European Commission

INDIVIDUAL LEARNING ACCOUNTS: A GUIDE TO IMPLEMENTATION

Insights and good practices from the EU ILA Mutual Learning Programme (2023-2025)

December 2025

TABLE OF CONTENTS:

CONFERENCE PROCEEDINGS: EXECUTIVE SUMMARY

At the Porto Social Summit in May 2021, European Union (EU) leaders welcomed an EU-level target of 60% of all adults taking part in training each year by 2030. To achieve this, Member States have stepped up their efforts to increase engagement in adult learning, including during the European Year of Skills (2023-2024). Adult learning statistics in the EU show a slight upwards trend in recent years, and a small group of countries already achieved the agreed target. Yet, overall, in most European countries, adult learning participation rates are still far below 60%.

Drawing on data collected through the adult education survey (AES) and supplemented by data from the EU labour force survey (EU-LFS), statistics show that in 2022, 47% of adults aged 25 to 64 in the EU participated in formal or non-formal education and training in the previous 12 months.[1] This is a very positive outcome, as it proves that the adult learning system has fully recovered from the disruption caused by the COVID-19 pandemic. Yet, there is large variation between countries and target groups: for instance, only 15% of unemployed adults in the EU aged 25 to 64 had a recent learning experience in 2024.

Further effort is needed, especially in light of the acceleration of the green and digital transitions: for a successful shift to a modern, resource-efficient and competitive economy, upskilling and reskilling of the workforce will be needed on an even larger scale.

The Commission Staff Working Document Impact Assessment Report (2021) identifies insufficient financial support as one of the main barriers for participation in training activities. Many companies do not provide or fund training for their staff and individuals in atypical work situations have less or no access to employer-sponsored training. Time constraints are another important barrier. And where paid training leave arrangements exist, they often do not apply to atypical workers or to people experiencing periods of unemployment or low economic activity. Finally, the report shows that insufficient incentives and a lack of motivation are often mentioned as additional barriers for working adults to take up training.

It is impossible to determine conclusively if disengagement from training stems from lack of interest or rather indicates a mismatch between the preferences and interests of the individual and the existing supply of training. Yet, it can be assumed that at least a relevant share of disengaged individuals could be motivated to (re-)engage in training if the various barriers that contribute to a mismatch and limit their participation are addressed. For instance, adult learning needs to be specifically tailored to various target groups (low-skilled and disadvantaged learners, workers in SMEs, etc.), and there is evidence that more and better targeted information and guidance would encourage adults to participate in workrelated training and learning. [2]

In response to those challenges, the EU Council Recommendation on individual learning accounts (ILA) was adopted in 2022. The Recommendation introduced ILA as a delivery mode for individual training entitlements (personal budgets or accounts) for all working-age adults. These entitlements are universal, transferrable and can be accumulated over time. They allow individuals to fund labour market relevant training, but also career guidance or validation opportunities. In that sense, ILA empowers individuals to take charge of their career and improve their motivation to participate in learning.

Moreover, ILA can be used as a strategic policy tool to address adult learning gaps and labour market challenges, in particular in the framework of the Communication on the Union of Skills adopted on 5 March 2025.

The multilateral surveillance review on the implementation of the Council Recommendation on the individual learning accounts (EMCO review) carried out in 2024, showed that ILA represent not just a new financing tool but rather a mechanism to critically review and reform the adult learning system. The review found a strong commitment to implement the ILA scheme among the 14 reviewed Member States. Member States have a broad understanding of ILA, their elements and awareness of

---

1   Adult Learning Statistics: Statistics explained. Eurostat May 2025.

2   Commission Staff Working Document Impact Assessment Report. DG EMPL 2021.

areas to work on in the longer term, social partners and other stakeholders, incl. the Public Employment Services (PES) are strongly involved in the national development and piloting of the ILA schemes. This is very positive as the review revealed that *'further progress requires not only active involvement of the Member States but also a mindset shift in the attitude of the recipients and stakeholders at central and local level to allow the ILA Recommendation to act as a strong accelerator of reforms in the area of adult learning in many of the Member States'.*

This positive outcome is, inter alia, the result of strong EU support and investment in an ILA Mutual Learning Programme.

Starting in 2023, the European Commission (DG EMPL) invited Member States to pull together a multi-stakeholder delegation to participate, over the course of a year, in a series of development and capacity-building workshops termed the 'ILA Mutual Learning Programme'.

In 2023, six countries (BG, FR, HR, IT, PL, RO), plus HU in an observer role, participated in a series of three ILA workshops (April, September and December 2023).

In 2024, six further countries (CY, EL, MT, LT, LV, SK), plus DE and NL in an observer role, attended three ILA workshops (March, June and December).

The twelve participating countries and the three observer countries also committed to participation in selected events from to the 'Continued support programme', with workshops taking place in September 2024, February 2025 and May 2025.

In 2025, another five countries (BE-fr, CZ, EE, PT and ES), plus BE-nl and DE in an observer role, volunteered for the three-part workshop series of the ILA Mutual Learning programme (March, June and December 2025).

This brochure compiles a selection of 10 thematic discussion papers that were drafted as input papers to the ILA workshops, complemented by two synthesis reports summarising the results from the workshops. The selection of papers includes a 'Guide for Implementation', reflections on how to develop sustainable and stable financing models for national ILA schemes, and how two quality assure them, discusses aspects of specific ILA enabling conditions like National Portals, a summary of lessons learnt from successful pilots, and much more.

Based on data and evidence from real-life cases, discussions at the events and additional country examples from inside and outside the EU, the papers and reports are an invaluable source of information and inspiration.

Yet, as underlined repeatedly, the papers should not be read as a 'shopping list' of how to develop the 'ideal' ILA. No system is suitable for every country. Instead, the papers can support policymakers and stakeholders in their specific efforts to find the right solution for their country. Just as no two countries are the same, developing ILA is always a case of what fits best in the specific country context: while there are some 'universal' characteristics of ILA, a differentiated approach is needed. The examples in this compilation of papers and reports cover a variety of approaches developed for specific country contexts and stakeholders, and may therefore be valuable inspiring to a broad range of readers.
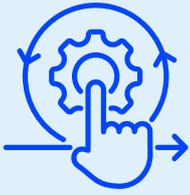
INDIVIDUAL LEARNING ACCOUNTS: A GUIDE FOR IMPLEMENTATION

Thematic discussion paper

Professor Johnny Sung, April 2023

This background paper was written to support the Mutual Learning Programme on Individual Learning Accounts (ILAs) Workshop organised by the European Commission from 25-26 April 2023.

Whilst the workshop presentation derived mainly from the implementation experience from the case of Singapore, this background paper is more generally positioned. As such, it is written in a manual style intended to serve as an implementation guide for policy researchers and policymakers who are considering using such a tool.

The paper is structured in six sections, which have the following objectives:

- Section 1: Explain what individual learning accounts (ILAs) are.

- Section 2: Outline why ILAs are important

- Section 3: Provide examples of ILAs, inside and outside of the EU

- Section 4: Discuss important considerations for designing a system of ILA

- Section 5: Reflect on general project management steps for implementing an ILA

- Section 6: Concluding remarks and key takeaways

INDIVIDUAL LEARNING ACCOUNTS: A GUIDE FOR IMPLEMENTATION

1. WHAT ARE INDIVIDUAL LEARNING ACCOUNTS?

Individual learning accounts are, in their simplest form, dedicated funds for supporting learning activities.

While there is no commonly accepted definition for an ILA, different organisations have provided their own working definitions. For example, the European Commission uses the following definition for ILAs (European Commission, 2004: 12):

"[ILAs] are accounts opened in the name of an individual, the purpose of which is to finance education and training activities of the account holder."

More recently, this was supplemented with the following expanded meaning (EC, 2021):

"[ILAs are] virtual wallets, established by national authorities, for every person of working age. This includes the employed, self-employed, those in atypical forms of work, and the unemployed and people outside the labour force. [This resource needs to] ensure adequate annual provision of individual training entitlements …, with higher amounts for people most in need of training. People would be able to accumulate these entitlements and use them throughout their career."

The International Labour Organization (ILO) defines an ILA as (ILO, 2017: 2):

"portable accounts allocated to individuals, enabling them to pay for learning and training that will help them to achieve their personal and professional goals."

Similarly, the Organisation for Economic Co-operation and Development (OECD, 2019: 9) defines an ILA as:

"… training schemes that are attached to individuals (rather than to a specific employer or employment status) and which are at their disposal to undertake continuous training along their working lives and at their own initiative."

The different definitions all point to a similar idea that ILAs are intended to support individuals' learning needs: it starts with the individual. These needs may be work-related, and they can also be social or personal. ILAs take an individual-centred approach, in contrast to traditional training, which begins from the workplace or specific occupation.

Table 1 shows the differences between ILAs and traditional workplace training. The most distinctive feature of ILAs is that training follows the learner, regardless of their workplace, role, or whether the learning is for professional or personal development.

Table 1: The Differences between ILAs compared and Traditional Workplace-focused Training

	ILAs	Employer-based training
Ownership	The learner, both in terms of choice and responsibility	The workplace or the employment
Portability	Across jobs, in and -out of employment and over time	Specific to a workplace or employment
Flexibility	Tend to be associated with short courses, bite-sized learning and micro-credentials where recognised	Specific to a workplace or employment
Individualisation	High	Low
Funding	Public or co-funding	Employer or subsidised
Duration	Long-term	Within a particular employment period
Context	Wide	Tend to be linked to workplace needs
Participation	Everyone	People in a particular workplace
Governance	Public	Employer or employer/public

Source: Author's own.

2. WHY ARE ILAS IMPORTANT?

First introduced in the UK in 2000, ILAs are currently experiencing a resurgence in popularity among policy-makers due to several factors. These factors are discussed in the following sections and include:

- The changing nature of work
- The emergence of new forms of employment
- The need to reskill and upskill workers, and
- The impact of the COVID-19 pandemic.

The changing nature of work
There are several key trends in the changing nature of work that are relevant to supporting more training, including:

One key trend is the decentralisation of decision-making, with authority shifting from managers to employees across most roles. As a result, most roles increasingly require workers to be equipped with diverse new skills to deliver the tasks involved. Green's (2006) empirical data show that in both Europe and North America work has become "more demanding and more complex", leading to more pressure on workers to learn and develop new competencies. Green refers this as the "knowledge creep" (Green, 2006: 4).

Additionally, labour shortages within the EU have led to the need to enable existing workers to tackle the impact of significant unfilled job vacancies (Eurofound, 2023). Training is the main tool to support this expanding capacity.

On the other hand, the rise of automation is affecting both highly-skilled and less specialised roles:

- **Highly-Skilled roles** – The impact of automation is mainly evident in 'routine cognitive' tasks, i.e., mid-level roles. For example, recent studies (Autor, 2015; World Economic Forum, 2018) found that automation had had a significant impact on middle-skill jobs, such as those in manufacturing and clerical occupations.

- **Less specialised roles** – Automation is very good at replacing jobs that are "routine and repetitive" (Autor, 2015). Thus, studies have shown that jobs in food service, retail, customer service and transportation are among the most vulnerable to the effects of automation (Frey and Osborne, 2019; McKinsey Global Institute, 2017).

The combined impact of these factors leads to a phenomenon known as the "hollowing out effect", where middle-skilled jobs, particularly in manufacturing and routine service occupations, require individuals to re-skill or up-skill to maintain gainful employment (Van der Velden, 2019). Failing that, the individual is at risk of moving down to lower-skilled work.

In 2019, there were approximately 102 million employed persons in the EU-27 working in occupations classified as "technicians and associate professionals", which includes many middle-level skilled jobs. This category represented 44% of total employment in the EU-27 (Eurostat, 2020a).

In terms of ICT skills, a recent study shows that European economies are still lagging in this area (Centeno et al, 2022). On the supply side, Eurostat ICT survey shows that (Eurofound, 2023: 20):

> *"8.5% of Europeans had limited or no overall digital skills. The share of individuals with no or limited digital skills was as high as 25% in Romania and less than 1% in the Netherlands."*

The new forms of employment refer to non-traditional work arrangements that have emerged in recent years, such as gig work, temporary work, 'on-demand' and freelance work (Kalleberg, 2018). The following figures show the rising trends in Europe:

- Eurostat (2020a) reports that the percentage of workers engaged in temporary employment has been increasing steadily across Europe, with the highest rates in Spain, Poland, and Portugal. Temporary workers represent 27.3% of the total workers in Spain, 26.7% in Poland, and 22.2% in Portugal.

- Eurofound (2020b) reports that approximately 10% of European Union workers have engaged in work via digital platforms, with the highest rates in the Netherlands, Finland, and Sweden. In the Netherlands, 16% of workers have participated in this type of work, while the figure is 15% in Finland and Sweden.

Digital platforms often facilitate the engagement of these new forms of employment, providing greater flexibility and autonomy to the workers. However, the nature of flexible and on-demand work means that the relationship between employers and workers becomes short-term. The incentive for training investment consequently becomes weak.

The need to re-skill and up-skill workers – The need to up-skill workers is becoming increasingly important in today's ever-changing economy. Advances in technology, globalisation and the need for specialised skills have created skills gaps, which can only be addressed by re-skilling and up-skilling workers (OECD, 2018). In Europe, the European Commission argues that there is a need for developing up-skilling pathways to support workers in acquiring new skills to manage the changing world of work (Eurofound, 2020b; Cedefop, 2021).

The Covid-19 pandemic had a significant impact on the global economy and the labour market, resulting in the need for up-skilling as a consequence. The links between Covid-19 and skills are as follows:

- Acceleration of remote working and automation, leading to rapid demand for new skills such as digital literacy, data analysis, and online collaboration (McKinsey & Company, 2020).

- Significant job losses in some sectors, such as hospitality and tourism. Other sectors, such as healthcare and e-commerce experienced job growth. This change highlighted the need for re-skilling workers in order to remain employable in the changing job market (World Economic Forum, 2020).

- An economic downturn in many countries, leading to spending cuts and reduced training opportunities. Again, the result is often the need for workers to re-skill and find new employment (European Commission, 2020).

- New opportunities for innovation and entrepreneurship. This development means that both re-skilling and up-skilling have an important role to play to enable workers to leverage these new opportunities (McKinsey & Company, 2020).

Against the four emerging trends that we just described, it is not hard to see that a lot of individuals would need help for re- and up-skilling. ILAs is very suitable tool to deal with these emerging circumstances.

In light of these four emerging trends, it is it is clear that many individuals will need support to reskill and upskill. ILAs offer a very suitable solution to deal with these circumstances.

3.   ILA EXAMPLES FROM INSIDE AND OUTSIDE THE EU

As part of the mutual learning workshop, it is useful to examine some examples of individual learning accounts. Some ILAs align closely with the definitions cited in Section 1. Others are narrower in scope (e.g., training for one target group such as apprenticeship or a particular profession), and therefore resemble conventional training funds. There are also schemes that combine elements of both approaches.

Given the possibility that ILAs may overlap with a normal fund, it is useful to know that ILAs are distinguished by their portability across job and life stages, their broad coverage of learning subjects, their focus on individual needs, and the responsibility they place on individuals to plan their career and skills development over a the long term. Training funds are more specific. Because of these differences, there is no reason why ILAs cannot co-exist with training funds. The two systems are not mutually exclusive and, in some cases, can complement each other to create a wider training impact, e.g., where co-funding is allowed to cover more

expensive learning. Neither scheme is necessarily better than the other. Their effectiveness, whether used separately or together, depends on the objectives of the training policy.

In the following section, we have chosen four examples to illustrate the range of ILAs and the different forms they take. We provide an overview of the four schemes, focusing on the features and content, supplemented with a 'summary table' highlighting a few dimensions of 'differences' among those schemes (see Table 2). It is important to note that we expect that the final design of the reader will entirely depend on the needs, constraints and opportunities of the country concerned.

The Compte Personnel de Formation (CPF) in France

The CPF is a government-funded personal training account, designed to support individuals in acquiring new skills and qualifications throughout their working lives. The aim is to improve an individual's employability and career prospects (OECD, 2019). All employees and job seekers aged 16 or over are eligible (see Table 1). CPF has a unique funding method – i.e., individuals accumulate training hours throughout their working lives, even though multiple jobs may be involved during that time. The recent reform changed the annual accumulation to €500 p.a. (see Table 1 for more detail). The idea is to enable the learner to understand the value of the support fund. CPF has higher entitlement if the learner has a below secondary qualification, as those with less education tend to engage less in continuing education and training. In addition, there is also income support for those who are taking up professional re-training.

Bildungskonto, the Learning account of Upper Austria

This is a co-funded ILA targeting workers, persons on parental leave, under-employed, unemployed, self-employed and entrepreneurs with a maximum of five employees, as long as they are residents of the nine Austrian regions (Bundesländer). A further qualification is that the learners should not possess a higher education degree, unless they earn less than €2,200 per month. The ILA funds approved courses, and it is accumulative as participants receive an initial deposit of €100 from the government when they open an account. The learners can make their contributions to the account as they wish. For each euro the learners deposit, the government adds an extra euro, up to €500 per year. The details may vary from region to region and whether the learners belong to some specific groups, e.g., people with disabilities.

The Individual Learning Account (ILA) in Scotland

A government-funded scheme that aims to support individuals in their pursuit of lifelong learning and skills development (Skills Development Scotland, 2021). The ILA provides eligible individuals (see Table 1) with funding to cover the cost of training and learning opportunities to help individuals improve their employability and career prospects. Individuals who want to access the ILA must first register for an account on the 'My World of Work' website. The site is the Scottish government's online platform for career information, advice, and guidance. Once registered, individuals can browse the available courses and training opportunities and apply for funding to cover the course fees.

The SkillsFuture Credit (SFc) in Singapore

SFc supports lifelong learning and skill development under the SkillsFuture policy (Teo and Chai, 2019). Unlike most other schemes, SFc covers every citizen and permanent resident aged 25 and above, irrespective of employment status, level of income, educational attainment or whether seeking work. The funding (S$500/€340) covers the course fee of a wide range of approved learning courses – over 20,000. The providers can be online which therefore includes MOOC courses from overseas. The funding is subject to top-ups (e.g., timing determined by the government) and targeting top-ups is possible (e.g., the 'mid-career adults). All citizens have an SFc account automatically created, though the utilisation is voluntary.

Table 2: Summary of the key features of the four examples

	France	Upper Austria	Scotland	Singapore
How to qualify	All 'active persons' aged 16 or over are eligible, regardless of their employment status or type of contract	Employer, self-, under- and unemployed On parental leave Do not have HE degrees or earning less than €2,200 p.m.	16 or older In employment and earning <£22,000 p.a. Unemployed and seeking work Self-employed and earning <£22,000 p.a.	All citizens aged 25 or above No requirement of being in the labour forcE

Funding	€500 p.a. (max. €5,000) €800 p.a. (max. €8,000) for those with below secondary qualification	Max. €500 from public source p.a. Some groups or regions may have higher amount	£200 p.a.	S$500 (€340) Periodic top-up by government Those aged 40 -60 (mid-career) have additional S$500
Learning coverage	The cost of language courses, vocational training, and higher education courses	The cost of approved courses, covering professional, further and re-training	The cost of training. This includes courses, e.g., digital skills, languages, health and wellbeing, and many more	20,000+ approved courses
Funding Source	National training levy on employers	Government budget, co-funded by learners	Government budget	Government budget, levy and Lifelong Learning Endowment Fund

Source: Author's own, plus Cedefop data.

4. IMPORTANT CONSIDERATIONS FOR DESIGNING A SYSTEM OF ILA

Instead of having a 'shopping list' of what an ILA system should include, we focus on what makes an ILA system more effective, as well as examining the more subtle issues arising. Since no system is suitable for every country, it is useful to bear in mind that the issues we discuss here are only relevant if they are what you need.

A 'good' or 'effective' ILA system is all about **utilisation** of the scheme. A scheme is as good as 'no scheme' if very few people use it. If we accept that utilisation is a significant consideration, then it's necessary to ask a number of questions. Is the scheme 'fit-for-purpose'? People will only use the system if it serves their needs. From whose points of view/needs are 'usefulness' defined? How much training support is already in place, and what value-add will an ILA provide? Adding more similar options will risk confusing users. If an ILA is intended to address multiple objectives, such as lifelong learning, how is 'lifelong learning' defined within your policy framework? In most lifelong learning policies, training only supports work-related learning, which is a good start. In other countries, skills development policies are more broadly defined, and issues concerning utilisation may become wide-ranging. Most policy designs – especially those intended for building capacity – do not consider utilisation as a starting point and suffer from a lack of engagement and impact later.

Clarity of the objectives of an ILA – this is not about how clearly we define a scheme. The most important thing about clarity is how well we convey the benefits of a policy to the target audience so that they will use it – utilisation! If we accept that utilisation is the most important aspect, then policy engagement becomes critical. For example, is the design simple to use? Is our message connecting with the users' needs? Can we increase motivation to learn among users? We are talking about the promotion (in the communication sense) of the scheme so that it can be 'useful' to the users.

Governance always comes up as a starting point for every policy design. For our purposes, the topic of governance is less about how a new scheme is administered and coordinated and what ministries are involved. These decisions are important, but they are less concerned with utilisation. Important issues that are often overlooked include:

- Whether the governance structure can affect the 'promotion' issues. Is the governance supported by a lead body that has appropriate authority to coordinate?

- Does it have the capability to see to success – e.g., now there are millions of users, can the governance structure deal with quality assurance, and can it scale up further?

- Can it deal with 'system integration'? Success may come with unexpected challenges. At the same, the governance structure may have to build trust with the users. One of the ways to build trust is the ability for the users to make effective feedback so that the system can improve. Another way to increase trust is to involve stakeholders, e.g., social partners,

Funding – the usual concern around funding is whether it should come from the government budget, fiscal concessions, co-funding or a levy. We need to consider matters beyond these headline topics. Firstly, to improve utilisation, we should consider the level of funding that depends on what we want the ILA to do. Much of TVET and personal learning (e.g., hobby-related) requires relatively low costs. However, if deep and repeat learning is part of the objective, higher education, which may be part of that learning journey, can be more costly. It follows whether the scheme should be a one-off allocation or whether it is capable of accumulation over time. If it is a one-off, would there be a top-up under certain criteria at some point? If we want an ILA to

support lifelong learning, how long is the scheme, and how sustainable is the financing model in the long run? Is there a time limit? All these considerations have an impact on utilisation and impact.

