May 2004 that common position will be transmitted to the European Parliament in September 2004 (once the new Parliament, to be elected between 10 and 13 June 2004, is operational) and the procedure will then move into second reading, where the European Parliament has a maximum of 4 months to pronounce itself and afterwards the Council has a maximum of 6 weeks to take its position. If both institutions agree by then the proposal could be adopted in March/April 2005. If not, they will go (with the Commission) into the conciliation procedure and it would be difficult to foresee when an agreement might be reached.

If however no common position is reached by the Council in May 2004 and the new Parliament opts for a new first reading it is reasonable to expect that such reading will only be completed in late 2005 or early 2006. In that case the adoption of the proposal would be postponed to 2006.