Quality assurance – there are two main areas relevant to QA. The first concerns the quality of courses or any learning modality. When we want as many people to use the scheme as possible, the range of (presumably approved) learning provision is wide. If it covers courses that are beyond what is already provided in the formal sectors, e.g., online courses, private providers and overseas suppliers (MOOCs), what is the process and scale of such a QA structure? Low quality learning offers may discourage users. A registry of eligible training providers can be one option to guide users to quality assured learning. The second area is the prevention of fraud. While the 'approved providers' approach can prevent fraud to a certain extent, this did not prevent previous cases, because the sheer volume of activities involved. This also links with our previous discussion on governance – can the existing bodies deal with a massive increase in activities – assuming the new ILA is successful with millions of users?

Coverage – When we specify who – e.g., only people of a certain age and who have a particular employment status – will be included in the scheme, we are in effect asking what we want the ILA to do. A narrow coverage reflects a small objective of the ILA. A broad coverage – e.g., everyone in the population – may mean that the objective of the ILA becomes multi-faceted. Age, gender, social responsibilities and work-related demand mean that an ILA may have to support very different learning objectives. Having said that, universal coverage may be preferred as it is able to tackle some broader issues, such as inequality.

Accessibility - Digital portals, electronic apps and personal accounts are user-friendly and enhance accessibility to ILAs for many users. Yet, the risk of phishing, fraud and hacking is high and data security issues arise. Moreover, lower-skilled or disadvantaged groups often lack digital skills or do not have regular access to smartphones and other hardware tools. This should be considered, and policy makers need to balance risks with opportunities.

Integration – There is a tendency for policymakers to think of the ILA as a stand-alone, new tool. But soon enough, they find that the ILA may not work as intended because of the lack of consideration for integrating new elements into an existing system. A simple example is that an ILA may need to work with a wide range of labour market issues that are already the focuses of existing ministries. There are other institutions and their roles to be integrated too, e.g., the different types of educational institutions, the guidance services, validation, databases for finding training opportunities, funding sources (in addition to an ILA) and training bodies. The objective is to avoid a fragmented system of training support.

Dealing with other challenges – Training needs and opportunities can arise unexpectedly, as illustrated by the periods of short-term work during the COVID-19 pandemic. ILAs in the form of personal accounts for training entitlements are at the centre of the Council Recommendation, because make it standard for all working age adults to be able to access training that is tailored to their needs, at all times. Personal accounts are also key to delivering on the ambition of the 2020 Employment Guidelines to "strengthen the provisions on individual training entitlements and ensure their transferability during professional transitions" by giving individuals ownership of their entitlements.

5.   GENERAL PROJECT MANAGEMENT STEPS FOR DESIGNING AN ILA

This section highlights some general steps for designing an ILA system. Please note that as the participants of the workshop may have different needs, the content of this section is a general case. It serves as a general road map, in conjunction with the considerations outlined in Section 4. Throughout the workshops, countries will be invited to prepare their own roadmaps.

With a project team, we need to clarify both the short- and long-term objectives of an intended ILA system. Granted that the policy request may be a 'given' by the member governments, but to make it work, it is still useful to clarify those objectives with the considerations raised in section 4. Within the known details, wide consultation (e.g., in and outside government, user groups) is useful, as there is always a policy risk that consultation with the relevant stakeholders comes too late. After that, involve an external panel of experts, if required.

Map out the entire eco-system that is 'fit-for-purpose'. This may be sufficient to provide the time scale and resource planning for the project, at least up to this stage. It is also useful to identify some key milestones within a complex project, breaking it into smaller well-focused deliverables. At the same time, identify linkages among the different deliverables to spot the 'knock-on' effects. These exercises will provide the basis of a 'risk assessment' of the project. Get feedback from the panel of experts in terms of the design, if required.

Start procurement work, if out-sourcing is required (e.g., an online platform and linkages with others, a labour market portal or online course directory, funding etc.).

Once the project commences, multiple strands of the project may proceed in a parallel fashion, e.g., IT work, assessment tools, administrative and QA structures and tools etc. The project team is the coordinating body that pays particular attention to delays in segments of the project.

Experience shows that IT work, especially involving the use of new IT tools (e.g., A.I.-based fraud detection), runs a higher risk of delays. Delays may not come from the actual delivery but from the need for repeated tweaking. Another possible delay comes from cross-ministry collaboration. Supposing there is a requirement to link the ILA to an existing administrative structure. Work that is delivered by another department may be harder to control precisely. As a result, building an ILA – assuming it is an effective one – is rarely a quick project of a few months.

Testing with actual users (whether internal or external) is always crucial, and not just with the project team.

At some point, the expert panel (if adopted) may provide useful feedback, e.g., the integration of assessment tools, if used; the pilot results.

Piloting is crucial as this may provide a real opportunity to see how far the design is delivering what it is intended to do. Again, pay particular attention to user feedback.

Plan an evaluation after the launch. A reasonable time frame should be allowed, so that infancy problems can be addressed, and the ILA can run smoothly for a few years. This evaluation should look at the technical side of the system, and the level and type of utilisation of the ILA. The latter could come from the admin data by default. However, for future development, it would be useful to have a user feedback mechanism linked to the utilisation. For policy evaluation, we need to build in metrics that we can quantify. Often, evaluation is one of the weakest links because evaluation happens as an afterthought, and no appropriate metrics are available.

Evaluation should lead to review, so that options of addressing possible issues can be discussed, and a way forward can be identified. In many policy areas, the link between evaluation and review is particularly weak, and valuable conclusions from evaluations are underutilised, and do not lead to necessary changes.

6. CONCLUDING REMARKS

As stated above, this document does not intend to present a 'shopping list' of what a successful ILA scheme should include. Instead, the focus is on features that may make an ILA system more effective. As no single system is suitable for every country, the points discussed here should be considered only insofar as they meet your needs.

In terms of the general issues raised in Sections 1 to 5, it is hard to find the 'best ILA model'. While there are some 'universal' characteristics of ILA, a differentiated approach is needed, as no two countries are the same – it is always a case of what fits and what may inspire.

Ultimately, if a scheme is to be successful, high utilisation is key. Any scheme would be discontinued if no one used it. Therefore, policy makers and stakeholders working to introduce ILAs should focus on efficiency and effectiveness, demonstrated by a high utilisation rate of their schemes.

REFERENCES

Autor, D. (2015). Why are there still so many jobs? The history and future of workplace automation. Journal of Economic Perspectives, 29(3), 3-30.

Cedefop. (2021). Empowering adults through upskilling and reskilling pathways: Volume 2, Cedefop analytical framework for developing coordinated and coherent approaches to upskilling pathways for low-skilled adults. Luxembourg: Publications Office of the European Union.

Centeno, C., Karpinski, Z. and Urzi Brancati, M. C. (2022), Supporting policies addressing the digital skills gap, Publications Office of the European Union, Luxembourg.

Eurofound (2023), Measures to tackle labour shortages: Lessons for future policy, Publications Office of the European Union, Luxembourg.

Eurofound. (2020a). Up-skilling pathways: Key policy considerations. Luxembourg: Publications Office of the European Union.

Eurofound. (2020b). Platform work and employment conditions in Europe. Luxembourg: Publications Office of the European Union.

European Commission. (2004). Working Document on Lifelong Learning: Individual Learning Accounts. Brussels: EC.

European Commission. (2020). Skills agenda for Europe: A long-term investment for recovery, resilience and the future. Brussels: European Commission.

European Commission. (2021). Questions and answers: Individual learning accounts and micro-credentials. Retrieved from https://ec.europa.eu/commission/presscorner/detail/en/qanda_21_6477

Eurostat. (2020a). Employment by occupation. Retrieved from https://ec.europa.eu/eurostat/statistics-explained/index.php/Employment_by_occupation

Eurostat. (2020b). Employment and unemployment statistics. Retrieved from https://ec.europa.eu/eurostat/statistics-explained/index.php/Employment_and_unemployment_statistics#Temporary_employment

Frey, C. B., & Osborne, M. A. (2019). The future of employment: How susceptible are jobs to computerisation? Technological Forecasting and Social Change, 137, 304-318.

Green, F. (2006). Demanding work: The paradox of job quality in the affluent economy. Princeton University Press.

International Labour Organization. (2017). Individual learning accounts: A model for financing lifelong learning. Geneva: ILO.

Kalleberg, A. L. (2018). Good jobs, bad jobs: The rise of polarized and precarious employment systems in the United States, 1970s to 2000s. New York: Russell Sage Foundation.

McKinsey & Company. (2020). The future of work after COVID-19. Retrieved from https://www.mckinsey.com/featured-insights/future-of-work/the-future-of-work-after-covid-19

McKinsey Global Institute. (2017). Jobs lost, jobs gained: What the future of work will mean for jobs, skills, and wages. McKinsey & Company.

OECD. (2018). The future of work: OECD employment outlook 2019. Paris: OECD Publishing.

OECD. (2019). Individual Learning Accounts: Panacea or Pandora's Box? Paris: OECD Publishing.

Skills Development Scotland. (2021) Individual Learning Accounts. Retrieved from https://www.skillsdevelopmentscotland.co.uk/what-we-do/employability-skills/sds-individual-training-accounts/
Teo, D. C. L., & Chai, C. S. (2019). Assessing the impact of SkillsFuture Credit on Singaporean workers. Journal of Vocational Education & Training, 71(4), 612-627.

Van der Velden, R., Allen, J., & Brzinsky-Fay, C. (2018). The changing nature of work and skills in

Europe. In Handbook of the Changing World of Work (pp. 1-18). Edward Elgar Publishing.

World Economic Forum. (2018). The future of jobs report 2018. World Economic Forum.

World Economic Forum. (2020). The Future of Jobs Report 2020. Geneva: World Economic Forum.

KICKSTARTING EU SUPPORT TO ILA DESIGN AND IMPLEMENTATION

Workshop I – Event report

14-15 March 2024, Antwerp, Belgium,
Written by ICF

INTRODUCTION

The Individual Learning Accounts Mutual learning programme (ILA MLP) was a series of workshops designed to build capacity, know-how and commitment in the participating countries for implementing the Council Recommendation on Individual Learning Accounts (ILAs). This was the second cycle of the programme, and the participating countries were Cyprus, Greece, Latvia, Lithuania, Malta and Slovakia, with Germany and the Netherlands in an observer role.[1]

This report presents an overview of the discussions and presentations from the first of the three mutual learning workshops, which took place in Antwerp 14-15 March 2024. The workshop focused on practical steps towards ILAs and put a particular emphasis on quality assurance and the role of national training registries. This was done through presentations by the European Commission and the thematic expert, as well as case studies from various countries and organisations, including:

- Country case studies of Poland and Croatia – both of which participated in the previous cycle of the mutual learning programme –, the Netherlands and Singapore;

- Presentations with a focus on quality assurance (QA) and national registries by the European Association for the Education of Adults (EAEA), Slovenia's Knowledge Innovation Centre and the Organisation for Economic Co-operation and Development (OECD).

1. ILAs IN THE BROADER EU POLICY CONTEXT

The 2022 Council Recommendation on ILAs defines the Individual Learning Account as:

- A delivery mode for individual training entitlements;

- A personal account allowing individuals to accumulate and preserve their entitlements over time; and

- Granting individuals full ownership of the entitlements, irrespective of funding source.

The Directorate-General for Employment, Social Affairs and Inclusion (DG EMPL) highlighted ILAs' potential to transform the skills landscape in the Member States, by shifting skills to the centre of today's labour market policies. ILAs support the objectives of the European Skills Agenda and the first principle of the European Pillar of Social Rights. They can also contribute to reaching the EU-level headline targets as specified in the European Pillar of Social Rights Action Plan, of having at least:

- 60% of all adults participating in training every year by 2030; and

- 78% of the population aged 20 to 64 in employment by 2030.

ILAs can help address the issue of insufficient and unequal participation in adult learning in the European Union (EU). Setting up a policy framework to implement ILAs enables Member States to 1) close the gaps in existing adult learning and training systems so that all adults have access to support for training; and 2) increase the incentives and motivation of individuals to seek training.

Member States have different starting points when it comes to implementing ILAs. Therefore, in some countries establishing ILA schemes could be a gradual process, with the aim of eventually establishing sustainable schemes which reach the entire working age population, irrespective of their labour force or professional status. ILA provision should be universal, but this could include differentiated (stronger) support aimed at those most in need of reskilling or upskilling.

---

[1] The countries that participated in the ILA MLP 2023 include Bulgaria, Croatia, France, Italy, Poland, and Romania, with Hungary in an observer role.

The implementation of ILAs will need to take a step-by-step approach in cooperation with social partners and key stakeholders. Ideally, ILAs should be embedded in an enabling framework comprising the following elements specified by the Council Recommendation:

- Career guidance and validation opportunities;
- A national registry of eligible quality trainings;
- A single national digital portal; and
- Paid training leave.

ILAs also need to be tailored to national circumstances, and involve outreach, awareness raising and continuous monitoring and improvement. In support of this process, the European Commission facilitates mutual learning, develops guidance materials, and maintains the Europass platform. The European Commission is also providing technical assistance and funding from various sources, such as:

- The Recovery and Resilience Facility (RRF);
- The European Social Fund Plus (ESF+);
- The European Regional Development Fund (ERDF);
- The Just Transition Fund; and the
- Technical Support Instrument (TSI), etc.

2. ILAs IN PRACTICE – LESSONS LEARNED

The thematic expert highlighted that countries must tailor their ILA to their specific national needs, circumstances and policy objectives. In this regard, some of the key success factors are related to promoting the utilisation of ILAs, ensuring the quality assurance of training opportunities, securing sustainable funding, and enabling system integration within the existing infrastructure. As further emphasised by the expert, piloting and iterative adjustments of the ILA based on user feedback and performance evaluations are key to refining the system and maximising its impact. Moreover, building trust with users through transparent governance, effective feedback mechanisms, and demonstrated responsiveness to their individual needs is essential for driving widespread and sustained utilisation of the ILA scheme.

There were presentations on ILA practices in Singapore, Poland and the Netherlands. These aimed to deepen participants' understanding of the design, implementation and necessary adjustment of ILA schemes in light of changing circumstances.

Singapore

The ILA scheme in Singapore is part of the government's SkillsFuture Policy to support lifelong learning even after retirement. The key aims of SkillsFuture Policy are to ensure skills mastery and improve employability as well as to help people cope with change. It comprises:

- SkillsFuture Credit – ILA in Singapore –, offering learning credits for Singaporeans (25 years or older) to pay for work-related course fees, with over 20,000 approved learning courses;
- MySkillsFuture, a one-stop lifelong learning online portal offering courses and funding;
- MyCareerFuture, an online job search, career insights and guidance portal.

Training is normally heavily subsidised by the government – covering between 90-95% of the training costs of most courses. Individuals or employers pay for the remainder. The SkillsFuture Credit could be used for this purpose too. However, unlike TVET training that is mostly driven by employers, training wholly supported by SkillsFuture Credits tend to cater for the individual needs, thus it carries over if individuals move jobs.

The scheme is funded through the Ministry of Finance by an employer levy, the SkillsFuture Endowment Fund and the annual state budget, while it is run by SkillsFuture Singapore on behalf of the Ministry of Education. The management structure includes a Government Advisory Committee advising on the skills needs of the population, as well as a Board of Governors and external auditing.

The programme has evolved over time in order to boost uptake. For instance, an expiry date of five years was introduced for the funding to be used. Previously individuals understood the programme was open-ended which led to many people delaying the use of the funds because they felt they did not have time to undertake training. Introducing a deadline led to a noticeable rise in

course purchases. Additionally, the list of in-scope courses was expanded from vocational programmes to include Massive Online Open Courses (MOOCs) as well as some courses on lifestyle and cultural learning.

Poland

Poland participated in the previous cycle of the ILA MLP in 2023. The Polish Ministry of Development Funds and Regional Policy is the Managing Authority for the national ESF programme as well as the coordinating organisation for the ESF+ in the country.

The Polish approach for implementing ILA consists of the following key steps:

- **Stock-taking** of the elements of the enabling framework to implement ILAs that are already in place at the national level. This was carried out in 2023, and the existing elements to build on included a national database of development services, as well as career guidance services that are provided by the PES. In addition, it was identified that the Labour Fund could also be used to support funding for ILAs. This Fund is financed through mandatory contributions from workers monthly salaries to support the unemployed. However, there is currently underspend due to low unemployment rates and so resources can be used for up- and reskilling. An executive agency of the Ministry was also assigned to manage the ILA implementation process, reporting to the relevant ministries, although political responsibility still needs to be clarified.

- **Developing the ILA concept** with a wide range of stakeholders, including various ministries, relevant public bodies and agencies, social partners, training providers, and regional authorities. The Monitoring Committee of the national programme approved the project under which the concept for ILAs will be developed. The executive agency chose a contractor that will lead the concept work and conduct all consultations to then prepare the concept of the Polish ILA (called individual development account, IDA). This has been financed by the ESF+.

- **Piloting** the developed solution on 7000 participants is planned for 2025 through ESF+ funding. Financing can be allocated only to services indicated in the database of development services. The pilot programme will not replace other tools, but it will be an addition to the existing infrastructure.

- **Planning the scale-up** of ILAs to the national level through national funds.

Poland provided positive feedback on the added value of the ILA MLP. They felt it provided the Polish delegation with a platform to gather, access to best practices and experts, as well as a structured approach to ILAs. This allowed for bringing together key stakeholders to discuss the aims of ILAs in Poland and how the scheme would be implemented.

The Netherlands – lessons learned from an initiative based on personal budgets for learning

The STAP was used between 2022-2023 with the aim of supporting the professional development of those within the labour market. The annual STAP budget was EUR 200 million, and individuals could apply for a maximum EUR 1,000 per year. Applicants were free to choose from the trainings offered in the public national training registry, which included over 150,000 courses provided by more than 1,000 trainers.

The programme engaged participants of a mix of ages. Slightly more of them applied for additional training (56%) compared to retraining (44%).

The STAP quality assurance process was based on a certification process for trainers who could then add courses to the registry that met the assessment framework. The registry would then be reviewed through a risk-based approach, with training courses removed from the registry if they were assessed as unsuitable.

Implementing the quality assurance system was challenging because of the high interest in the programme among individuals and trainers. This meant that the registry changed from day-to-day. The assessment framework was also interpreted differently by different trainers. Additionally, the lines of responsibility were not always clear because one partner was in charge of managing the training registry and another was responsible for supervising it.

The lesson learned from the STAP was the importance of having oversight and control of the registry and the need for surveillance and enforcement. The positive impact of the subsidy is that it has managed to mobilise people in taking up training. Lessons learned from the first year of the programme had already resulted in changes in its second year.

3. CASE STUDIES ON QUALITY ASSURANCE AND THE NATIONAL TRAINING REGISTRY

Findings of the Organisation for Economic Co-operation and Development (OECD)

Quality assurance (QA) plays a crucial role in adult education and training (AET). Therefore, the OECD launched a project two years ago to examine QA mechanisms and practices in ALT. This included a mapping of the different QA models alongside cross-country comparisons. In addition, thematic papers have also been (or are being) produced as seen below.
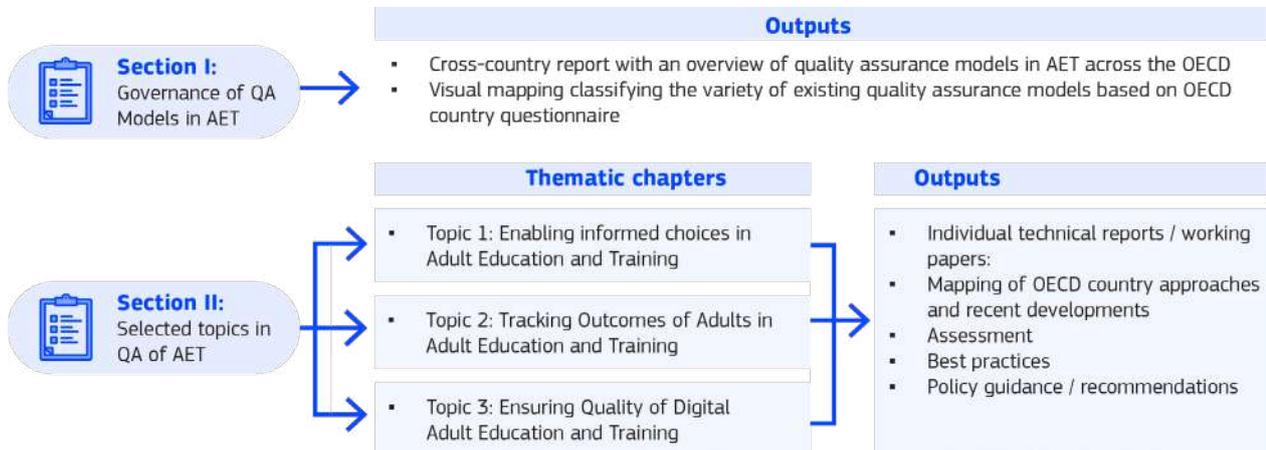
Source: presentation of the OECD.

The project found that OECD countries adopt a wide range of measures for quality assurance. Most countries have certifications in place, whereas some use self-assessments, quality inspections, and a small percentage give quality awards. This is typically managed by government agencies or ministerial departments with limited outsourcing. The quality assessment process mainly focuses on the training offer, organisational structure, and the teaching staff. Most mechanisms include site visits. The outcome of the quality assessment is often a pass or fail with a fixed-term validity.

The thematic paper conducted by the OECD on enabling informed choices in ALT (topic 1) investigates how platforms and guidance/outreach initiatives could be used to empower adults in their learning journey. It identifies the critical role of portals in providing comprehensive information for adults about learning opportunities, while highlighting the need to go beyond providing passive information and ensuring additional guidance. This can in turn contribute to ensuring the inclusivity of the system and empower adults for self-directed learning. This paper also presents several country case studies about whether portals worked and why, as well as recommendations, such as the need for having an integrated and holistic approach for providing information.

The thematic paper on tracking outcomes of adults in ALT (topic 2) looks into how a robust data infrastructure for non-formal ALT can be developed. It introduces a data taxonomy to consistently categorise educational data, and highlights the role of data partnerships in tracking educational and labour market outcomes. It includes several country case studies and recommendations with relevant lessons for implementing ILA. It was found that when outcomes of ALT are tracked, this can 1) inform and guide future investments at the institutional level and also for individuals, 2) ensure value for money and the effective use of resources, and 3) contribute to adjusting/enhancing programme effectiveness in real time.

Further research will be published, ensuring quality of digital ALT (topic 3). The project offers valuable insights for designing and implementing ILA.

Quality assurance of short courses

The Knowledge Innovation Centre (Slovenia) presented the initial results of its research on the quality assurance of short courses, including those leading to micro-credentials. These courses are difficult to incorporate within the QA system of higher education, since that is based on assumptions linked to longer programmes[2] and are therefore too burdensome for shorter courses. However, the QA systems of MOOC portals are too "light-touch" as they generally operate on the assumptions that 1) student ratings are the most important indicators of quality, and 2) that quality control is a business decision.

It was found that it is important to design a system that has all the components of external QA in place, including legislation, standards, external reviews as well as student ratings. In addition, it is key to keep evaluating the ILA scheme during its implementation, including in the short and long term. This allows errors to be detected during implementation and for overall efficiency to be evaluated at different time periods to draw further lessons and improve the system.

---

2   Assumptions linked to QA in the higher education system include that 1) programmes cannot fail; 2) these programmes have an interdisciplinary lens on which many persons work together, requiring collegiality; and 3) only licencing by a public authority can protect the learners.

The research led to several recommendations for managing QA processes, including:
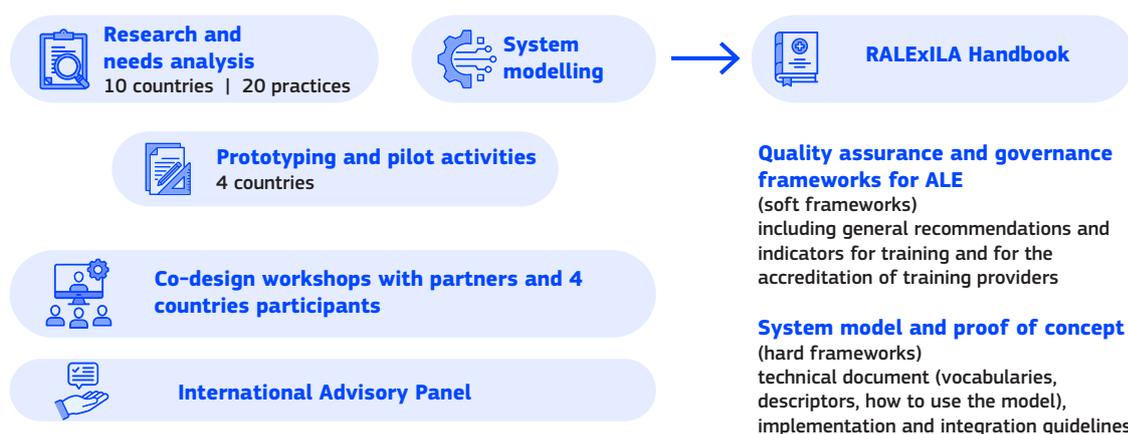
■ The value in approving providers rather than licensing programmes, as it is less burdensome but also provides rigour;

■ Establishing a QA support system for smaller providers, to ensure they are able to meet requirements;

■ Linking QA to sectoral skills frameworks to ensure they are relevant to the needs of industry;

■ Considering independent certification bodies to evaluate courses, as an additional check on the quality of programmes;

■ Eliciting/collecting user and employer feedback;

■ Operating a complaints procedure to help identify any inappropriate training programmes;

■ Highlighting excellence;

■ Requiring providers to connect courses to specific labour market needs and demonstrate how stakeholders were involved in course design;

■ Integrating QA processes directly into the registry; and

■ Sharing QA data using open standards to facilitate third party QA schemes.

The RALExILA project

The European Association for the Education of Adults (EAEA) presented the RALExILA project, which is focusing on the development of national registries of adult learning and education (ALE) to support ILA implementation.

The project is running between 2024-2025 with funding from the Erasmus+. It is based on a co-design process that will aim to propose an integrated approach for establishing registries that improve access to training for adults. However, improving access, in turn, also increases the need to improve the quality of ALE systems, the efficiency and equity of access, and the level of attractiveness for learners. Representatives of all the key stakeholder groups have been engaged to identify and assess different approaches. The scope of the project spreads across 20 authorities, 40 ALE organisations, 20 learners and 10 experts from the 4 project partners' countries (Cyprus, Croatia, Malta, Slovakia). There is also an International Advisory Panel supporting the work being done.

As illustrated below, the final output of the project is expected to be a RALExILA Handbook with two key pillars, including 1) guidelines for QA and governance frameworks for ALE, and 2) a technical proposal for a system model and proof of concept.

Research and needs analysis
10 countries | 20 practices

System modelling

→ **RALExILA Handbook**

Prototyping and pilot activities
4 countries

Quality assurance and governance frameworks for ALE
(soft frameworks)
including general recommendations and indicators for training and for the accreditation of training providers

Co-design workshops with partners and 4 countries participants

System model and proof of concept
(hard frameworks)
technical document (vocabularies, descriptors, how to use the model), implementation and integration guidelines

International Advisory Panel

Source: presentation of the EAEA.

When it comes to QA for ALE, the guiding principle is that the learner must be at the centre of quality processes. These mechanisms should be ethical, humanistic, holistic and transparent, as well as specific for each education level. Learners should be able to provide feedback which should be fed back into the QA process. To ensure this, an enabling infrastructure is needed, along with an advisory system for all educations organisations and indicators for all education levels. It is also key to focus on staff development.

The national training registry of Croatia

Croatia introduced its voucher system in April 2022 with the aim to increase the rate of participation in adult learning and promote the acquisition of digital and green skills. The vouchers can be accessed securely through the 'My voucher' online platform. It is expected that the voucher system provides a good starting point for developing a full ILA scheme in the longer

term. The portal allows for:

- An entirely digitalised process of applying for a voucher;

- Searching within the embedded Catalogue of skills and programmes which covers the whole of Croatia;

- Requesting career guidance services (although this is optional);

- Contacting the chosen training provider and requesting the offer;

- Submitting applications for vouchers.

The platform has different interfaces with distinct functionalities for three types of users:

- **Education providers**: can submit applications for entering the catalogue of programmes eligible for vouchers. They must then submit monthly attendance lists for each voucher user via the portal. They can also use the system to indicate when a user has completed a course, which triggers the final instalment of funding. Education providers are also requested to fill a questionnaire to evaluate beneficiaries and their engagement during the training.

- **Beneficiaries**: can submit applications for vouchers and career guidance services, and can communicate with counsellors of the Croatian Employment Service (CES) during the entire process. They have to upload the certificate of completion of training and fill an evaluation questionnaire that captures feedback on the education provider, the training programme and the competencies they acquired.

- **Advisors of the CES**: can use the platform to filter and process applications for career guidance services and vouchers, issue vouchers, and communicate with beneficiaries.

There is a number of criteria that programmes and providers must meet to be included in the catalogue. Providers first need to choose green and digital skills from the skills catalogue and, based on this, develop qualification standards and their expected learning outcomes. They then create a training programme according to a prescribed methodology and submit it for evaluation to the Agency for VET and Adult Education and the Ministry of Science and Education. All programmes must be formal and in line with the Croatian Qualifications Framework. Providers can then submit a request for inclusion in the database of training programmes and education service providers to the CES, which checks if the programme meets the criteria. If criteria are met, the CES includes the programme and the provider in the voucher registry.

Results of the voucher system's evaluation provide suggestions for improving the system, such as the importance of increasing courses' practicality and improving their curricula. Some important lessons are that educational programmes should be adapted to market and user needs, and programmes should be re-evaluated over time and potentially removed from the catalogue if there is no interest from the users. The evaluation also identified the positive outcome that 53% of unemployed users were employed six months after they finished training.

4. THE KEY CHARACTERISTICS OF SUCCESSFUL ILAs

The event provided delegations with space to discuss what they consider to be the main features of a successful ILA scheme in mixed parallel working groups. The results of these discussions as well as key takeaways from the presentations as summarised below.

Quality assurance	- Must be a wide-ranging system covering providers, learning programmes, content and teaching. - Satisfaction surveys should have a key role in QA systems, as they can flag problems as well as inform individuals' choices. - Important to incorporate QA into the registration system for entering programmes in the registry – this requires a risk-based model, including minimum resource levels and the training of tutors. - The importance of 'starting small and being strict'.

Governance	■ Several ministries and institutions should be involved – there is a need to decide on the most appropriate lead and the governing process involving all key stakeholders. ■ Structures need to be kept flexible enough, competence-based and transparent. ■ Political support should be ensured. ■ Needs to be linked to funding – including for pilots and sustained funding. ■ It is intertwined with political decisions, and therefore, ensuring political will is essential. ■ Developing ILAs is a long-term endeavour, requiring careful planning and continuous refinement – it cannot be done in one step, and it has to be maintained over time.
National registry	■ National registries may need to integrate several different registries, such as of formal and non-formal trainings, courses, trainers and providers. ■ The focus of courses in the registry depends on national needs and priority programmes, such as on transversal / basic / green skills. Differentiated support may be given to some groups, e.g. those most in need of up- or rekilling. ■ Needs to remain flexible so it can be updated to reflect emerging needs. ■ Courses should balance individual and labour market needs. ■ Needs synergy and to draw on good practices.

5. STAKEHOLDER ENGAGEMENT FOR IMPLEMENTING ILA

Delegations conducted a **stakeholder mapping** exercise, elaborating on which actors they need to engage for implementing ILAs in their contexts. Key takeaways from these discussions include:

- Country delegations need to involve a wide range of stakeholders in implementing their ILA systems, including multiple ministries, public and private providers, as well as social partners. Whereas many national stakeholders are already in the ILA MLP, others still need to be engaged and motivated to participate in the process.

- Various approaches were identified for stakeholder engagement, such as focus groups, workshops, and establishing working groups. However, it will be key to ensure that these approaches are inclusive.

- Ensuring quality assurance emerged as a key issue – it is important in this context to bring together the right stakeholders who will work on this.

- Legislation can be used as a lever for engagement.

6. PLANS FOR IMPLEMENTING ILA

All participating Member States outlined their context, expectations, goals and planned steps for the design and implementation of ILAs, while also sharing some of the key challenges they need to overcome.

Cyprus

Cyprus expects that the introduction of ILAs will further promote the acquisition of knowledge and skills by the workforce. A possible organisation to implement ILA in the country is the Human Resource Development Authority of Cyprus, which already brings together several major stakeholders in its Board of Directors. It can also build on the good cooperation between social partners in the country.

The reason Cyprus is exploring the introduction of ILAs is to improve the workforce's skill levels and productivity, increase enterprise competitiveness and promote a culture of lifelong learning. To do so, the country aims to increase adult learning participation and allow individuals to undertake/personalise their learning pathways through the ILA scheme.

In practical terms, the immediate priorities of the Cypriot delegation in relation to ILAs include:

- Involving all identified key stakeholders;

- Sharing information and organising focus groups with the aim of eventually introducing ILAs – following a decision by the Council of Ministers – and relevant legislation and regulations;

- Finalising the procedures for piloting the implementation of ILAs;

- Although, utilising ESF+ funds could be a possible option complemented by national funding, Cyprus has to set up a sustainable model for implementing ILAs;

- Developing a portal;

- Ensuring the willingness of all key actors to support ILAs in the long term is foreseen as a potential challenge.

Greece

The National Workforce Skills Council of Greece is responsible for the National Skills Strategy aiming at the reskilling and upskilling of the workforce. ILAs will be strictly linked to the needs of the labour market and to non-formal education, and thus, it will initially be used only for reskilling and upskilling.

The scheme will be accessible to both the employed and unemployed, and the deadline for starting the implementation is the end of 2025. Greece has identified the necessary architecture for implementing ILAs, including the Public Employment Service, the National Skills Council and a scientific committee, as well as a committee of social partners that also discusses issues related to ILAs. Greece will also build on the lessons learned from a previous large-scale project on upskilling and reskilling.

Key next steps in ILA implementation in Greece include identifying the criteria for certifying providers, and the identification of a system for evaluating the training content and the certification process. A key challenge will be in establishing a unified approach towards micro-credentials.

Malta

A commitment for introducing ILA is included in Malta's lifelong learning strategy. This is also expected to be included in the National Skills Strategy being prepared by the National Skills Council by 2025. This aims to promote lifelong learning focusing on upskilling and reskilling and diversify the national training offer to ensure the coverage of skills gap areas.

The country has good initial systems to build on. The Malta Further and Higher Education Authority (MFHEA) operates a robust QA mechanism by accrediting programmes, auditing centres, validating and recognising prior learning among others. There are also several existing registries in the country.

Malta's first practical steps toward ILA implementation will include:

- Collating a register of existing training schemes and funding programmes across the country;

- Organising a series of stakeholder consultations to produce a vision paper setting out the relevance of adopting ILAs;

- Budgeting funds to carry out a feasibility study and a gap analysis of the current initiatives assessing their effectiveness in ensuring upskilling;

- Conducting a cost-benefit analysis;

- Identifying successful case studies from other countries;

- Producing a policy paper with the decision on the way ILAs could be implemented.

Key challenges in Malta concern issues around State aid, employee attitude toward training and education, the lack of synergies, and outreach to hard-to-reach individuals.

Latvia

Latvia sees ILAs as an opportunity to improve the harmonisation of adult learning governance and demand. Additionally, ILAs are considered a gateway to bringing together various public and private resources. The platform will be built on an existing solution and will be funded from the RRF and the ESF+. Discussions are also ongoing about ensuring a sustainable source of funding for adult learning beyond EU resources.

Learners are at the centre of Latvia's ILA concept and therefore it is considered important to receive feedback from the users.

The concept for the scheme has been developed. Therefore, the immediate priorities for Latvia are:

- Developing a common vision for the delegation;

- Clarifying and agreeing on responsibilities and task division through scheduled meetings with stakeholders;

- Respecting the tight schedule while focusing on the key aims of the ILA system.

Concerning challenges, decisions will need to be taken and legislated about how to split tasks, and how to develop Latvia's system further for the implementation of ILAs. Latvia has several existing registries and information systems that belong to different ministries. Therefore, the aim will be to bring these together and integrate information. Additional challenges include improving employee attitude toward training and education, the lack of synergies, and outreach to hard-to-reach individuals.

Lithuania

Lithuania has already put its ILA scheme in place as an individual right and it is now working on its implementation and improvement.

The key next steps of the delegation include:

- Adding the PES to the system with services for unemployed persons;

- Starting career guidance linked to ILAs;

- Launching a communications campaign which is currently under preparation;

- Establishing a model for sectoral QA;

- Ongoing work related to the recognition of gained competences;

- Introduction of the employer account into the ILA system;[3]Preparation of guidance for using ILAs.

A key challenge will be to decide on the pricing of trainings to avoid that these prices are artificially adjusted to the amount of individual entitlement offered within the ILA scheme. Solutions will also need to be identified for lower skilled persons. In addition, while social partners are involved in ILAs, they will need to be empowered. This could potentially be done by creating collective agreements with unions / employers to strengthen the right to training. Discussions should also take place to ensure the sustainable funding of the ILA scheme.

Slovakia

Being a country at high risk of jobs affected by automation, Slovakia faces a high pressure to improve employability. This creates a strong need for both vocational skills and transversal skills. An alliance of sectoral councils is already in place, aiming to play a role in QA processes. In addition, the Ministry of Education is currently working on a new legislation for adult learning.

Slovakia develops its ILA scheme in two components:

- A national project to develop infrastructure supporting the ILA implementation under the Ministry of Education and funded by the ERDF;

- An ILA pilot project focusing on a full range of skills targeted at all groups of adults, financed by the ESF+.

The following practical steps are foreseen to implement ILAs in the country:

- Preparation of a single national digital platform for ILAs that will integrate and further extend existing registries of adult learning providers and adult learning programmes;

---

3   The plan is to create a separate 'route' for employees' training according to the employers' needs within the ILA system. This training would be financed by the state and the employer, and a person's participation in it would not hamper their opportunity to participate in the 'ordinary' ILA train-ings.

- Development of a new registry of participants;

- Focus on an individual approach to citizens who are in the scope of the ILA scheme;

- Preparation of a new legislation for adult learning by the Ministry of Education;

- Financing of ILAs is foreseen from the EU Cohesion Policy 2021-27 (policy objective 4), ESF+ funding and the ERDF;

- Testing the system between 2026-27;

- Creating a working group to ensure cooperation between the Ministry of Education and the Ministry of Labour concerning the coordination of the ILA system;

- Evaluation of the two projects in 2028 and discussion of ways for sustainable financing from the State budget.

Implementation challenges in Slovakia include the necessity to address sectoral skills shortages to deal with at-risk target groups – such as workers in jobs at high risk of being replaced due to automation, older workers before retirement and vulnerable/hard-to-reach groups – and the need for digital skills. Moreover, ensuring the continuous consensus of all key stakeholders may also prove challenging.

7. CLOSING WORDS AND NEXT STEPS

DG EMPL thanked all delegations, experts and speakers for their preparedness and active participation in the workshop.

The ILA MLP will be organising the following upcoming events:

- Workshop 2 – online, in the **afternoon of 20 June and the morning of 21 June 2024**;

- Workshop 3 – face-to-face on **20-21 November 2024** in Brussels.

- Participants will receive relevant information in due course ahead of these events.

In addition, DG EMPL shared that 'The European Year of Skills – what comes next?' closing event will take place in Brussels and online on 30 April 2025, and invited participants to join online. The conference will feature prominent political and stakeholder panels, inspiring speeches, and insightful conversations. The full agenda with the registration link is available here.

THE PERSONAL BUDGET: AN EMPOWERMENT APPROACH TO IMPLEMENTING THE INDIVIDUAL LEARNING ACCOUNTS

Thematic discussion paper

Professor Johnny Sung, December 2023

BACKGROUND

This paper is third in the series of background papers, written to support the Mutual Learning Programme on Individual Learning Accounts (ILAs) Workshops. The third paper supports the workshop held 6-7 December, 2023[1]. The workshop is organised by the Directorate-General for Employment, Social Affairs and Inclusion of the European Commission (DG EMPL).

Following the approach of the previous two background papers, the third paper is written specially for the needs of policy implementation teams in the EU member states. The emphases are placed on conceptual understanding, practical considerations and the need to make close links with four key documents that underpin ILA implementations. These documents are[2]:

- Council Recommendation on Individual Learning Accounts (2022).
- The European Skills Agenda (2020).
- European Pillar of Social Rights (2023).
- 20 Principles of Pillars of Social Rights (2023)

As such, we will focus on the importance of **ILA as a personal budget**, and how to construct related elements in the ILA eco-system to achieve its intended goals.

In the recent landscape of lifelong learning, adult education and continuous professional development, the concept of ILAs stands as a crucial innovation, aligning with the broader trends of individual focus and learning empowerment for career development and workforce training. The concept of a 'personal budget', central to ILA, is a key element in fostering self-directed learning and providing benefits for individual growth, changing employment needs and wider benefits for the society.

The foundation of the personal budget approach lies in a policy commitment to acknowledging education, training, and lifelong learning as individual rights. This is highlighted in the '20 Principles of the Pillars of Social Rights 2023.' This commitment is mirrored in various strategic policy documents and initiatives, including the European Skills Agenda and subsequent actions and tools like micro-credentials and the Europass Platform; the European Education Area; and the Digital Education Action Plan. ILAs[3] serve as another means to bolster these ongoing efforts. These initiatives acknowledge that supporting individuals in their learning choices leads to

their growth not only as competent workers or professionals through up-skilling and re-skilling, but also as more informed and active citizens

This paper aims to guide policymakers in implementing ILAs that empower individuals in their learning and training pursuits, promoting a culture of proactive, self-directed learning essential for personal and professional growth. By aligning ILAs with the principles of the European Pillar of Social Rights, the European Skills Agenda and the related Council Recommendation, we ensure that ILAs do not cater only for skills development, but also serve as instruments for social progress, economic advancement and personal empowerment

This paper contains the follow sections:

- Section 1: The 'personal budget' approach to constructing an ILA
- Section 2: The skills eco-system for managing the personal budget approach to ILAs
- Section 3: Enabling framework for successful ILA implementation
- Section 4: Critical success factors for implementing a personal budget ILA – the practitioner perspective
- Section 5: Some concluding remarks
- References
- Annex

---

1   The first background paper provides an overview of ILAs and practical lessons for overall policy and implementation. The second background paper examines various critical and practical issues concerning funding for ILAs.
2   From here on, we will refer these documents as 'key documents' in the rest of the discussion.
3   ILAs are also featured in the European Skills Agenda as one of the key actions.

1.   SECTION 1: THE 'PERSONAL BUDGET' APPROACH TO CONSTRUCTING AN ILA

What is a personal budget?

In the context of the Council Recommendation on ILAs, an individual learning entitlement means the right to access a personal budget at an individual's disposal to cover the direct costs of labour-market-relevant training, guidance and counselling, skills assessment or validation that are eligible for funding. An 'individual learning account' is a delivery mode for individual training entitlements. It is a personal account that allows individuals to accumulate and preserve their entitlements over time, for whichever eligible training, guidance or validation opportunity they deem most useful and whenever they want to, in line with national rules. The notion of personal budget grants individuals full ownership of their training entitlements, irrespective of the funding source. Thus, individual learning accounts, based on personal budgets, support self-directed and flexible learning pathways. The personal budget approach has the following key features:

Individual Autonomy and Career Planning

Unlike voucher schemes, which typically steer learners to predefined courses or providers, a personal budget allows for a personalised learning pathway. This autonomy is vital in adapting to the rapidly changing labour market needs. It empowers individuals to select training that aligns with their career aspirations and evolving labour market landscape, fostering a culture of self-directed learning.

Alignment with Labour Market Demands

Autonomy also leads to dynamic alignment with changing skills demand. Personal budgets in ILAs enable learners to pursue training in emerging skills areas and adapt to changes in technology and the twin transitions. In contrast, training vouchers often lack this adaptability as they are generally designed to support specific occupational programmes, limiting their effectiveness in addressing the dynamic nature of skill requirements.

Commitment to Lifelong Learning

Principle 1 of the European Pillar of Social Rights reinforces the EU's commitment to lifelong learning. Personal budgets support this commitment more effectively than vouchers. They provide learners with the means to engage in **continuous** skill development, a core aspect of lifelong learning. Vouchers, by being typically one-time or limited-use instruments, may not promote ongoing learning and development to the same extent.

Cost-Effectiveness and Economies of Scale

According to the Impact Assessment of ILAs, underpinning the Council recommendation, personal budgets offer more significant economies of scale compared to voucher schemes (EC, 2021: 168). The instrument can also allow for multiple funding sources, such as contributions from employers or stakeholders, to be channelled into the same account.

Greater Inclusivity and Accessibility

Personal budgets are inclusive in nature and accessible to a broader range of individuals, as well as those in atypical employment or those transitioning between jobs. This inclusivity is essential for building a skilled and adaptable workforce. Voucher schemes, due to their restrictive nature in most cases, may not cater as effectively to diverse groups within the labour market.

To summarise the above points, ILAs, as set out in the CR, could become a long-term systemic skills measure that will add value to the existing skills system.

2.   SECTION 2: ONLINE TOOLS FOR MANAGING THE PERSONAL BUDGET APPROACH TO ILA

Nowadays, online solutions are integral to educational and skills-related developments. An online ecosystem tailored to ILAs based on a personal budget approach stands as a cornerstone for lifelong and adult learning and skills development.

The following will discuss how a digital portal, encompassing multiple tools, resources, information, and databases, can support and enhance the functionality and utility of ILAs, directly benefiting the learners. While there can be many components in the system, they are not there for completeness reasons. The underlying principle linking those components is the **need to empower individuals' skill and educational needs**. For brevity, when examples are used in the next section, we will utilise the French CPF and Singapore's SFc, as they adhere closely to the vision of ILAs, as described by the key documents.

Central Hub for ILA Information and Support

A comprehensive online ecosystem for ILAs serves as a central repository of information, ensuring that learners have easy access to all relevant and up-to-date information about ILAs. This includes details about eligibility, benefits, and the mechanics of using a personal budget within ILAs. The portal can host FAQs, guidelines, policy updates, and user testimonials, thereby demystifying the process and encouraging broader participation.

Promoting Engagement and ILA Utilisation

The portal can simplify the processes of applying for, enrolling in, and managing ILAs. By integrating application forms, enrolment procedures, and continuous engagement tools, the portal ensures a seamless user experience. This ease of access is crucial in promoting the use of ILAs, especially for those who may be less familiar with digital interfaces. In the case of SFc in Singapore, a phone service is provided in parallel to the online portal, as a significant proportion of citizens over the age of 60 have not completed secondary education. Inclusivity is also an important consideration when constructing an online portal for ILAs.

Provision of Counselling Services

Counselling services, including career guidance, skill gap analysis, and learning pathway planning, are vital in helping users make informed decisions about their learning journeys. An online ecosystem can facilitate virtual counselling sessions, provide self-help tools, and connect users with professional advisors (should face-to-face meetings be required), aligning learning choices with personal and market needs. The latter point means that some portals may consider a linkage with public employment services (PES) providing information about vacancies, job requirements, median salary information and resources further afield, such as occupational skills requirements in ESCO and qualification frameworks.

Transparent Management of Funding Sources

A central feature of the personal budget approach in ILAs is the transparency and flexibility in managing funds. The portal can offer real-time insights into funding sources, including government contributions, employer top-ups, or private investments, or any other sources that the national rules allow, enabling the users to plan and utilise their budgets effectively.

Administration and Account Management

For the practical administration of ILAs, the portal can feature tools for monitoring account balances, processing payments, and managing transactions. This administrative aspect ensures that users can track their spending and remaining balances, facilitating responsible and informed budgeting decisions. Generally, the advantage of creating an efficient administration system online is the need to develop the 'economies of scale' capability which is vital for managing large number of learners.

Directory of Learning Providers

A key to the success of ILAs is the availability of quality learning opportunities. The portal can host a directory of approved learning providers in both public and private sectors, offering users a wide array of options. This directory, regularly updated, ensures that learning choices align with both personal goals and emerging market trends.

Research and Continuous Improvement

The portal can gather data on utilisation patterns, course effectiveness (through feedback), and market trends. This data can inform continuous improvements in ILA policies and practices, identifying gaps in support, ensuring the system remains responsive to evolving educational and labour market needs.

The French CPF's online portal is a good example to demonstrate an effective online portal supporting a personal budget-based ILA. Key functions and components of the CPF portal that support and empower learners include the following:

- **Coverage of Training Costs**: The CPF covers training costs up to the amount available in the user's account, offering options for co-financing if the account balance is insufficient.

- **Certification for CPF-Eligible Courses**: The portal provides information on the required certification for CPF-eligible courses, ensuring users are aware of the qualifications they can attain.

- **Course Selection**: Users can choose their courses from the CPF catalogue available on the *Mon Compte Formation* app and website, offering a user-friendly interface for course selection.

- ■ **Application and Account Activation**: The portal facilitates the application process for courses and the activation of CPF accounts, making it easier for users to start their learning journey.

- ■ **Contact and Support**: The portal provides contact information for a dedicated CPF team, offering personalised support to users.

These features collectively create an empowering environment for learners, offering easy access to information, financial support, and administrative convenience, enhancing the overall effectiveness of the CPF system as a model for personal budget-based ILAs.

Figure 1: The online portal of *Compte Personnel de Formation* (CPF)

Source: https://www.moncompteformation.gouv.fr/
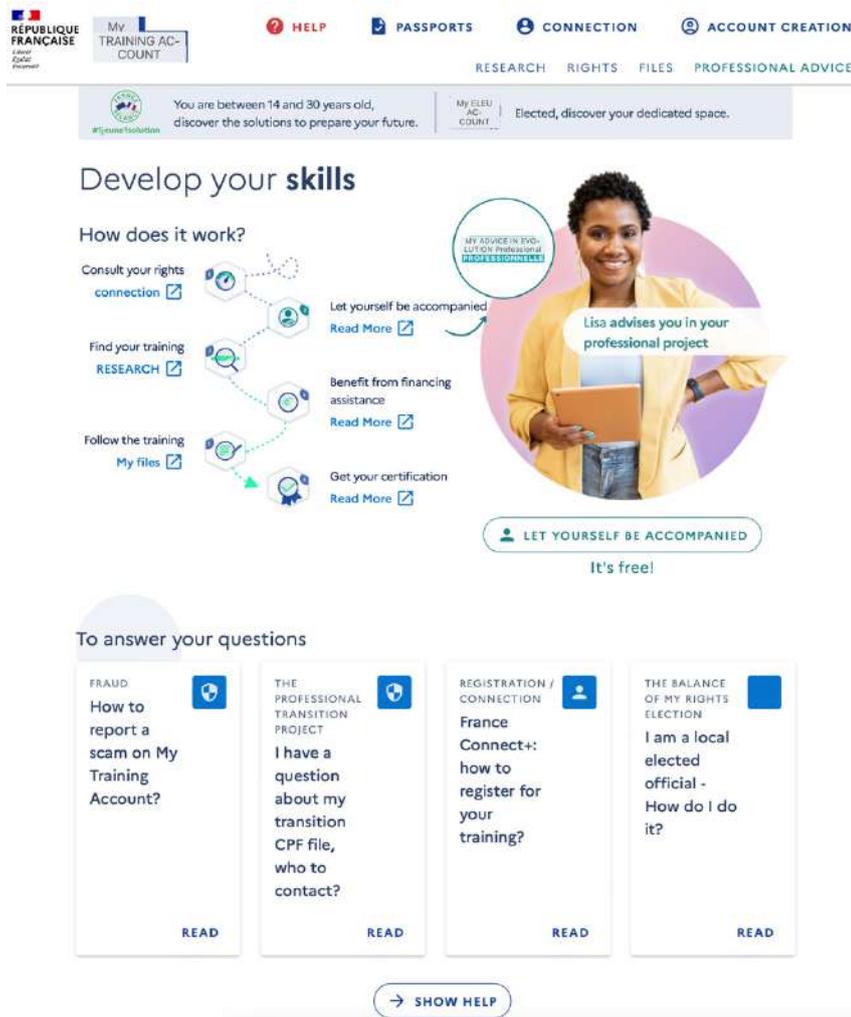
In Singapore, the online ILA management operates via two linked portals – MySkillsFuture and MyCareerFuture. The former covers similar grounds as CPF, including the learners' accounts, learning provision, current news and various assessment tools (e.g., career orientation and skills confidence). The latter is labour market portal that supports the learners' job transition and career planning. Inside MyCareerFuture, it provides vacancies information, career development tools, job matching, coaching and counselling services, virtual career fairs and workshops. In the European context, the MyCareerFuture may be described as a PES. The main emphasis of both portals is to 'wrap' the support features around the personal account, and therefore providing a personalised support.

To summarise, online portals may take different forms, containing different components. The basic requirements are to create an easy-to-use, empowering and individualised environment for effective user engagement and efficient administration for ILAs.

3. SECTION 3: ENABLING FRAMEWORK FOR SUCCESSFUL ILA IMPLEMENTATION

ILAs are not just a funding mechanism standing on its own. To be effective, there is a number of 'enabling' measures that should be considered when working with ILAs. Many of these are also useful to be incorporated into the online support system in order to provide a seamless and user-friendly environment. The following are some of the important parts of the enabling framework:

Access to Validation and Skills Assessment Opportunities

To enhance the currency of ILAs, CR suggests that ILAs should be used in conjunction with validation and skills assessment opportunities. This suggestion highlights the need for tailored support and better coordination which may be particularly important for some learners, e.g., disadvantaged groups in the population. Micro-credentials, if used, are also suggested as a means of providing validation based on identified needs.

Career Guidance and Counselling Services

As ILAs are driven by individuals, we cannot assume that all learners have all the necessary information to exercise their funding for learning. The provision of career guidance and counselling services becomes critical where ILAs are positioned to encourage career planning and enhancing employability. Member states are advised by CR to make these facilities available and accessible to every owner whether in-person or online.

Paid Training Leave

Not all barriers to training are financial. 'No time' is the top reason for people not engaging in learning/training in every training survey. As a result, CR has suggested paid training leave to enable workers to maintain their salary or a replacement income during periods of training. CR further suggests the need to engage in dialogue with social partners and employers to design a system that supports both ILAs and paid training leave. Efforts also need to be made to include SMEs or micro-enterprises in such arrangements.

Public Registry of Training

A regular update of a public registry is needed to coordinate the whole enabling framework. This registry should include training providers, career guidance, and validation opportunities eligible for funding from individual training entitlements. The registry should be governed by clear rules, which are based on transparent quality requirements, skills intelligence and the cooperation with social partners and relevant stakeholders. Regular reviews of these rules are needed to ensure they remain responsive to labour market and individual needs.

4. SECTION 4: CRITICAL SUCCESS FACTORS FOR IMPLEMENTING A PERSONAL BUDGET ILA – THE PRACTITIONER PERSPECTIVE

The main criteria for an effective ILA system include a personalised approach to ILA, empowerment, inclusivity, high engagement, good ILA utilisation, and last but not least, appropriate quality measures. To achieve these objectives, the following is a list of critical factors to consider. Some factors require due attention, but others may require much more work, leading to increased scope of system building.

Programme Alignment

We need to align the ILA design with CR and other key documents before implementation begins. Alignment is crucial for maximum impact and effective system building. It is the first step.

Establishing Adequate and Sustainable Funding

For a personal budget supporting long-term skills and career decisions a reliable funding source is fundamental. As discussed in the second background paper, this involves not just initial funding but also long-term financial sustainability. In addition, long-term agreements with co-funding partners (if any) and contributions from various stakeholders, including employers, can be pivotal.

Clear and Transparent Criteria about ILAs

Clearly defined criteria for who can access ILAs, how to use them and for what purposes are essential. This helps in ensuring effective engagement and utilisation. Many examples of policy provision suffer from complexity and uncertainty. However, information on an online portal may not be sufficient. Awareness campaigns at regular intervals may be required. Also, we have mentioned the need to integrate labour market information, counselling and coaching for effective use of ILAs.

Accessible and User-Friendly Portals

Online tools are easy to build these days. However, this does not mean that every portal is easy to use. The infrastructure for managing ILAs should be easy to navigate. Digital portals need to be user-friendly and accessible to all, including those with disabilities. Integration with existing portals, e.g., job portals and learning providers' databases, as well as tools like Europass, can enhance the usefulness of an ILA portal. However, there could be a trade-off between the multitude of tools and navigational complexity. As a result, the French CPF adopted a digital approach that reduces the number of actors involved but at the same time digitalises the entire process, from account creation to training selection. In Singapore, the MySkillsFuture portal makes use of a 'recommendation' system to reduce information overload.

Effective Outreach and Awareness Campaigns

Widespread awareness and understanding of ILAs are crucial for their uptake. In Singapore, a one-week 'SkillsFuture Festival' is held every year to highlight various learning activities via many events across the country, in the media as well as on location. However, raising awareness is just a useful start. For effective engagement and high levels of participation, we need to understand what other factors may be in play. For example, the 'lack of time' and family responsibilities are the usual constraints. What are other non-financial barriers to learning? To what extent can ILAs inspire people's motivation to learn, rather than just providing support? As a result of these questions, this may form the argument for research support as an important part of the ILA eco-system.

Inclusive design and empowerment

These are factors that we have covered in previous points, and they are linked to the out-reach and engagement discussion above. We need to identify what the goals behind 'inclusive design and empowerment' are within your national context, and how to achieve these goals over the different stages of ILA development. The identification of these factors may affect how a personalised ILA system is built.

Stakeholder Support

As part of the empowerment discussion, ILAs will inevitably go through stages of long-term development and reforms. There is the need to ensure continuous involvement of social partners, educational institutions, employers, and other stakeholders, so that they can understand and support the goals at different stages.

Regular Monitoring and Evaluation

It is not difficult to learn the monitoring and evaluation process and build that into a system. However, the personal budget and empowerment themes for ILAs also mean that we may need to identify the relevant or most appropriate metrics for the monitoring and evaluation exercises. They may differ from the usual metrics such as pay, working conditions or job satisfaction. Take career mobility as an example, what data would we need for mobility (and there are different concepts of mobility in practice) and how to get them? In addition, there are other system-related elements such as the quality of learning and appropriate use of funding that may also need to be maintained and monitored on a regular basis.

Robust Misuse Detection and Prevention Mechanisms

Like some other funding programmes, ILAs can exposed to misuse, due to the high volume of people and transactions in the system. We will examine some of the issues involved in the next section. For now, we need to be aware of the fact that ILAs remain one of, if not the only, most effective funding mechanism for empowering individuals, but they are also vulnerable to reputational damage and loss of public funding, should misuse become widespread.

Misuse of ILAs

When every citizen is entitled to an allocation of personal budget for training, and they can decide how to use that fund, they can be exposed to misuse. The following types of misuse may occur:

- **Fraudulent Training Provision** – Some training providers could be found to offer low-quality courses or courses that do not exist, coupled with malpractices such as giving away gifts to attract learners, leading to false claims and misuse of public funds.

- **Identity Theft** – Learners' identities could be stolen, and funds misappropriated.

- **Inflating Training Costs** – Overstating the cost of training programmes to receive higher payments out of the ILA accounts. The consequence is that financial allocation for training funds may go up while the level of training may remain the same.

Learnings from past incidences of misuse offer guidance about good practices to monitor misuse. We shall look at some of those suggestions in the next section.

- **Stringent Accreditation and Monitoring of Training Providers**

Past experience shows that when an ILA is introduced, the number of learning providers may go up. In a way, this is normal as every citizen is a potential learner and user of ILAs. We may need more providers. However, it also means that uncertainty regarding the quality of these providers may increase. Large numbers of providers also means that it may take time to validate and re-validate these providers.

- **Verification of Training Attendance and Completion**

Implement mechanisms to verify actual attendance and completion of training programmes, such as digital attendance tracking or requiring submission of completion certificates. Identity check is also necessary. However, the real challenge is that these exercises are often done at the latter stage of the admin process (i.e., funds have been transferred) which may be too late to prevent misuse. At the same time, it is also difficult to spot irregularities before training takes place. We will return to this discussion at the end of this section.

- **Enhanced Security Measures for Account Access**

Strengthen the security protocols for ILA account access, including two-factor authentication and regular audits of account activities.

- **Regular Audits and Inspections**

Conduct regular audits of both training providers and individual accounts to detect any irregularities, but without putting disproportional burden on providers. A 'risk approach' can be considered where 'trusted' providers from the formal system may have different criteria than providers from outside the formal system. Similarly, audit at the beginning may be more frequent and later. The idea is to strike a balance between minimising risks and coping with capacity constraints.

- **Public Awareness and Education**

Educate ILA account holders about potential misuse, and encourage them to report suspicious activities. Inform them of safe practices for managing their accounts and beware of illegitimate practices.

- **Strong Legal Framework and Penalties**

Legal frameworks can be put in place that define misuse activities and impose stringent penalties. This practice is less about imposing penalties after the event than structuring the behaviour of all participants in the system. It also helps support awareness, as outlined in the point above.

- **Minimise the Risk of Over-charging on Course Fees**

This may be easier said than done. Where the numbers of approved courses are high and levels of sophistication varies widely, monitoring fee levels can become difficult. There could be a number of counter measures. One method is based upon working out some formulae and agreements with stakeholders. Another may use competition to keep fees low, though this is less effective when the 'market' is spread across a wide geography. The practice may go against the 'quality' concern when more private providers enter the scene. In general, this is one of the more difficult aspects of misuse that is also difficult to 'prove'. Looking at past experience, it appears that there isn't one single measure alone which can prevent this type of misuse.

- **Whistle-blower Protections and Reporting Channels**

Establish a secure and anonymous reporting system for whistle-blowers. Surprisingly, this is one of the most effective means of detecting misuse in spite of the introduction of A.I. monitoring (see next).

Data Analysis and Fraud Detection Software

Utilising advanced data analysis and fraud detection software to identify patterns of misuse needs to be considered. In principle, this is a cost-effective method that is capable of monitoring at scale. However, this approach should not be regarded as a 'silver bullet', and its success also depends on factors like the quality of the underlying data, the sophistication of the algorithms used, and the expertise of the personnel operating and interpreting the system's outputs. Small misuses tend to be harder to detect. Moreover, such systems should be part of a broader strategy that includes policies, procedures, and human oversight to address misuse.

As a concluding remark on misuse, it is clear that not one single measure can prevent misuse. In addition, we need a 'strategy', and not just measures. For example, a strategy that is based upon 'traceability' in which providers need 'guarantors' to secure the right to practice that goes beyond the inspection of processes and standards. The intention here is to build a network of 'trusted providers'. I emphasise that this is not the only 'strategy'. It is essential that each national team examine this issue within the national context, and come up with an appropriate strategy. This should form part of the early considerations when an ILA is set up.

In summary, we need to understand that a successful implementation of ILAs may also bring new challenges. Fortunately, in all cases, good planning, appropriate system design, sufficient resources and due diligence can reduce the extent of most of these challenges. The French CPF has a wealth of experience in dealing with these challenges. Further details can be found at the following Cedefop site on 'securing ILAs':

https://www.cedefop.europa.eu/en/news/france-securing-personal-training-account-scheme.

5. SECTION 5: CONCLUDING REMARKS

We have covered a lot of ground about the personal budget approach to implementing ILAs. As an overall conclusion, here is a short list of general and practical advice. These are as follow:

Recognise that ILA policies and frameworks may need to be adapted over time. Make the system responsive to evolving labour market demands, technological advancements, and the changing needs of the workforce.

Design ILAs with the end-user in mind. Consider the diverse needs, preferences, and challenges of potential beneficiaries.

Build strong collaborative networks with stakeholders. This collaboration can lead to more comprehensive and effective ILA programmes that are well-integrated with the needs of individuals, the labour market and society.

Ensure transparency and clarity, as clear communication prevents misunderstandings and builds trust among all stakeholders.

Position ILAs not just as a short-term solution, but **as a mechanism for lifelong learning or continuous skills development**. Encourage a culture of ongoing learning and adaptation among the workforce.

Take advantage of technology, use data-driven insights to make informed adjustments and improvements, ensuring that the ILA system meets its intended objectives and provides value to its users.

Be mindful of potential disparities in access and outcomes. Strive for inclusive and equitable outcomes via ILA.

Online portals can manage a support system at scale. However, we need to balance this with the need for human touchpoints and support, especially for those less comfortable with technology.

Cultivate a sense of shared purpose and collective responsibility among all stakeholders. A unified approach towards ILA implementation enhances commitment, resource sharing, and the achievement of common goals.

REFERENCES

20 Principles of Pillars of Social Rights (2023) https://ec.europa.eu/social/main.jsp?catId=1567&langId=en

Cedefop (2009). Individual Learning Accounts. Luxembourg: Office for Official Publications of the European Communities.

European Commission (2021). Commission Staff working document – Impact assessment report – Accompanying the document Proposal for a Council Recommendation on individual learning accounts. Brussels: EU Commission.

European Commission. (2020). European Skills Agenda for Sustainable Competitiveness, Social Fairness and Resilience. Brussels: EC.

European Commission. (2023). European Pillar of Social Rights: from principles to action for a strong social Europe. Brussels: EC.

The Council of European Union. (2022). Council Recommendation on Individual Learning Accounts, Luxembourg: EU.

ANNEX

Table 1 provides a quick summary that may identify the features of an ILA as defined by CR. Here, we use voucher as a contrast in relation to achieving what ILAs are expected to achieve under CR.

Table 1: Definitions of ILAs in Council Recommendation (2022) and comparison with vouchers

Definitions of ILAs under CR	Comparing with Vouchers
ILA is an individual training 'entitlement'. It confers the right to access a personal budget at an individual's disposal to cover the direct costs of labour-market-relevant training, guidance and counselling, skills assessment or validation that are eligible for funding.	Vouchers may achieve similar effects. However, decisions relating to the use of the voucher may go with more restrictions and less available choice.
ILA is a personal account that allows individuals to accumulate and preserve their entitlements over time, for whichever eligible training, guidance or validation opportunity they deem most useful and whenever they want to, in line with national rules. It grants the individual full ownership of the entitlements, irrespective of the funding source;	Vouchers are more restrictive over the time horizon. Accumulation is usually not part of the provision.
'Transferability' of individual training entitlements means that, once conferred, such entitlements remain in the possession of the individual concerned, including during transitions, such as between jobs, from job to learning, from employment to unemployment, and between activity and inactivity.	Vouchers are generally not transferrable.
'Enabling framework' comprises support that promotes the effective take-up of individual training entitlements. This includes career guidance and validation opportunities, a national registry of opportunities that are eligible for funding from individual training entitlements, a single national digital portal to access the individual learning account and national registry, and in some cases, paid training leave.	The concept of 'enabling framework' is not present with vouchers. The enabling framework as referred to in the CR, builds on the integration of guidance, validation, information provision on the available quality assured training options and possibilities for paid training, which is usually not present in voucher schemes in such an integrated way.

Source: Author and CR (2022).

An important reminder is that Table 1 shows the *general* distinctions between ILAs and vouchers, especially occupational training vouchers. However, it is possible for those distinctions to narrow when vouchers are designed to support long-term skills development such as lifelong learning.

FROM PILOTS TO FULLY FLEDGED ILAs

Thematic discussion paper

Professor Johnny Sung, September 2024

INTRODUCTION

This background paper has been prepared to support the workshop of the Individual Learning Account Mutual Learning Programme (ILA MLP), organised by DG EMPL on 18-19 September 2024. It is specifically designed to assist the participating ILA implementation teams who joined the programme in 2023. These teams are currently progressing through various stages of ILA implementation.

The purpose of this paper is to explore the critical stages and challenges associated with the implementation of Individual Learning Accounts (ILAs), with a focus on the journey from initial pilot schemes to full-scale deployment. ILAs represent a significant innovation in lifelong learning and skills policies, offering individuals the autonomy to pursue education and skills development tailored to their personal and professional needs. However, the implementation process for ILAs is complex and varies significantly across countries due to contextual factors. It requires careful planning, sustained commitment, and a willingness to innovate and experiment with different approaches over time. From securing adequate funding to ensuring broad accessibility, and from maintaining quality control to fostering user engagement, the journey from a pilot programme to a fully-fledged ILA system demands strategic foresight, effective coordination, and operational flexibility.

This paper primarily utilises the French ILA system (*Compte Personnel de Formation*, CPF) and its development process to inform our discussion on the journey from pilot schemes to fully-fledged ILAs. The Lithuanian ILA scheme, introduced in early 2024, is still in its early stages of development. We will review useful lessons at a later date. In addition to using the CPF as an example, we will supplement the discussion with insights from Singapore's and South Korea´s experience where relevant.

France's experience with ILAs is particularly relevant to other EU Member States, as it closely aligns with the principles and objectives outlined in the Council Recommendation on ILAs. The French model provides valuable insights into how ILAs can be structured and managed to address both individual needs and broader labour market requirements. This experience underlines the importance of establishing a robust institutional framework, securing sustainable funding sources, and continuously adapting to the evolving needs of the workforce.

The following sections of this paper are designed to guide implementation teams in other EU Member States through the complexities of developing their own ILA systems. Each section addresses a critical aspect of the ILA journey, from initial planning and pilot testing to scaling up and refining the system. By learning from the successes and challenges encountered in France, other EU countries can better navigate potential pitfalls and leverage best practices to ensure the successful adoption and implementation of ILAs in their own contexts. This paper aims to equip policymakers and practitioners with the knowledge and tools necessary to manage the ILA implementation process effectively, fostering a more skilled and adaptable workforce across Europe.

1. A QUICK RE-VISIT OF THE ILA IN FRANCE

Background of the ILA in France

The concept of ILAs in France has evolved significantly over the past two decades, rooted in the broader European movement towards enhancing lifelong learning and fostering individual responsibility for skills development. The French ILA system, known as the *Compte Personnel de Formation* (CPF), represents a major shift in the nation's approach to vocational training and adult learning. Initially introduced as the *Droit Individuel à la Formation* (DIF) in 2004, the system allowed employees to accumulate 20 hours of training per year, up to a maximum of 120 hours, which could be used with employer approval. The objective was to empower individuals to take charge of their professional development, aligning with the broader European agenda that promotes lifelong learning as a means to ensure employability in a rapidly changing labour market.

The Launch of CPF

In 2015, the DIF was replaced by the CPF, a more comprehensive and accessible system designed to extend training opportunities to all working-age adults, including employees, job seekers, and the self-employed. The CPF represented a significant reform in the French training landscape by introducing a more individualised approach, where each individual's account was credited annually with 24 hours per year for a full-time employee, subject to a ceiling of 120 hours after five years. Then, 12 hours were credited per year of work, up to a limit of 150 hours. The ceiling was therefore reached after 7.5 years. Where the employee did not work full-time over the entire year, the funding would be calculated *pro rata* to the time worked, subject to provisions provided for by a company, group or sector agreement. In this way, even the first version of the CPF (in hours) was accessible to part-time employees.

The Reform in 2018

The 2018 reform further entrenched this system by monetising the accounts with an entitlement of EUR 500 per year and up to EUR 5,000 accumulatively. People who are most in need of training (people with disabilities or without qualifications) enjoy a higher entitlement of EUR 800 yearly and accumulatively up to a ceiling of EUR 8,000. The account holder has direct access to the training entitlement and training providers via a digital platform (*Mon compte formation*). This reform enables ease of access and increased individuals' autonomy in managing their training paths.

The reform also introduced other significant innovations. For example, the collection and management of CPF contributions were streamlined. Employer contributions, which previously went to various sectoral funds, are now collected centrally by the Union de Recouvrement des Cotisations de Sécurité Sociale et d'Allocations Familiales (URSSAF, or the "Union for the Recovery of Social Security Contributions and Family Allowances") and the agricultural social mutuality for those insured under the agricultural regime. Part of the training fund is distributed to Caisse des Dépôts et Consignations (CDC) which manages CPF funding support under the supervision of France Compétences.[1]

Beyond the role of centralising professional training funding, *France Compétences* also manages the registration of professional certifications (diplomas recognised by the State). This is a guarantee of quality for the CPF because the eligible training courses are mainly those which lead to diplomas managed by France Compétences. France Compétences also plays a crucial role in the broader quality assurance framework. This includes publishing the list of training organisations which have the right to train for registered certifications. Only training organisations mentioned on these lists will be able to have access to the CPF.

To ensure quality, the Qualiopi brand was created and has been made compulsory since 2022 in the event of payment of public funds to a training organisation. The CPF is therefore affected by this reform: the use of Qualiopi as a 'quality mark' obligatory for training providers accessing CPF training funds. The Qualiopi certification process is managed by the French Ministry of Labor, Health and Solidarity (Ministère du Travail, de la santé et des solidarités) by establishing a national benchmark. To acquire it, training organisations must comply with a standard published by the State. Those who achieve compliance with this standard are certifying bodies accredited by COFRAC (it is the only reference body in France in terms of accreditation: an activity of public power and general interest).[2] The improved CPF structure and functionality have been instrumental in its increasing take-up. Table 1 below illustrates its progress between 2019 and 2021:

Table 1: CPF Utilisation and Cost Statistics

	2019-20	2021
Training incidence (million)	1.18	2.35
Training cost (€ billion)	1.44	3.17
Average course price (€)	1,215	1,350

Source: Mutual Learning Event on Individual Learning Accounts, 25 April 2023.

Relevance of CPF for other ILAs in EU Countries

The CPF offers several advantages that make it a valuable case study for other EU Member States considering the implementation of ILAs. One of its key strengths is its alignment with the principles outlined in the Council Recommendation on ILAs, which emphasises universality, portability, accumulation, accessibility, user autonomy, and the integration of skills policy into national employment strategies. Additionally, the CPF's digital portal and its registry simplify access to training opportunities, serving as a model for leveraging technology to enhance user engagement, facilitate access to training offers, and reduce administrative burdens.

---

1   France Compétences is the body overseeing the entire technical vocational education and training system in conjunction with all stakeholders, also in charge of funding the CPF. Also see ICF's ILA Country Report on France https://multimedia.next-ma.eu/icf-h/documents/321d2002-9f9b-41c4-807b-f9ff9fbbeebf.pdf

2   See https://www.cofrac.fr/en

2. LEARNING FROM THE IMPLEMENTATION, REFORMS, AND ONGOING DEVELOPMENT OF THE FRENCH ILA AND OTHER SCHEMES

Implementation of the French ILA (CPF)

Launched in 2015, in its first version in hours and on 21 November 2019 in its monetised version as a successor to the DIF, the CPF was designed to offer greater flexibility and autonomy to individuals in managing their own skills development. This represented a radical shift, as the DIF and many other training support schemes in other countries lacked this 'user-led' emphasis. In many schemes, 'demand-led' often refers to the needs of industries rather than those of individual learners. The CPF adds an individual dimension of demand for training, empowering users to take control of their professional development while balancing the training needs of both industries and individuals. Consequently, the early years of CPF implementation were marked by efforts to expand access and increase inclusivity within the training system. Unlike the DIF, which was primarily limited to employees, the CPF aims for universality — a principle central to ILAs under the Council Recommendation — extending coverage to everyone in the private sector, including job seekers and the self-employed.

It is useful to note that universality refers generally to all working adults under the Council Recommendation. It is defined as follows (The Council of European Union: p. 5):

> *"The Recommendation [of ILAs] covers working-age adults legally residing in a Member State, independently of their level of education and current labour force or professional status"*

To expand accessibility and improve management efficiency, a key component of the CPF's implementation was the creation of a digital portal that allows users to directly access and manage their training accounts. This portal is crucial in reducing the bureaucratic barriers that previously limited the effectiveness of training programmes in France. By enabling individuals to directly select and enrol in training programmes without the need for intermediaries, the digital portal significantly enhances the system's accessibility and user-friendliness. This digital infrastructure — managed by the *Caisse des Dépôts et Consignations* (CDC)[3] — is supported by a robust regulatory framework aimed at ensuring the quality and relevance of the training offered. Similarly, the Korean National Learning Card and the SkillsFuture Credit (SFc) in Singapore, as discussed elsewhere, have also streamlined their digital processes for selecting and enrolling in training programmes, much like the CPF.[4] Enhanced accessibility, user-friendliness and efficient system-scaling do not happen by chance. It is easy to think of a digital portal as merely an online presence. However, in our previous ILA mutual learning events, we emphasised that a digital portal should be the central focal point of an ILA scheme — scalable, efficient, easy-to-use, data-driven, and capable of 'pushing' vital information to the appropriate users at the 'right time'. Such a portal may also support aspects of quality assurance, for example, through the utilisation of data and user feedback.

The CPF's implementation also involves extensive engagement with social partners, including employers, sector bodies, standards and qualification bodies, and trade unions, to ensure that the system meets labour market needs while balancing workers' learning interests. This collaborative approach helped build broad support for the CPF, securing agreements and collaborative efforts for system integration, and evolving a system capable of handling change. The role of social partners in the CPF's governance structure is mirrored in Korea's National Learning Card (participation of community learning bodies) and Singapore's SFc (employers, unions and community development representations), where government agencies work closely with industry and social partners to ensure that training programmes are relevant and responsive to economic demands.

Reform and the need for impact

One of the most significant changes in the 2018 reform was the shift from an hours-based to a monetised system. This change was intended to simplify the CPF and make it more transparent, allowing users to easily understand the value of their training credits. The advantage of using a monetary unit also makes it easier for the user to examine alternative financing options or combinations, e.g., there are other sources of funding and their balances are visible in the ILA portal. Likewise, the use of a monetary unit facilitates the way SkillsFuture Credit (SFc) users in Singapore can combine different funding accounts that they are entitled to. The end result is a more streamlined experience for the ILA user. The learning point here is that we need different ways to encourage greater uptake and easier use of the ILAs. There is a big difference between building an infrastructure as a system and an infrastructure that people want to use. Recognising this early on in the process of ILA implementation will save a lot of time and resources. Indeed, Sections 4 and 5 have further discussions to examine the issues of ILA participation.

---

3   The CDC is responsible for the management of the CPF – entrusted by the State – which includes the hosting of the web portal. The CDC is the central point of coordination for training providers (display of the education and training sessions, registration, follow-up, checking the training delivery and payment of the training providers). Also see ICF's ILA Country Report on France https://multimedia.next-ma.eu/icf-h/documents/321d2002-9f9b-41c4-807b-f9ff9fbbeebf.pdf

4   For detail, see Sung (2024). Supporting Individual Learning: two case studies outside the EU. A background paper supporting ILA MLP meeting in June 2024. Available at MLP's resource portal. From here on, all information concerning the SFc and National Learning Card of Korea – and in some places the Canadian Training Credit – is derived from this background paper. It is also important to note that the Canadian Training Credit (CTC) is not an ILA within the definition of Council Recommendation. In some parts of this background paper, we may cite CTC to illustrate points made, e.g., whether it is useful to tackle inequality to accessing training.

Another major aspect of the 2018 reform was the introduction of new mechanisms to ensure the quality of training providers. The creation of France Compétences was a key part of this effort. France Compétences is a public body responsible for recording certifications (diplomas recognised by the State) and establishing the list of training organisations authorised to offer training that leads to these diplomas — of which there are over 14,000 in the system at the last count — while also registering these on MonCompteFormation. This initiative aimed to address concerns about the quality and relevance of training programmes, ensuring they met the needs of individuals, industry, and the labour market. The reform also sought to address issues of equity by providing higher training credits to less-qualified workers and those in precarious employment situations.

As mentioned in Section 2.2, one of the most significant changes introduced by the 2018 reform was the shift from an hours-based system to a monetised one. This change was intended to simplify the CPF and enhance transparency, enabling users to easily understand the value of their training credits. The advantage of using a monetary unit also allows users to explore financing / taking courses that require more than one year's CPF funding. For example, when the monetised version of the CPF was implemented in 2019, the average cost of training was EUR 1,200. CPF holders can now calculate how many years of CPF accumulation may be needed to fund a particular course. The identification of the average cost of training is interesting for policymakers of other ILAs as this can enable them to project the size of the ILA budget, including what may be needed in stages over time.

Similarly, the use of a monetary unit in Singapore's SkillsFuture Credit (SFc) system enables users to combine different funding accounts to which they are entitled, resulting in a more streamlined experience for the ILA user. The key learning point here is the importance of making ILAs easier to use and more widely adopted. Building an infrastructure as a system is not the same as creating one that people genuinely want to use. Acknowledging this distinction early in the ILA implementation process can prevent unnecessary use of time and resources. Indeed, Sections 4 and 5 will further explore the issues related to ILA participation

The impact of these reforms has been significant. Following the reform, the utilisation of CPF accounts increased dramatically, particularly among groups previously deemed to have low participation rates. For example,[5]

- The participation rate among women increased at a higher rate than that of men between 2019 and 2021.

- Participation among young and older citizens improved fourfold and sixfold, respectively.

- Participation among low-income groups increased more than fivefold.

Reforms have been implemented in various ILAs before; for instance, both Singapore and Korea made reforms a few years after introducing their systems. However, major reforms are relatively rare. More commonly, continuous improvement and adaptation are the regular processes that ILA implementation teams need to address as part of their ongoing operations.

Ongoing Development and Adjustments

Since the 2018 reform, the CPF has continued to evolve in response to emerging challenges and opportunities. One of the key areas of ongoing development has been the enhancement of the digital platform that supports the CPF. Efforts have been made to further streamline the user experience, making it easier for individuals to navigate their training options and manage their accounts. This includes the introduction of new features, such as personalised training recommendations and improved search functionalities, designed to help users find the most relevant and effective training programmes.

Another important area of development has been the ongoing refinement of the regulatory framework governing the CPF. As mentioned earlier, the creation of France Compétences was not just a one-off introduction but a mechanism that must adapt and evolve with changing provisions, while continually improving its central role in overseeing the quality of training providers. In addition, the management capacities of the CPF by the Caisse des Dépôts et Consignations have been strengthened by giving it the power to control the training organisations referenced on the platform and to be able to establish sanctions for them. One example of the need for continuous support of the regulatory framework is the detection of possible fraud. Recently, new laws have been enacted to discourage the misuse of CPF funding, and data science techniques have been introduced to identify potential instances of fraud.

---

5   Figures were presented by the CDC team at the 20-21 June 2024 ILA MLP meeting.

The continuous improvement of an ILA often reflects broader national skills policy objectives, which may change over time, necessitating adjustments to the ILA system. For example, the CPF has undergone ongoing modifications aimed at addressing issues of equity and inclusion. Section 3.2.4 shows that progress has been made to further increase the system's accessibility for vulnerable groups, including those with low levels of formal education and individuals in precarious employment. These adjustments align with France's broader social and labour market policies. In Singapore's SFc, for instance, a focus on supporting 'mid-career' adults aged between 35 and 55 led to a doubling of their SFc entitlement in 2021. Similar equity-focused initiatives are evident in the Korean National Learning Card, where additional support is provided to vulnerable groups to encourage their participation in lifelong learning.

3. KEY ISSUES IN IMPROVING AN ILA AFTER A PILOT SCHEME

Establishing a Solid Legal and Institutional Framework

The CPF serves as an illustrative example of how a well-defined legal foundation can provide the stability and clarity necessary for widespread adoption and integration into national labour policies. Initially supported by comprehensive legislation, the CPF's objectives, scope, and operational mechanisms were clearly outlined, providing a strong legal basis.

For other ILAs currently in development, the key lesson is to consider whether and when a dedicated agency is necessary to support the various functions of ILAs. Korea's National Learning Card operates under the Ministry of Employment and Labour, a permanent government ministry. In contrast, Singapore's SFc is managed by SkillsFuture Singapore, an autonomous statutory division within the Ministry of Education. Unlike a permanent ministry, a statutory board such as SkillsFuture Singapore may cease to exist once its function declines or is no longer a government policy. These differences likely arise from local contextual factors – SFc's focus on 'deep-skilling' aligns with the role of SkillsFuture Singapore, which oversees and promotes all skills training in Singapore, while the National Learning Card's strong vocational learning emphasis makes the Ministry of Employment and Labour the natural body to manage it.

While we have discussed the centralisation of the CPF, decentralisation also plays a role in its implementation. The involvement of regional bodies has been instrumental in tailoring the CPF to local labour market conditions, thereby enhancing its relevance and effectiveness. This decentralisation is also evident in the Korean National Learning Card in terms of delivery of training and career guidance, where a multi-stakeholder framework involves ILA delivery at regional and local levels. The National Learning Card's decentralisation allows for greater flexibility and responsiveness, addressing regional disparities and ensuring that the ILA system is aligned with local economic, and skills needs.

Ensuring Adequate Funding and Resource Allocation

The financial sustainability of an ILA system is a critical factor in its success. The French CPF system highlights the importance of securing diverse funding sources to support the broad implementation of ILAs. Initially, the CPF was funded primarily through employer contributions, but subsequent reforms expanded the financial base to include other public funding and individual contributions. This mixed-funding model has been key to the CPF's flexibility, enabling continued access to training for CPF holders.

A key lesson from the CPF is the importance of aligning funding mechanisms with the specific goals of the ILA. For example, the French system provides additional financial support for those needing more support. This targeted allocation of resources helps to address inequalities and ensures that the ILA system contributes to social inclusion and workforce upskilling. Singapore's SFc has also introduced a similar targeted funding approach, reinforcing the idea that resource allocation should be strategically aligned with policy objectives. This approach to additional funding support for strategic or social objectives is also advocated by the Council Recommendation for ILAs.

The digital platform of the CPF has played a crucial role in managing the allocation of resources efficiently. By providing real-time information on available funds and training options, the platform helps users make informed decisions about their learning investments. Similarly, Singapore's ILA users often have access to multiple sources of funding or entitlements for education and training purposes — such as a defined portion of their pension contributions that can be used for education. The digital portal plays a significant role in making the funding support process seamless, ensuring that users can easily navigate and utilise their ILA.

Monitoring and Evaluation Mechanisms

Continuous monitoring and evaluation are vital for the success and sustainability of an ILA system. The French CPF system has embedded robust monitoring mechanisms that track the utilisation and outcomes of training programmes, providing essential data to inform ongoing policy adjustments.

A key aspect of the CPF's evaluation strategy is the use of data analytics to monitor user engagement and training outcomes. This data-driven approach allows for the identification of trends and gaps in the system, facilitating timely interventions and policy adjustments. For example, by analysing data on training completion rates and employment outcomes, policymakers can assess the effectiveness of different programmes and make informed decisions about which areas require further investment or reform. In Singapore, the doubling of funding for mid-career adults and the adjustment of the number of available programmes from 22,000 to around 20,000 (including online courses) were the results of similar monitoring and evaluation exercises.

In addition to national monitoring, there is also a need for international benchmarking and mutual learning, as demonstrated by the experiences of countries like Singapore and Korea. While ILAs under the Council Recommendation may differ from other ILAs outside the EU, these non-EU countries regularly compare their ILA systems against international best practices, using the insights gained to refine their own approaches. Drawing ideas from other ILA systems can help keep our own system competitive and effective in a global context. This is why we share and discuss these ILAs at the ILA MLP meetings.

Enhancing Accessibility and User Engagement

There are generally three main aspects to consider regarding accessibility. The first is the ease of obtaining relevant information about the ILA and understanding how to use it. The second is the availability of a wide array of approved training programmes and courses. The third involves other barriers that may create difficulties in using the ILA. As discussed, the CPF is a good example of significant strides made in leveraging digital technology to simplify access to training and engage a broad spectrum of users. However, the third type of accessibility issue tends to be overlooked by most ILA schemes until reviews and monitoring have taken place. For example, the ILA Council Recommendation and the Impact Study identify two critical issues under this third type of accessibility barrier: the potential need for paid training leave and coverage for indirect costs. Both documents suggest that these barriers should be considered by ILA planners.

The CPF in France, while primarily focused on covering direct training costs and providing paid training leave, does not typically extend to cover indirect costs such as childcare, travel expenses, or the purchase of books and equipment. This is because there are other forms of support that can see to the need for covering indirect costs in France. For example, several forms of assistance are aimed at childcare for children up to six years old (e.g., home care, care in a nursery, care with a childminder). However, in other cases, indirect costs may present significant barriers to access, particularly for individuals with low incomes, those engaged in non-standard forms of employment, or those with caregiving responsibilities. Korea's National Learning Card includes some provisions that may indirectly support participants. For example, employers offering paid training leave under the National Learning Card are eligible for government-funded financial compensation, which can cover not only wages but also other indirect costs, such as the wages of replacement workers. However, this provision is contingent on whether employers agree to provide paid training leave, which is not mandated by law. There is no provision under the National Learning Card for covering travel, childcare, or similar indirect costs. In the case of Singapore's SFc, paid training leave and coverage of indirect costs are not part of the ILA provision.

The third type of barrier is more general to all training support schemes, including ILAs. These barriers may vary from country to country, depending on factors such as the extent of industrial relations, collective agreements, sectoral support, and adult learning policies. For example, there are collective bargaining agreements in Germany that provide additional training benefits beyond those offered by public support mechanisms.

4. KEY STAGES IN IMPROVING AN ILA AFTER A PILOT SCHEME

Balancing Individual Autonomy with Market Regulation

One of the less-discussed challenges in improving an ILA is striking the right balance between individual autonomy and market regulation. The CPF was designed to empower individuals by giving them direct control over their training choices, allowing them to select courses that best meet their personal and professional needs. However, this high level of autonomy can occasionally lead to conflicts regarding the quality and relevance of the training options available.

For example, in the CPF system, the government has attempted to regulate the market by setting quality standards for training providers and maintaining a directory of approved courses. However, the sheer number of providers and courses – catering to learners in different locations and across various subjects – means a system – e.g., as part of the overall quality assurance system – needs to be established. It is useful to recognise that this is not a problem, but an element of good practice.

Similar challenges have been observed in other ILA systems. For instance, with Korea's National Learning Card, the government has implemented strict quality control measures to ensure that training programmes align with national competency standards. Despite these efforts, concerns persist about the potential for market exploitation, particularly in remote areas where regulatory oversight is less stringent and frequent. In Singapore's SFc, the government has also faced challenges in balancing user autonomy and increasing participation in the SFc with the need to prevent market abuses. In general, there is a risk of a proliferation of low-quality courses – but somehow attracting high popularity – designed primarily to profit from the system rather than to provide meaningful training.

There are two additional issues related to balancing individual choices with the need for market regulation. The first concerns the pricing of courses, commonly referred to as 'price inflation'. This can occur when a course is 'packaged up' in a way that seems to justify a higher price for essentially the same or similar learning content. The 'packaging up' may lead to a greater popularity among the ILA holders. The potential risk is that, for the same or a fixed amount of ILA entitlement, learners may end up with less overall learning from their ILA accounts. The second issue, though not always a significant problem, involves learning that is less relevant to upskilling, reskilling, or employability in general. In Singapore, the SFc supports a broad lifelong learning agenda. One emerging trend is the preference for learning about healthy lifestyle topics through short or online courses, such as those related to food and the environment. These topics tend to fall outside traditional qualification frameworks and the associated regulatory regimes, which are typically geared towards vocational and professional skills. While these could be welcome new developments, new regulatory frameworks may need to be established to manage them effectively.

Addressing Inequities in Access and Participation

A scheme is unlikely to be successful if only a few people make use of it. However, as participation increases, new challenges, such as inequality in access, may also emerge. While the CPF has been successful in broadening access to lifelong learning, it has been observed that not all segments of the population benefit equally from the system. Inequality in access exists due to a lack of awareness, digital literacy, or the financial and logistical barriers discussed earlier. Similar challenges have been observed in Singapore's SFc and Korea's National Learning Card. In the Canadian case, the access issue with the Canadian Training Credit (CTC) is potentially even more pronounced, as the scheme is based on a tax rebate (via the annual tax return) of up to a certain amount after the learner has paid the learning fees upfront. Low-income and non-standard workers are less likely to afford the upfront costs, leading to the provision favouring financially better-off groups. It is important to note that while the CTC has minimal administrative burden due to its design, the tax-based scheme is not advocated by the Council Recommendation due to the potential for significant inequality and 'dead-weight loss'[6] implications.

To keep improving an ILA system, the following considerations may help:

- **Reliable Data**

  It is essential to gather reliable data to determine the extent of inequality, even though complete equality in access is rare. Good data will support the identification of effective remedial measures.

- **Additional Funding**

  As mentioned in a previous section, the CPF provides additional funding for low-skilled groups, while the National Learning Card offers extra support for vulnerable groups, such as older workers and those re-entering the workforce. The case of CPF is interesting. There are certifications (diplomas) which have been registered with France Competences that allow people who are most in difficulty to obtain a basic knowledge base if the person obtains CLEA certificate. The price of CLEA training and CLEA assessments is regulated by the person who submitted the certification (pro certificate) and therefore a person with a supply of EUR 500 euros can have access to it.[7] However, in other cases, additional funding measures may not completely eliminate inequalities, they may need the support of additional tools such as paid training leave or appropriate guidance support. Thus, in the case of Singapore's SFc what may improve the utilisation of ILA could be some form of paid training leave, as frequent response to not participating in training is 'no time'. Singapore's SFc does not include the provision for training leave.

- **Employer/Enterprise Component**

  Consider incorporating an employer or enterprise component within the ILA system. For example, Singapore's SFc system includes provisions for both individual and employer accounts, each serving distinct but complementary purposes. The SkillsFuture Enterprise Credit (SFEC) is designed to support employers in their efforts to upskill their workforce. Eligible employers, often SMEs, can receive a one-off $10,000 credit to cover up to 90% of out-of-pocket expenses on qualifying costs for supportable initiatives. This credit can be used for training programmes, job redesign, and business transformation. Since SMEs often contain many low-pay jobs, this approach provides another avenue for low-income individuals to access training, even though the training is typically job-related.

Navigating the Transition from Pilot to Full Implementation

Whereas some countries may opt for full ILAs from the start[8] (which has some benefits such as ensuring sustainable funding and infrastructure from the beginning), some opt for pilot schemes first. While a pilot phase provides a valuable opportunity to test various components of an ILA, one of the primary challenges in transitioning from pilot to full implementation is scaling the

---

6   In the ILA discussion, the term 'dead-weight' loss refers to an expenditure for training that an individual would have been committed out of his/her own pocket without policy intervention. Hence, when deadweight loss is high, it also means that the public funds spent on encouraging training are mostly wasted.

7   See https://www.francecompetences.fr/recherche/rs/5080/

8   Even in that case the schemes tend to be continuously updated as we can see on the CPF example.

system and integrating it with the broader education and training landscape, while maintaining the flexibility and responsiveness that characterised the pilot phase. Pilot schemes, often involving a relatively small number of account holders, are typically more adaptable, allowing for the quick testing and refinement of approaches based on real-time feedback. However, as the system scales up, there arises a need to balance ongoing innovation with the increasing administrative and governance structure.

A pilot phase is often a useful starting point, but scaling up is a necessary process in the development of a fully-fledged ILA system – ideally, the schemes should embed the principle of universality from the beginning.

In practice, the following transitions may be familiar to readers who are at different stages of their ILA implementation:

- Transiting from a voucher scheme to a fully-fledged ILA (as some countries may already have existing measures on which they decide to build on).

- Expanding the coverage across different industry sectors.

- Extending local/regional schemes to the national level

- Extending support to adults earning above a certain income threshold

- Widening the scope of training from a specific subject (e.g., digital skills) to a broader range of training offerings.

What is common among these scaling-up transitions is the increasing scope of operations and the need to find more efficient ways to manage and continually improve the ILA system. Therefore, scaling up often suggests a greater funding need (see Section 5.4 on long-term funding), a reorganisation of responsibilities, and sometimes the introduction of new support mechanisms into the system.

Korea's National Learning Card faced the above challenges when it transitioned from a targeted training programme to a more comprehensive, universal ILA system. The need to integrate the National Learning Card with existing labour market policies and education systems introduced additional complexity, requiring careful coordination between multiple stakeholders. Generally, there is a degree of tension, though it may be short-term, between greater ILA participation and ensuring the wider system's integrity.

The key to successfully navigating this transition lies in maintaining a clear focus on the core objectives of the ILA and early mapping of scalability and integration issues, as discussed in 5.3.2. After that, continuous stakeholder engagement, regular evaluations, and a willingness to explore solutions, e.g., using technology, are critical actions in managing this transition effectively.

Financial Sustainability and Long-term Impact

ILAs are inherently long-term tools designed to have a sustained impact on skills development and lifelong learning. No ILA has ever made a significant impact over just a year or two. Therefore, one of the central concerns is the financial sustainability of the ILA system in the long run. Importantly, this is not a decision to be made after an ILA system is already in operation. Even during a pilot phase, long-term financing decisions must be considered and addressed.

Most countries already have existing systems for funding training prior to the introduction of ILAs. Consequently, the introduction of an ILA scheme typically involves complex negotiations to restructure the funding landscape. The following issues may need to be resolved:

- **Repurposing Existing Funding Schemes**

  If ILAs become the primary funding scheme, it is crucial to determine how to repurpose existing funding schemes, especially if they are not expected to be discontinued. This will help avoid confusion in the training market and clarify how learners can seek funding support for training.

- **Identifying Funding Sources**

  Most ILAs will likely involve identifying diverse funding sources, which may include employers' contributions (or levies), public funding, sector-based funds, regional funding, or community sources.

- **Ensuring Stakeholder Continuity**

  The general principle guiding actions (a) and (b) is to ensure that no stakeholders lose out as a result of the introduction of ILAs. Because of this, some existing schemes may continue to operate alongside the new ILAs.

The French CPF provides a practical example of the points discussed in 5.4.2, with its funding structure reflecting a combination of core and additional funding sources:

- **Core Funding**

  Businesses with 11 or more employees are required to contribute 1% of their payroll towards vocational training initiatives. However, only 0.2% of the payroll is dedicated to funding the CPF, while the remaining funds are allocated to other training-related programmes such as Career Change Projects, Career Development Counselling, and jobseeker training. Businesses with 10 or less employees pay a lower rate (0.55%) of payroll, distributed similarly between the CPF and other training related schemes.

- **Additional Funding**

  Following the 2018 reform, additional contributions can be made through sectoral or business agreements that provide extra support for training in specific industries or for certain groups of employees.

It is evident that the identification, negotiation, and restructuring of funding sources are common actions across all ILA funding exercises. However, the specific content and outcomes of these efforts may vary depending on the contextual factors within a country. In the case of Singapore's SFc, experiences similar to those of the CPF can be observed:

- **Employers' Contribution**

  The Skills Development Fund (SDF) was initially the main levy supporting all vocational training programmes. Due to the accumulation of surpluses over the years — mainly because of the low incidence of claims by employers — a portion of the SDF was repurposed to support the SFc. The remaining SDF continues to support vocational education and training (VET) in general.

- **Lifelong Learning Endowment Fund (LLEF)**

  The second source of SFc funding comes from the Lifelong Learning Endowment Fund (LLEF). Created in 2001, the LLEF was established as a new funding source for lifelong learning, not subject to changing budgetary priorities from one year to the next. The government allocated funds to the LLEF during years of strong public finances, with the state budget serving as the main contributor. By law, the LLEF (or its earned interest) could only be used for lifelong learning initiatives. When the SFc was introduced in 2016, the LLEF became a 'natural' funding source for the ILA.

- **Public Funding**

  In the event of shortfalls from the above two sources, the public budget can be used to fill funding gaps, although this third source is not often called upon.

To conclude, a sustainable long-term funding source for ILAs rarely emerges from an entirely new source that did not exist before. While it is possible to plan ahead for such a source, as seen in Singapore's case, most instances require restructuring and renegotiations. This process takes time and requires balancing the interests of all stakeholders involved. The case of Singapore's SFc provides an additional learning point: ILAs often need to cater to the entire (or the vast majority of) adult population once the pilot scheme is completed, which can lead to a significant increase in the required budget. This raises the question: would the combined resources be sufficient to support the ILA scheme? This is one of the reasons why a dedicated funding source, such as the Lifelong Learning Endowment Fund (LLEF) in Singapore, is highly valuable.

5. CONCLUDING REMARKS

Customisation and Flexibility

The previous discussions suggest that while the Council Recommendation outlines the fundamental characteristics for ILAs, they may not be identical once fully implemented and operational in the Member States due to varying national context. The reason is that ILAs need to be fit-for-purpose in the specific country they serve. Customisation and reforms will ensure they meet national needs and contexts.

Continuous Learning

As different ILA schemes continue to evolve and adapt, it is beneficial to maintain cross-learning among them so that ILAs can benefit from a broader range of ideas and experiences. Similarly, member states that are planning or implementing ILAs can continue to leverage the Commission's support and collaboration, including initial seed funding, technical assistance, and knowledge sharing.

Integration with Broader Lifelong/Adult Learning and Employment Strategies

Integrating ILAs with broader lifelong learning and employment strategies is essential for maximising their impact. The French CPF is a prime example of how an ILA can be effectively integrated into a country's broader social and economic policies. Singapore's SkillsFuture policy supports deep skilling, which is crucial for the economic strategy of 'moving up' the global value chain. As a result, one of the key objectives (and evaluation metrics) of SFc is to encourage repeated learning episodes among citizens. Similarly, the EU has set a 60% training target to be achieved by 2030, with ILAs in the Member States expected to play a significant role in reaching this goal.

Long-term Impact

These are still early days to have detailed studies on the long-term impact of ILAs. However, one of the most important contributions of ILAs – which tends to be overlooked – is their ability to support individuals to make their own demand for learning. As ILAs tend to operate alongside other training provision (e.g., VET and formal education etc.), ILAs open up a new dimension for policy intervention. ILA user numbers tend to go up over time. This is often accompanied by working adults becoming more accustomed to the idea of continuous learning even after formal education. In that sense, ILAs can improve attitudes towards learning over time.

REFERENCES

European Commission (2021). Commission Staff working document – Impact assessment report – Accompanying the document Proposal for a Council Recommendation on individual learning accounts. Brussels: EU Commission.

Kim, Y.S. (2023). The Current and Future State of Lifelong Education in the Republic of Korea. In: Lee, W.O., Brown, P., Goodwin, A.L., Green, A. (eds) International Handbook on Education Development in the Asia-Pacific. Springer, Singapore.

KRIVET. (2019). 내일배움카드 통합 방안 연구 (Research on Integration of My Work Learning Card), Korea Research Institute for Vocational Education and Training.

KRIVET. (2021). Reality and Challenges of the TVET System. Seoul: Korean Institute for Vocational Education and Training.

Ministry of Employment and Labour. (2023). Research on diagnosis and development plan for the National Learning Card. Government of the Republic of Korea.

Ministry of Finance. (2019). Budget 2019: Investing in the Middle Class. Ontario: The Canadian Government.

MOEL. (2022). Open Up a Hopeful Future with the National Learning Card, MOEL News. Fri September16, 2022. The Ministry of Employment and Labour. See https://www.moel.go.kr/english/news/moelNewsDetail.do?idx=3116

OECD. (2020a). 'Case study: Lifelong learning in Korea', in Strengthening the Governance of Skills Systems: Lessons from Six OECD Countries, Paris: OECD Publishing.

OECD. (2021). OECD Skills Strategy Implementation Guidance for Korea: Strengthening the Governance of Adult Learning, OECD Skills Studies, Paris: OECD Publishing.

OECD (2019), Individual Learning Accounts: Panacea or Pandora's Box? Paris: OECD Publishing.

Perez, C. (2019). With the personal training account, the advent of a disintermediated market logic. *Savoirs*, 50, 87-100. https://www.cairn-int.info/journal--2019-2-page-87.htm.

Perez, C. and A. Vourc'h (2020), "Individualising training access schemes: France – the Compte Personnel de Formation (Personal Training Account – CPF)", OECD Social, Employment and Migration Working Papers, No. 245, OECD Publishing, Paris.

Sung, J. (2024). Supporting Individual Learning: two case studies outside the EU. Workshop Background Paper, 20-21 June, 2024. Online Meeting. European Commission. DG EMPL.

The Council of European Union. (2022). Council Recommendation on Individual Learning Accounts, Luxembourg: EU.

Yoon, S. (2024). Individual Learning Account in Korea. Presentation at the June 20-21, 2024 EC ILA MLP Sharing Workshop.

PILOTS WITH PURPOSE: DESIGNING ILAs FOR SCALE AND IMPACT

Thematic discussion paper

Professor Johnny Sung, December 2025

SECTION 1: INTRODUCTION – WHY FOCUS ON THE PILOT NOW

Across Europe, Individual Learning Accounts (ILAs) have emerged as a key policy instrument to promote lifelong learning and support the adaptability of the workforce. The idea gained formal recognition through the Council Recommendation on Individual Learning Accounts (Council of the European Union, 2022), which called on Member States to ensure that every working adult has access to a personal learning entitlement, supported by guidance, validation services and a digital infrastructure enabling portability and transparency. Since then, a number of Member States have initiated national discussions, preparatory exercises or pilot schemes, often with the support of European funding from the European Social Fund Plus (ESF+) or the Recovery and Resilience Facility (RRF).

The purpose of this Background Paper is to support the third workshop of the ILA Mutual Learning Programme (MLP) in December 2025. It provides a focused discussion of the pilot phase of ILA design and implementation – why pilots matter, what they should test and how they can inform the scaling and long-term integration of ILAs within national skills ecosystems. In doing so, the paper complements earlier ILA MLP background papers that examined specific aspects such as financing models (European Commission, 2023a), quality assurance and registries (European Commission, 2024a), digital portals (European Commission, 2024b) and governance (European Commission, 2025a). Rather than revisiting those analyses, this paper brings those topics together under a single question: how can pilots be used to risk-manage, improve and scale an ILA system?

A focus on the pilot stage is timely for several reasons. First, the five participating countries in this MLP cycle – the French-speaking Community of Belgium, Czechia, Estonia, Portugal and Spain – are each at the point where design choices are beginning to take shape, and conducting an ILA pilot – or considering scaling up to a full ILA in the case of Czechia – may be required. Their recently completed baseline analyses illustrate both the diversity of approaches and a shared concern about how pilots can generate evidence strong enough to support national decisions. For example, Czechia is working on a pilot focused on digital skills with capped individual support and a required co-payment. This would appear to be an exercise to explore user behaviour and price effects before setting a national entitlement. Estonia has accumulated valuable experience with Training Cards for adults, but its status-based eligibility rules raise questions about future portability across employment categories. Portugal and the French-speaking Community of Belgium highlight the challenge of embedding new ILA pilots within existing training voucher or training time-credit

schemes. Spain, meanwhile, has recently created a legislative foundation for ILAs through the Royal Decree 438/2024, but still needs to determine how pilots might link the employment, vocational education and higher-education systems. Together, these examples underline the diversity of starting points and the different roles that an ILA pilot may play.

Second, pilot design may determine the quality of the information or data on which policymakers can act. From experience, it is important to note that, due to contextual factors, ILA pilots often functioned as temporary programmes rather than as purposely constructed policy experiments for the eventual ILAs. They have tended to serve targeted groups – such as unemployed adults, workers in transition, or employees in specific sectors or training for certain skills – without testing the universal and transferable features that are central to the Council Recommendation. When this happens, pilots risk producing results that cannot easily be generalised to a full ILA system. To risk-manage the transition from pilot to scale, implementation teams are advised to plan their pilots not merely as delivery trials but as national learning systems, capable of supporting eligibility rules, entitlement design, funding mechanisms, promotion, guidance, quality assurance and monitoring.

Third, the pilot phase offers an opportunity to test and adjust the enabling framework before committing to large-scale investments. Previous MLP papers have discussed extensively that the success of ILAs depends on an integrated set of components: a single national digital portal, a transparent registry of eligible courses and providers, clear quality assurance (QA) and monitoring mechanisms, sustainable funding and effective governance structures (European Commission, 2024b; 2024a; 2025a). Each of these components can be partially trialled within a pilot environment. A 'baseline portal', for example, can be built to handle limited cohorts while testing user journeys, payment flows and interoperability between registries.[1] Similarly, pilots can test provider-accreditation processes or course-eligibility rules to ensure that quality assurance mechanisms are both proportionate and feasible when scaled.

Fourth, pilots play an important institutional role. They allow a Member State to build cross-ministerial coordination, test data-sharing agreements and involve social partners and regional actors in a controlled environment before full legislation or budget commitments are in place. In most Member States, where responsibilities for adult learning are distributed among multiple authorities, pilots can serve as laboratories for inter-

---

1   We use the term 'baseline portal' to refer to a portal with the minimum capability needed for a pilot. However, the full portal is one that can easily be built on the baseline portal for scaling up.

institutional cooperation, clarifying governance responsibilities that might otherwise become points of friction during national roll-out.

Finally, focusing on the pilot stage helps to connect short-term experimentation with the longer-term objectives of inclusiveness, relevance and value for public funding. Earlier background papers have highlighted the challenge of demonstrating measurable impact in adult-learning investments, given the variety of individual circumstances and the time lag between learning and labour-market outcomes (European Commission, 2025b). Well-designed pilots can bridge that gap by embedding simple yet robust monitoring systems – tracking activation, enrolment, completion, user feedback and progression – thus enabling evidence-based scaling.

This paper, therefore, positions the pilot not as a temporary training scheme or a narrow administrative trial, but as

the foundation for a nationwide and sustainable ILA system. The subsequent sections elaborate on this premise:

- Section 2 clarifies in detail the multiple roles a pilot can play in testing provision, governance and system readiness.

- Section 3 discusses how a pilot can be designed to manage risk, support scaling and demonstrate impact.

- Section 4 focuses on the enabling environment – digital, quality, governance and funding elements – that a pilot can realistically include.

- Section 5 concludes with reflective questions to help Member States translate the discussion into practical design choices.

SECTION 2: THE ROLES OF AN ILA PILOT

As emphasised in Section 1, the pilot phase of an Individual Learning Account (ILA) is not merely a preliminary or symbolic step. It is a strategic exercise in policy design and institutional learning, serving several interconnected purposes. Pilots allow policymakers to test assumptions, clarify governance responsibilities and identify system interactions that are difficult to foresee on paper. When structured deliberately, they offer Member States and their implementation teams a relatively low-risk environment to explore how an ILA functions as both an entitlement mechanism for individuals and a governance tool for the broader learning ecosystem.

Testing policy design and operational feasibility

- The first role of a pilot is to test the core mechanics of the proposed ILA model. This includes determining who is eligible, how entitlements are calculated, what training can be funded and how payments are processed. Testing these elements early prevents costly redesigns later when scaling up.

- Entitlement design is a prime example. Pilot data can reveal whether annual or cumulative entitlements are meaningful for different income groups, whether co-payments encourage ownership or deter participation (for the low-income groups), and how providers respond to publicly known subsidy ceilings. Price inflation, for instance, can appear if monitoring is insufficient; pilots allow policymakers to observe such effects and test alternative formulas or tiered co-funding models.

- Equally important is the test of transferability – whether rights can follow individuals as they move between jobs, unemployment or self-employment. In many existing systems, training support (and co-payment, if applicable) remains status-based; pilots can explore the administrative rules and data-exchange mechanisms required for a genuinely universal account. This experimentation helps uncover design conflicts between social security systems, employment registries and education databases before they become embedded in legislation.

- Pilots also test the user journey. By building a "baseline portal" (a minimum functional platform that allows a learner to see their entitlement, search approved training, enrol and pay), governments can observe how real users interact with the system. Metrics such as activation rates, drop-off points and time-to-enrolment help refine both design and communication.

Strengthening governance and institutional coordination

- Pilots are equally valuable as governance rehearsals. Unlike a voucher system, ILAs typically span multiple ministries, agencies and funding streams. Running a pilot allows these institutions to coordinate in a practical setting, clarifying roles in policy oversight, portal management, quality assurance and finance control. However, if the pilot is narrowly constructed, the potential coordination gap is a key consideration when scaling up.

- Early testing of data-sharing and decision-making processes can prevent future bottlenecks. For example, a pilot can simulate how eligibility decisions are verified, how provider registries are maintained and how complaints are handled. It can also test different governance options – e.g., centralised, delegated or mixed – before one is formalised nationally.

■ Pilots offer a controlled environment in which social partners, training bodies and other stakeholders can be engaged without a 'high-stakes' launch. This is because much of what we learn during the pilot phase is 'work-in-progress'. This period of "learning by doing" often proves decisive in building the mutual trust required for a sustainable ILA system.

Communicating a new policy and building public confidence

■ Finally, a pilot is a communication tool. It translates policy intentions into something tangible that individuals, employers and training providers can understand. When people can log into an account, see their entitlement and complete a funded course, the abstract idea of lifelong learning rights becomes visible. In a subtle way, the pilot is the first step to introducing a cultural change in learning.

■ Clear communication during the pilot – e.g., how funds can be used, what quality guarantees exist, and what happens after completion – builds confidence among potential users and partners. Early visibility also helps normalise the notion of shared responsibility for learning, preparing the ground for nationwide participation when the system scales up.

In an unexpected way, an ILA pilot can be a policy instrument in its own right. Its main purposes are to test design assumptions, generate credible evidence, strengthen institutional coordination, and foster user confidence. As such, pilots should be conceived as learning systems, not temporary programmes. When approached in this way, they enable the ILA implementation teams to manage risk intelligently, use evidence to guide scaling and establish a culture of continuous improvement that carries into the full ILA regime.

Box 1. Key lessons for effective pilot planning

Start with the purpose, not the target group – A pilot should test system functions – eligibility, entitlements, payment, quality control and governance – not only serve a specific population. Testing the mechanism is more valuable than testing a single user group.

Treat the pilot as a learning system – Build feedback and monitoring into every step. Each process – enrolment, payment, provider interaction or guidance – should generate data to inform later design decisions.

Keep design complete but straightforward – A pilot should contain a full user journey (discover → enrol → complete → record learning). It is better to test a small but whole process than a large, fragmented one.

Anticipate behavioural effects – Users, providers and administrators will adapt to new incentives and rules. Track these reactions early (for example, pricing near subsidy caps or uneven take-up) to avoid scaling distortions.

Use the pilot to rehearse governance – Clarify who decides, who pays and who ensures quality. Governance learning during the pilot is as important as technical learning.

SECTION 3: DESIGNING A PILOT FOR SCALING, IMPACT AND RISK MANAGEMENT

Clarify the scope and learning questions

Before any operational work begins, the pilot must specify what it is meant to discover. This means identifying the policy uncertainties that the pilot should resolve. As examples, these might include:

- How much entitlement is sufficient to trigger meaningful participation?

- What balance of public, employer and individual co-funding yields equitable access?

- How can quality assurance be embedded without over-regulation?

- What level of administrative capacity and digital integration is required for nationwide delivery?

- Other unknowns – these vary from country to country, e.g., the urban-rural divide, etc.

In effect, each pilot should therefore have a small set of learning questions, not a long list of objectives. The clearer the questions, the more likely it is to obtain learning from running a pilot, and the easier it is to interpret the results.

Designing for scaling

Scaling requires that what is tested in the pilot can be replicated at the national system level. This means avoiding designs that rely on exceptional circumstances, narrow eligibility or one-off management structures. This may include the digital platform, especially in areas such as data for quality assurance, efficient transactions, misuse detection and integration with other elements in the system (e.g., PES counselling, skills assessment, matching tools, etc.).

- **Universality** – A pilot is by definition 'small' compared with a fully implemented ILA. A choice must be made between selecting a particular group of learners (or a specific occupation) and a specific locality. If possible, choosing a locality may be a better environment to test the eventual national scheme because it is more likely to contain the variety of learners that an ILA needs to support.

- **Entitlements, accumulation and co-funding rules** – Testing entitlement levels, accumulation periods and co-payment arrangements provides insight into affordability and user behaviour. A small variation in design may have large implications for cost and equity. For example, lower co-payments may improve take-up but risk crowding out employer investment. Pilots can test differentiated co-payment bands and percentages (if used), or targeted top-ups for low-income individuals to find a sustainable balance. Ensuring equitable access to ILAs is a key requirement outlined in the Council Recommendation.

- **Transferability of rights** – An ILA is a 'personal budget'. It follows the person, not the job. Pilots can test the mechanisms by which entitlements are recorded and transferred across employment statuses or regions. This exercise is central to building a universal, transparent and rights-based system. Often, this requires a good technology solution and coordination.

- **Provider eligibility and quality filters** – This is one of the areas in which the difference between a pilot environment and that of a fully functioning ILA is not always obvious. Take, for example, a pilot with a selected occupation (or certain skills), the training providers are more or less 'given', often using an existing network of providers relevant to the learning required. In a national ILA, three factors are very different from the single provider network in a narrowly defined pilot. The first is the range of skills and occupations that are often required by a national ILA. The second is the validation, approval and integration needed to bring the diverse systems together. The third is the extensive use of private sector providers, which magnifies the scale of the first two factors. While it is unlikely to create a miniature testing environment in a pilot, it is important to include some elements of the validation needs for multiple sources of providers.

- **Administrative and digital processes** – Pilots offer a practical setting to design and refine the baseline portal – a simple but complete platform through which users can check entitlements, search approved courses, enrol, pay and record completion. The portal can also be an existing platform that can be adapted and enhanced to support an ILA, as in the case of the Cypriot pilot project. It is important to question the technology provider whether the portal can deal with the features required by a national ILA with many more providers, courses, payments, stakeholders and the security risks that come with scale.

Design for impact

To demonstrate impact, a pilot needs to be measurable. This involves defining a set of indicators that capture both outcomes and behaviours. The following are some key metrics:

- **Participation and access** – Track activation rates, the proportion of users who make a first transaction and completion rates. There are different 'conversion metrics' that you can derive from those indicators. Disaggregate results by gender, age, qualification level and employment status to identify inclusion gaps.

- **Quality and relevance** – This involves monitoring satisfaction, addressing complaints and feedback and ensuring alignment between training content and skills priorities or utilisation. The issue here is that an ILA pilot tends to use an existing training system. Most of the quality and relevance information is already known, which presents the challenge of how we can create an opportunity to test quality and relevance.

- **Guidance and progression** – Record how many users accessed career guidance and whether guidance affected their choices. Are there users who cannot access guidance and if so, why? Follow participants beyond the course to track subsequent learning or occupational mobility, and possibly repeated learning activities. The last point is often missing in an ILA pilot because a pilot may only have a short duration. Repeated learning spells do not seem like natural events. However, in a national ILA, we are concerned with changing people's attitudes and behaviour about learning. The ILA entitlement may support more than one spell of learning over time, which may also be topped up or accumulated over time. Guidance in this case should focus on mobility and progress. So, can the guidance support under an ILA pilot support this? Alternatively, can it be 'scaled up' to support such long-term learning needs?

- **Cost and efficiency** – Measure administrative cost per transaction, average price per course, price movements over time and the ratio of training expenditure to observed outcomes. These figures help determine the system's long-term affordability.

The above discussions would suggest many additional features an ILA pilot ought to include, but the environment of a pilot may not be ideal for doing so. The practical consideration is therefore to identify and understand the potential scaling gaps. Do what is possible. The information collected will inform the eventual full ILA, in terms of the additional work and time needed.

Managing risks through pilot design

Every ILA involves uncertainty – financial, operational and behavioural. The pilot is the stage at which such risks can be identified, assessed and (in some cases) contained. These risks are largely the consequences of the points raised previously. Thus, we will be brief in the elaborations below:

- **Financial risk** – We need to have a clear picture of the size of the ILA budget, especially when we are negotiating with stakeholders and the central government. Pilots allow policymakers to test utilisation rates and refine entitlement amounts before committing national budgets. We discussed how to derive necessary information from the pilot to estimate the overall ILA budget in one of our previous background papers (European Commission, 2025c).

- **Quality risk** – There can be a lot of providers in a national ILA system. For example, there were 17,000 training providers in the French CPF in 2020. Without an appropriate quality assurance mechanism, low-quality or fraudulent provision may enter the system (Cedefop, 2023). Pilots can test registry rules, payment verification and audit mechanisms on a small scale.

- **Equity risk** – It is widely known that well-educated or digitally literate adults are more likely to take advantage of publicly funded training schemes. ILAs are subject to the same 'risk'. Pilots can trial targeted guidance, additional outreach or simplified enrolment for under-represented groups. The lessons learned will be useful in supporting the development of a comprehensive enabling framework for the full ILA.

- **Operational risk** – system overloads (e.g., insufficient user support, QA delays, less-than-comprehensive registries integration, etc), data mismatches or poor coordination across agencies can undermine confidence. Pilots provide a rehearsal of technical and administrative coordination under realistic conditions.

Monitoring these risks is integral to the pilot learning process. Each round of data collection should conclude with a series of "lessons logs", describing which elements can be scaled directly, which require redesign, and which may not work entirely.

Embedding continuous learning

Finally, pilots are most effective when treated as part of an ongoing policy-learning cycle rather than a one-off event. Indeed, we could even treat the pilot and the full ILA as a single journey, which often requires frequent upgrades and improvements. In the three ILA examples we have used in the MLP workshops, they all have gone through rounds of improvement after the national launch. It is always a 'work-in-progress'. Ideally, results should be shared across ministries, social partners and implementing agencies on a regular basis to build institutional memory. Clear documentation of design choices, costs and observed effects creates a foundation for continuous improvement once the ILA becomes operational.

> **Box 2.** Practical design suggestions for an effective ILA pilot
>
> 1. Define learning questions early – Focus on the uncertainties that need to be resolved before national rollout.
>
> 2. Keep the scope manageable but representative – Test complete user journeys, even if with small numbers.
>
> 3. Embed data collection – Build monitoring and evaluation into the portal and administrative processes.
>
> 4. Plan for scalability – Avoid pilot features that cannot realistically be maintained when funding or coverage expands.
>
> 5. Review continuously – Treat each pilot cycle as an opportunity to refine design, governance and communication.

SECTION 4: THE ENABLING ENVIRONMENT

In all of our previous ILA MLP workshops, we regularly remind participants that, unlike a voucher system, an ILA is a very large training ecosystem encompassing many components. An ILA cannot function as an isolated entitlement. As highlighted in the Council Recommendation, an ILA's credibility and long-term viability depend on a coherent enabling environment, often referred to as the 'enabling framework'.[2] These institutional, digital, and financial systems make individual rights to training practical and usable. A pilot provides the opportunity to build and test this environment on a manageable scale, ensuring that critical interfaces between policy, technology and governance operate effectively before nationwide expansion.

ENABLING ELEMENTS SET OUT IN THE COUNCIL RECOMMENDATION (CR)

The digital portal

Single national digital portal (baseline portal) – The Council Recommendation (2022) calls for each Member State to provide a single national digital portal through which individuals can access their learning rights and related services. The portal is therefore both a delivery mechanism, an administrative tool and a trust-building instrument. It allows users to view entitlements, find eligible training, utilise the funding and record completed learning. In the pilot stage, it is likely that not all the features or components of a national system can be tested for various reasons. Often, the realistic goal is not to build the final national system necessarily, but to test a baseline portal – a minimum functional platform that demonstrates the full user journey as far as possible. This journey should allow the participant to:

- Authenticate securely, using a verified digital identity or other accepted national credentials.

- View or simulate an entitlement, even if pilot entitlements are different or limited.

- Search and compare training offers, drawn from existing national or regional registries.

- Check user feedback ("trip-advisor" like rating, if available).

- Seek advice or guidance – online or other methods.

- Enrol and pay, including handling co-payments or employer top-ups.

- Receive confirmation and record outcomes, creating a verifiable learning history.

From a policy perspective, a portal is not merely an IT tool. It is a policy instrument that operationalises the right to learning. The pilot should therefore assess usability, accessibility (including those with limited digital literacy) and data integrity. The results will inform later investment in national platforms and interoperability with European digital initiatives such as Europass and the

---

2   For the purposes of this paper, only a few selected elements (and closely related concepts) are discussed. However, the 'enabling framework' comprises support that promotes the effective take-up of individual training entitlements. This includes career guidance and validation opportunities, a national registry of eligible opportunities for funding from individual training entitlements, a single national digital portal to access the individual learning account and national registry and paid training leave.

European Digital Identity (EUDI) Wallet. Where a national training portal already exists, the pilot can be used to test whether it can be augmented to support a full ILA – i.e., feature fit, scalability, payments, interoperability and security – before any decision to build anew (as already noted earlier in the paper).

Registry, eligibility and quality assurance

A sustainable ILA depends on public trust in the quality of training that can be funded. The 2024 ILA MLP paper on Quality Assurance highlighted three priorities – eligibility rules, feedback mechanisms and provider accountability. The pilot is an ideal opportunity to test each of these at a proportionate scale:

■ **Eligibility and accreditation of training providers and courses**

Establish clear criteria for inclusion in the training registry. Testing these criteria in the pilot may reveal whether expected requirements are realistic for providers and whether they reflect labour-market relevance. These activities may already fall under the responsibilities of an existing authority; in such cases, it is useful to assess whether that system can be expanded to support a national scheme covering many more qualifications and stakeholders.

■ **Feedback and monitoring**

Embed learner-feedback tools directly into the baseline portal. Short satisfaction surveys, ratings or complaint logs produce early warning signals about weak provision and can be linked to accreditation renewal as part of continuing improvement and QA.

■ **Provider accountability**

Combine compliance checks with developmental support. Compliance and accountability do not necessarily mean punitive enforcement. A well-functioned ILA system will need a large pool of providers to ensure price competitiveness in the 'training provider market'. Continuous improvement using tools such as periodic dashboards comparing completion, satisfaction rates, prices, quality and best practices is also part of a good QA system.

Analytically, these QA mechanisms serve two purposes: they protect public investment and help shape market and learner behaviours. Transparent publication of performance information influences provider quality and price discipline, thereby contributing to the value-for-money objectives stressed in Section 3.

Guidance and user support

The portal and pilot processes should enable users to access advice or guidance (online or other methods), including support for those with low digital ability or confidence. This is consistent with the CR's emphasis on guidance accompanying entitlements so that individuals can make informed choices; pilots can test where guidance adds the most value in the learning journey.

HORIZONTAL ELEMENTS IN THE ENABLING FRAMEWORK FOR PROTOTYPING IN THE PILOT

Data governance, interoperability and privacy

Scaling ILAs requires that information flow seamlessly between learning, employment and finance systems. Pilots are an opportunity to test data governance frameworks – who collects what data, how they share it, under what legal basis and whether the data are 'fit-for-purpose'. The design challenge is to enable necessary data exchange without over-centralisation. Many countries already have parallel registries (providers, qualifications, PES clients). Rather than replacing them, a pilot can test interoperability protocols that allow the portal to query existing databases in real time. In any data-driven system, privacy and consent should be explicit features. Users must understand what data is stored, who can access it and for what purpose. A transparent data policy strengthens public confidence and aligns the ILA with broader EU data-protection principles.

Governance: assessing the institutional model

Governance is crucial for setting up any system. While a pilot's context may differ from the national ILA, the following principles can still be tested:

■ **Decision ownership** – Which body authorises new providers, sets course-eligibility rules and adjudicates complaints?

■ **Operational ownership** – Who manages the portal, maintains data standards and coordinates payments?

■ **Stakeholder inclusion** – How are social partners, local authorities and education institutions involved in oversight?

There is probably no single answer to these questions, as every pilot is different. However, by testing against them, we gain clarity and may also uncover important questions we had not considered before.

Funding and financial pathways

Sustainable financing remains the most persistent challenge for ILAs. Many pilots depend on EU or short-term public funding, which makes it difficult to assess long-term affordability or identify sources of long-term funding. The pilot stage should therefore test funding mechanisms as well as the flow of money through the system. Key elements to examine include:

- **Mix of funding sources** – The balance between public budgets, employer contributions and individual co-payments will influence participation and equity. Pilots can test different co-funding ratios or top-up incentives to find a sustainable configuration.

- **Payment flow and timing** – Experiment with different payment and transactional methods for efficiency. Use the pilot to identify potential misuse while maintaining a manageable cash flow for providers.

- **Administrative cost** – Track the cost per transaction and the proportion of funds reaching learners and training institutions (i.e., utilisation). This metric provides evidence for future budgeting and efficiency targets. This information also supports the projection of the budget size, which was discussed in the March Background Paper in 2025 (entitled «The Planning for an ILA Budget and the Benefits of ILA Training Support»).

- **Transparency and audit** – Establish traceable payment processes from the start. Even small-scale pilots can use transaction logs and cross-checks to detect irregularities and strengthen accountability.

Financial design is more than a budgeting exercise; it also shapes behaviour. For example, co-payment structures influence learner motivation, while funding predictability affects provider investment (especially in the private sector). Testing these dynamics during the pilot helps to calibrate incentives that will support long-term sustainability.

> **Box 3. Elements of a supportive enabling environment**
>
> 1. **CR enabling elements** – a single baseline portal (full but simple user journey), registry and QA (eligibility, feedback, accountability) and guidance integrated into the journey.
>
> 2. **Horizontal elements** – data governance & interoperability, clear governance architecture and sustainable funding pathways.

SECTION 5: CONCLUDING REMARKS – REFLECTIONS FOR POLICY AND PRACTICE

The introduction of Individual Learning Accounts (ILAs) across Europe represents a major policy shift: from institutional supply-led training to an individual entitlement model that gives every adult a portable right to learning. Yet entitlement alone does not guarantee effectiveness or more learning. Pilots provide the bridge between aspiration and execution, transforming a general principle into a system that works under real conditions.

Throughout this paper, three core themes have been emphasised. First, the pilot as a design instrument – a structured phase in which the ILA implementation team can test how entitlements, eligibility, co-funding and quality mechanisms function when applied to real learners and providers. Second, the pilot as a governance rehearsal, allowing agencies and social partners to coordinate under operational pressure and develop practical routines for data sharing, quality control and payments. Third, the pilot as an evidence generator, providing policymakers with tangible data on costs, inclusion and user experience, that inform scaling decisions and long-term funding models.

From experimentation to system learning

Pilots should not be viewed as time-limited projects but as the starting point of a learning system that produces enduring institutional knowledge. The useful lesson here is that pilots reduce uncertainty not by answering every question, but by revealing which questions matter most. They expose the real-world interactions between individuals, employers and institutions that shape outcomes. In this sense, the pilot is not the precursor to policy – it is policy in experimental form.

To achieve this, each pilot should close with an explicit "lessons framework": what has been confirmed, what remains uncertain and what requires redesign. The results should be shared not only within the lead ministry but across agencies, social partners and regions. The process of collective interpretation is as valuable as the numerical results, as it builds a common understanding of how the ILA operates as a system.

Strengthening the conditions for scaling

Scaling an ILA from pilot to national implementation involves both technical and policy challenges. On the technical side, the implementation team must demonstrate that the system can handle higher transaction volumes, wider eligibility and more

complex funding flows. This is where the enabling environment – portal functionality, registry integration, data governance and QA systems – becomes crucial. On the policy side, scaling requires sustained commitment, predictable funding and confidence among citizens and social partners that the system will remain fair and transparent.

A key learning point from earlier initiatives is that scaling succeeds when the design logic is transparent – that is, when users, providers and institutions understand the rationale for entitlement levels, eligibility rules and quality requirements. Pilots that clearly document these rationales make the transition smoother, as stakeholders can see how decisions evolved from evidence rather than from administrative convenience or other reasons.

Embedding evaluation and continuous improvement

One of the most practical outcomes of the pilot phase is the establishment of a monitoring and evaluation culture. Once a pilot demonstrates how data can be collected and used, it becomes easier to institutionalise these practices in the full ILA system. Monitoring should not be limited to compliance indicators; it should capture user behaviour, market response and learning progression. Over time, these data help to refine entitlement rules and improve guidance, outreach and quality mechanisms.

Additionally, this reflects a shift from programme evaluation to system learning. A learning system evolves by feeding results back into policy. Embedding evaluation capacity within the agencies responsible for ILAs – rather than outsourcing it entirely – helps ensure that evidence informs ongoing management rather than arriving only after the fact.

Maintaining focus on inclusion and trust

As ILAs expand, policymakers may need to guard against two risks: social selectivity and administrative complexity. Experience across multiple learning systems shows that without deliberate design, higher-educated and digitally literate adults are the first to benefit. Inclusive design – simplified registration, targeted outreach, adaptive guidance and flexible entitlements – should therefore remain at the centre of scaling discussions.

Trust and confidence are equally vital. Adults will only use their learning rights if they believe the system is fair, the courses are worthwhile and the process is straightforward. Pilots help to build these foundations by demonstrating transparency and responsiveness at a small scale. Maintaining these characteristics during national expansion is the surest way to sustain participation and policy legitimacy.

Questions for reflection

The December workshop will provide an opportunity for participating Member States to exchange experiences and identify common pathways forward. The following questions are intended to provide reflections:

- **Purpose:** Which key uncertainties does your pilot aim to resolve, and how will the evidence be used to inform national design?

- **Design logic:** Are your entitlement and co-funding rules structured so that they can be sustained and scaled?

- **Governance:** Have institutional roles, data responsibilities and decision rights been clearly defined and tested?

- **Quality and inclusion:** How will you ensure that QA, guidance and outreach mechanisms promote both quality learning and equitable access?

- **Evidence use:** How will pilot data – quantitative and qualitative – be translated into concrete policy adjustments and funding decisions?

- **Sustainability:** What mechanisms (including the relevant negotiations) are in place to maintain learning entitlements, funding flows and digital systems beyond initial EU or national seed funding?

Different Member States may have different answers to the above questions, but they may provide a shared frame of reference for discussion and mutual learning.

REFERENCES

Cedefop. (2023). France: securing personal training account scheme. March. National News. https://www.cedefop.europa.eu/en/news/france-securing-personal-training-account-scheme#:~:text=Strengthening%20of%20supply%20control,Training%20Account'%20platform%20was%20reinforced

Council of the European Union. (2022). Council Recommendation on Individual Learning Accounts (2022/C 243/01). Official Journal of the European Union, 65, 1–9.

European Commission. (2023a). ILA Background Paper 2 – Financing and funding models for Individual Learning Accounts. Brussels: DG EMPL.

European Commission. (2024a). Background Paper on Quality Assurance for ILAs – March 2024. Brussels: DG EMPL.

European Commission. (2024b). Implementing User-Friendly Digital Portals for ILAs – November 2024. Brussels: DG EMPL.

European Commission. (2025a). ILA Case Studies Background Paper – Governance in Practice. Brussels: DG EMPL.

European Commission. (2025b). ILA Background Paper – Benefits and Impact Measurement. Brussels: DG EMPL.

European Commission. (2025c). The Planning for an ILA Budget and the Benefits of ILA Training Support. Brussels: DG EMPL.

IMPLEMENTING USER-FRIENDLY DIGITAL PORTALS FOR INDIVIDUAL LEARNING ACCOUNTS

Thematic discussion paper

Professor Johnny Sung, November 2024

INTRODUCTION

Individual Learning Accounts (ILAs) represent a significant innovation in supporting lifelong learning across the European Union. As digital technology becomes increasingly central to both learning and work, the success of ILA initiatives heavily depends on having effective and user-friendly digital portals that connect learners with training opportunities. This background paper aims to guide implementation teams in EU Member States in developing such portals, focusing on essential features and future possibilities.

The EU Council Recommendation of June 2022 identifies ILAs as a key tool for empowering individuals to participate in training throughout their careers, regardless of their employment status. The Recommendation specifically calls for "a single national digital portal" that should be "easily accessed from mobile devices" to help individuals navigate training opportunities and manage their learning accounts (Council Recommendation 2022/C 243/03). This emphasis on digital accessibility reflects the broader understanding that the success of ILAs depends significantly on how easily people can access and use them.

The importance of user-friendly digital portals for ILAs cannot be overstated. The European Pillar of Social Rights Action Plan projected the need to raise the training participation for adults aged 25-64 from 37% in 2016 to 60% in 2030 (European Pillar of Social Rights Action Plan, 2021). ILAs provide the much-needed financial and non-financial support to achieve this goal. However, there are other barriers such as the difficulty for many adults in finding and accessing appropriate training opportunities. A well-designed digital portal can address this challenge by:

- Making training opportunities more visible and accessible,

- Simplifying the process of managing learning entitlements within the ILA account,

- Providing guidance and support for career development,

- Ensuring quality assurance of training offerings, and

- Facilitating efficient administration and monitoring.

Several EU Member States have already implemented or are developing ILA portals, providing valuable lessons for others. France's *Compte Personnel de Formation* (CPF) with its portal, Mon Compte Formation[1] and Singapore's SkillsFuture Credit system[2] (while not an EU example) demonstrate how digital portals can effectively support large-scale implementation of ILAs. Lithuania's ongoing implementation via the KURSUOK[3] portal, scheduled for completion in 2025, represents a newer generation of ILA systems being developed with full awareness of current EU-wide interoperability requirements (also see The European Interoperability Framework in 1.6).

This paper is organised in two parts. The first part focuses on the essential elements required for an effective and user-friendly ILA portal, drawing on practical experiences and established best practices. These elements represent the core functionality needed to get an ILA system operational and serving its primary stakeholders – learners, training providers, and administrators.

The second part looks toward future enhancements, particularly integration with broader EU frameworks and advanced features that can be implemented once the basic system is established. Irrespective of the process of building an ILA portal from scratch or adapting an existing training portal to a bespoke ILA portal, awareness of the broader EU frameworks during the design phase can ensure that the ILA system is built with the capability to scale and integrate with the European Interoperability Framework.[4]Throughout both sections, the paper maintains a non-technical perspective while acknowledging the complex technological infrastructure required. The goal is to help implementation teams understand what their ILA portals need to achieve, rather than the technical details of how to achieve it. This approach allows teams to focus on delivering value to users while working with technical experts to realise these objectives.

---

1   See https://www.moncompteformation.gouv.fr/
2   See https://www.myskillsfuture.gov.sg/content/portal/en/index.html
3   See: www.kursuok.lt
4   Within the EU, cross-border interoperability means " … the ability of Union entities and public sector bodies of Member States to interact with each other across borders by sharing data, information and knowledge through digital processes in line with the legal, organisational, semantic and technical requirements related to such cross-border interaction". See Chapter 1, Article 2 in the Regulation – EU – 2024/903 – EN – EUR-Lex document.

The recommendations in this paper align with key EU policy frameworks, including the European Skills Agenda, European Pillar of Social Rights and its Action Plan, the EU Skills Agenda, the European Education Area, and the Digital Education Action Plan. However, the primary focus remains on practical implementation considerations that will help Member States establish effective ILA systems that serve their citizens while maintaining compatibility with broader EU initiatives.

As such, the paper will have the following sections:

- 1. Introduction

    PART 1: ESSENTIAL ELEMENTS OF AN EFFECTIVE ILA PORTAL

- 2. Core Functions and Features

- 3. User Experience Design Consideration

- 4. Administrative and Backend Requirements

- 5. Stakeholder Management Through the Portal

    PART 2: FUTURE ENHANCEMENTS AND EU INTEGRATION

- 6. Integration with EU Learning Frameworks

- 7. Advanced Features for Future Implementation

- 8. Conclusion and Implementation Considerations

PART 1: ESSENTIAL ELEMENTS OF AN EFFECTIVE ILA PORTAL

1.   CORE FUNCTIONS AND FEATURES

The development of an effective ILA portal requires careful consideration of several essential functions that work together to create a cohesive and user-friendly system. The Council Recommendation provides a comprehensive framework for these core functions, emphasising the need for accessibility, security, and ease of use while maintaining robust backend capabilities.

At its foundation, the portal must serve as more than just a digital interface – it needs to be a comprehensive platform that empowers individuals to manage their learning journeys effectively. The Council Recommendation specifically calls for "an accessible single national digital portal" that bridges the gap between learners and training opportunities, while ensuring a secure and straightforward access to services.

User Account Management and Authentication

The cornerstone of any ILA portal is its user account management system. This function goes beyond simple login capabilities – it must create a secure yet accessible environment where users can confidently manage their learning accounts. The Council Recommendation emphasises the importance of "secure electronic authentication" while ensuring that the system remains accessible to all eligible individuals, regardless of their technical proficiency. The European Digital Identity Framework launched in May 2024 seeks to give citizens and businesses a trusted and secure means of digital identification that works across all Member States via the EU Digital Identity Wallets.

Security and accessibility can present competing demands in digital systems. However, some existing implementations demonstrate how these requirements can be effectively balanced. The French CPF system, for instance, addresses this challenge by integrating the national digital identity system, FranceConnect+. This approach, featuring double authentication, provides robust security while simplifying the user experience, as citizens can use familiar, two-step, authentication credentials.[5]

Training Course Discovery and Enrolment

A crucial aspect of any ILA portal is its ability to connect learners with appropriate training opportunities. The Council Recommendation places significant emphasis on the development and maintenance of a comprehensive public registry of training opportunities. This registry serves as more than just a catalogue – it represents a curated space where quality-assured learning opportunities meet the diverse needs of adult learners.

The effectiveness of this function relies heavily on how information is organised and presented. Member States must establish clear rules and criteria for including training opportunities in the registry, ensuring transparency in both the selection process and the quality requirements. This approach helps maintaining the integrity of the training ecosystem while building trust among ILA users. The registry can encompass a broad spectrum of learning opportunities, from formal educational programmes to non-formal learning experiences, reflecting the diverse ways in which adults can develop their skills.

---

5   For detail, see https://www.moncompteformation.gouv.fr/espace-public/qui-peut-utiliser-franceconnect

Quality assurance plays a central role in the registry's functionality. Training providers must meet established standards before their offerings can be included, ensuring that learners can trust in the value of their chosen courses. This verification process requires careful balance – it must be rigorous enough to maintain standards yet flexible enough to accommodate innovation in training delivery. Quality assurance needs to cover the entire learning process. The verification and approval requirements must pay attention to the input factors, such as the provision design, delivery, quality of trainers, and the provision of qualifications. However, the outcomes, such as learner satisfaction, expected learning outcomes, employment and career enhancements also matter. In this respect, the mySkillsFuture portal in Singapore provides, among other things, course details such as duration, qualification, cost, delivery method, user ratings and comments.[6]

Financial Transaction Management

The financial aspects of ILA implementation present unique challenges in portal design. The Council Recommendation outlines a vision where funding can come from multiple sources, including public funds, employer contributions, self-funding and potentially other stakeholders. This multiplicity of funding sources requires sophisticated yet transparent financial management capabilities.

The portal must handle financial transactions in ways that are both secure and easy to use. Users need clear visibility of their entitlement balances and how these can be applied to different training opportunities. The system must also facilitate the combination of different funding sources while maintaining clear records of how entitlements are used. This complexity in the backend of the system should be presented to users in a straightforward, easily understandable manner.

Learning Progress Tracking

Effective learning progress tracking represents another vital function of the ILA portal. This goes beyond simply recording course completion – it must capture the broader journey of lifelong learning or 'career pathways'. The Council Recommendation emphasises the importance of documenting learning outcomes and supporting the validation of different types of learning experiences, whether formal, non-formal, or informal.

Furthermore, this function aligns closely with the European Learning Model (ELM), which provides a structured framework for documenting learning achievements. Developed by the European Commission, the European Learning Model is a semantic standard used to describe metadata about learning. The ELM supports the interoperability of learning opportunities, qualifications, accreditation and credentials in Europe. By linking the portal to the ELM, the digital portal should enable users to build a comprehensive record of their learning journey, including not just courses completed but also acquired learning outcomes (knowledge, skills), qualifications and credentials (including digital credentials) earned.[7]

Box 1: Building Interoperability in Learning Accounts: A Three-Level Approach

1. European Learning Model
To ensure seamless recognition and transparency, all courses published on the ILA (Individual Learning Accounts) portal should be described using the European Learning Model. As a practical starting point, the data elements outlined in Annex 1 of the EU Council Recommendation on a European approach to micro-credentials for lifelong learning and employability should be used, ensuring compatibility and ease of integration.

---

6   For detail, see: https://www.myskillsfuture.gov.sg/content/portal/en/portal-search/portal-search.html?fq=Course_Supp_Period_To_1%3A%5B2024-10-25T00%3A00%3A00Z%20TO%20*%5D&fq=IsValid%3Atrue&q=*%3A*

7   A European Digital Credential for Learning (EDC) is a verifiable, digital version of a credential issued by an organisation to a learner to document their learning. These include diplomas, training certificates, micro-credentials, certificates of participation, and more. They can be issued in all EU and Europass languages and are signed with an electronic seal (a form of digital signature belonging to a trusted institution or organisation). See https://europass.europa.eu/en/europass-digital-tools/european-digital-credentials-learning

2. The Three-Level Wallet System for Learners

The ILA ecosystem should support interoperability by adopting a phased wallet system, detailed as follows:

ILA Portals-based Wallet (Level 1): The initial phase involves creating a user account on the ILA portal, functioning as a portfolio and basic wallet where learners can view allocated funds, access learning opportunities, and store credentials. Format: web-based wallet.

Europass Wallet Integration (Level 2): ILA portal account holders should be able to easily integrate an existing Europass account, or create a new one. ILA account holders could store acquired ILA credentials in the Europass wallet (also known as the European Digital Credentials for Learning wallet), in compliance with European standards and enhancing portability within the EU. Format: web-based wallet.

External Wallet Interoperability (Level 3): Ultimately, the goal is to allow learners full portability of their credentials to any W3C Verifiable Credentials (VC) standards complaints digital wallets, next to the Europass wallets this could include an EBSI compliant wallet or the emergent EU Digital Identity Wallet (EUDIW) specification. Format: mobile-based wallet.

Source: Simone Ravaioli, Instructure.

Provider Registry and Quality Assurance

The success of an ILA system depends crucially on the quality and reliability of training providers. The portal must therefore include robust mechanisms for managing the provider registry and ensuring ongoing quality assurance, e.g., providing feedback data and other monitoring metrics, such as course prices. The Council Recommendation is explicit about the need for transparent quality requirements and regular review processes.

This function also requires active engagement with multiple stakeholders. Social partners, industry representatives and relevant public agencies play crucial roles in defining eligibility criteria and ensuring that training provision aligns with labour market needs. The portal must facilitate this ongoing dialogue while maintaining clear standards and procedures for provider participation. In this respect, the Lithuanian Public Employment Services (PES) is an important stakeholder of the ILA system. The PES use the directory to identify quality training opportunities and career advice for the users.

System Integration and Monitoring

The final core function involves the portal's ability to integrate with other systems and support comprehensive monitoring of the ILA programme. The Council Recommendation emphasises interoperability, particularly with the Europass platform, and the importance of enabling future cross-border functionality. This forward-looking approach ensures that national ILA systems can evolve alongside broader European initiatives in skills development and labour mobility.

Monitoring capabilities are essential for both operational management and policy development. The portal therefore needs to generate meaningful data about system usage, training patterns, completion rates and other labour market or social outcomes (e.g., inclusivity) while maintaining data security and user privacy. This wide range of information supports continuous improvement of the system and helps demonstrating the effectiveness of ILA investments in supporting training activities among the working population.

2.   USER EXPERIENCE AND INCLUSIVITY

We touched on 'accessibility' in terms of 'ease of use' earlier. However, there is another aspect of accessibility that goes beyond user experience which is linked to the notion of inclusivity. The Council Recommendation emphasises that the portal should be accessible to "all working-age adults" (2022/C 243/03). The question is therefore: would some working adults find the ILA system difficult to understand and use?

Accessibility and Inclusion

Digital accessibility is not just a technical or ergonomic requirement but a fundamental right. The Council Recommendation specifically highlights the need to include "people with disabilities" and ensure the portal is accessible to all. This aligns with the EU Web Accessibility Directive, which requires public sector websites and mobile applications to be perceivable, operable, understandable, and robust for all users.[8] As such, the portal must accommodate users with varying levels of digital literacy and different access needs. This includes supporting screen readers for visually impaired users, ensuring keyboard navigation for those unable to use a mouse, and providing clear, simple layouts for users with cognitive disabilities. The design should also consider users who may be accessing the portal through different devices or with limited internet connectivity.

---

[8]   For more detail, see https://digital-strategy.ec.europa.eu/en/policies/web-accessibility-directive-standards-and-harmonisation

Language and Communication

In the multilingual context of the EU, language support becomes particularly crucial. While the Council Recommendation does not explicitly mandate multilingual support, the need to serve all working-age adults implies that portals should, at minimum, support official national languages and potentially other commonly used languages in the Member State. Clear, simple language should be used throughout the portal to ensure understanding across different educational levels.

Navigation and Information

Architecture The portal's organisation should ideally reflect how users think about and approach their learning journey. Information should be structured logically, with clear pathways to different purposes, e.g., seeking jobs, up-skilling, re-skilling or personal interest. To do this well, assessment tools may be used which may enhance the relevant guidance support.

Mobile-First Design

The Council Recommendation specifically links accessibility to the use of mobile devices. This requirement reflects the reality that many users, particularly those in non-office occupations or with limited access to computers, rely primarily on smartphones for internet access. The design should therefore ensure that all functionalities are fully accessible on mobile devices – as in the case of the French CPF where a mobile application was made available for accessing the ILA,[9] and not just adapted for a desktop interface.

Help and Support

Features Even with intuitive design, users will occasionally need assistance. The portal should provide multiple support channels, including:

- ■ Contextual help within the interface,
- ■ Clear documentation and FAQs,
- ■ Access to personal assistance when needed, e.g., in-person advice, and
- ■ Step-by-step guides for common tasks.

Continuous Improvement

The portal design and user experience should be treated as an ongoing process rather than a one-time decision. The portal should incorporate mechanisms for gathering user feedback and monitoring usage patterns to identify areas for improvement. This approach aligns with the Council Recommendation's emphasis on the monitoring and evaluation of ILA implementation.

3.   ADMINISTRATIVE AND BACKEND REQUIREMENTS

While we have emphasised the importance of user experience underlying the design of portal adoption, robust administrative and backend systems ensure its reliable operation and sustainability. These systems must support both day-to-day operations and longer-term policy objectives while maintaining the highest standards of security and efficiency.

Data Security and Privacy Compliance

The handling of personal data in ILA portals demands particular attention to security and privacy requirements. Under EU regulations, particularly the General Data Protection Regulation (GDPR), portals must implement comprehensive data protection measures. The Council Recommendation emphasises the importance of "secure electronic authentication" while maintaining accessibility, highlighting the need to balance security with usability. The authentication system should incorporate continuous session monitoring and risk-based adaptive security measures that respond to user behaviour patterns (e.g., detecting unusual behaviour such as change of locations, devices used or terminating inactive sessions). Furthermore, the system may consider facilitating future cross-border authentication capabilities, particularly in alignment with the eIDAS Regulation[10] for European Member States.[11]

---

9   For more detail, see https://financeurs.moncompteformation.gouv.fr/actualites/mon-compte-formation-comment-fonctionne-lapplication
10   Please see here the full regulation: https://eur-lex.europa.eu/eli/reg/2024/1183/oj
11   For detail, see https://www.european-digital-identity-regulation.com

Monitoring and Reporting Capabilities

Point 22 of the Council Recommendation explicitly requires Member States to "monitor and evaluate the operation of ILAs and the enabling framework". The following are some of the examples for the monitoring and reporting systems:

- User engagement and participation rates,

- Training provider activity and performance,

- Financial transaction patterns,

- Course completion and outcome data,

- System accessibility and usage patterns.

As in other administrative systems, the portal should be able to support the generation of different reports for evaluation, governance oversights, operation insights, user feedback for improvement or optimisation and output for transparency compliance.

4.   STAKEHOLDER MANAGEMENT THROUGH THE PORTAL

The effectiveness of an ILA portal depends significantly on how well it serves and coordinates the needs of multiple stakeholders. While learners are the primary users, the portal must also effectively engage training providers, administrators, and other users such as PES officers, career guidance and quality assurance bodies, and even employers (if they are part of the eco-system). The Council Recommendation emphasises the importance of involving "social partners and relevant stakeholders" in the design and operation of ILA systems, making stakeholder management an important function of the portal.

The Learner Interface and Support

At the heart of stakeholder management lies the learner interface. This goes beyond simple and ease-of-use user experience considerations to encompass comprehensive support needs. Learners need guidance not just in using the portal, but also in making informed decisions about their learning journey. The Council Recommendation (under point 18) specifically calls for career guidance services and validation opportunities to be integrated into the portal framework. This support structure should evolve with the learner's needs, from initial exploration of training options through to completion and certification of learning, and in some cases to the identification of career paths.

Experience from existing implementations shows the importance of proactive support. For instance, Singapore's SkillsFuture system demonstrates how integrated career guidance can help learners make better training choices aligned with their career aspirations. This approach helps ensure that ILA investments translate into meaningful skills development and career progression.

Training Provider Engagement

Training providers form another crucial stakeholder group whose needs must be carefully managed through the portal. The Council Recommendation emphasises the importance of maintaining quality standards while ensuring a diverse and responsive training offer (point 14 in 'enabling framework'). The portal must therefore balance provider autonomy with quality assurance requirements.

Information derived from the previous discussion on 'Monitoring and Reporting Capabilities' can also be very useful for training providers to assess their own performance and the adjustments and new offerings they have to make in terms of learners' changing demand.

Administrative Oversight

Again, we touched on administrative needs in the section on 'Monitoring and Reporting Capabilities'. However, administrative oversights have other needs. For example, these may include monitoring system performance, managing financial transactions, supporting data for governance needs (e.g., information needed for delivering responsibilities, ensuring outcomes and the needs for improvements) and ensuring compliance with regulations. In addition, the portal should provide administrators with real-time insights into system operation while automating routine tasks where possible.

A further comment is whether "we need just data or actionable insights?" Clearly, it is the latter that can provide evidence-based decision-making for improvements in system usage, training patterns, and outcomes. Such requirements may point to the need to integrate analytic capabilities into the system.

PART 2: FUTURE ENHANCEMENTS AND EU INTEGRATION

5. INTEGRATION WITH EU FRAMEWORKS

While the previous sections focused on establishing essential ILA portal functionalities, this section explores how these systems can integrate with broader EU frameworks for training, skills, qualifications, recognition and mobility. For example, as noted in the Council Recommendation footnote 16 "Member States are invited to make this registry compatible with the European Learning Model (ELM) that aims to standardise the way in which data on learning are shared and presented". When an ILA portal that is also supported by a data model that aims to standardise with the ELM, such integration can enhance the value of ILAs by connecting them to wider European initiatives in education, training, and labour mobility.

Furthermore, the Council Recommendation has two specific recommendations for portal design which underly how the basic ILA portal should be made compatible with the following wider EU objectives in mind:

- Footnote 18 strongly suggests that "… portals should be established in line with the principles of the Commission communication of 23 March 2017 on a European Interoperability Framework."

- Point 27 (c) "[EU institutions] … exploring, in close cooperation with the Member States, further developments in the Europass platform, in particular to ensure interoperability with the single national digital portals for individual learning accounts, and making visible the learning, career guidance and validation opportunities for which the various national individual training entitlements can be used."

European Learning Model Compatibility

The European Learning Model (ELM) represents a significant opportunity for enhancing ILA portals. As discussed in the Commission 2023 launch of ELM version 3, this model provides the first multilingual data framework for learning in Europe, offering standardised ways to describe and document learning achievements. For ILA portals, ELM integration opens up new possibilities for making training opportunities more visible and comparable across the Member States, in particular when interconnecting national registries with the Europass Platform where the ELM is used as a data model for learning opportunities. Such portals may also provide the possibility to share their ILA training easily via Europass and that they can be recommended to registered Europass users, thus improving their career management.

In practice, ELM integration enables ILA portals to structure learning information in ways that are consistent across Europe. This goes beyond simple course descriptions to include detailed learning outcomes, assessment methods, and qualification levels. The 'value-add' effect of such standardisation means that the ELM helps ensuring that training funded through ILAs can be recognised and valued across borders, enhancing the portability of skills and qualifications. It is therefore of the greatest importance that ELM integration takes place at the stage of portal design.

European Qualifications Framework Alignment

The European Qualifications Framework (EQF) provides another crucial integration point for ILA portals[12]. As established in the related Council Recommendation, the EQF as eight-level reference framework serves as a translation device between different national qualifications frameworks and systems. By aligning ILA-funded training with EQF levels, portals can help users understand how their learning fits into the broader European qualifications landscape. This alignment helps users make informed choices about their learning pathways and understand how different training options contribute to their overall qualification goals. Additionally, the EQF's learning outcomes approach aligns particularly well with the goals of ILAs in supporting flexible and personalised learning journeys.

The ESCO Skills Classification

As a skills referencing system, the European Skills, Competences, Qualifications and Occupations (ESCO) sometimes gets left out in training discussions. However, with its standardised vocabulary for describing skills and competences, ESCO adds values that are not obvious. By incorporating ESCO classifications into training offerings and in qualifications and credentials, portals can help users identify training that develops specific skills sought by employers.

In the case of the SkillsFuture in Singapore, the use of an equivalent tool known as the Skills Framework, alternative career paths can be identified for the learners as part of the assessment tool resided in the portal. In the Skills Framework, the skills of every job title are defined according to its functions, roles and tasks. This is further divided into six levels of complexity. By data

---

12   The ELM is designed to incorporate structured references to cover different learning achievements such as individual learning outcomes, ESCO and other-related skills, and where applicable qualifications framework levels. Furthermore, the Qualifications Framework taxonomy is published in linked open data format to provide comprehensive mapping of all National QFs to the corresponding European Qualifications Framework levels. This means that the link between ILA training and EQF is automatically supported, as long as the NQF level is documented in the training opportunity data available through ILA.

analysing the training content and the skills that the learner already has, the Skills Framework outputs a 'skills adjacency' map across many job titles. This map helps improving career guidance in terms of up-skilling and re-skilling (for changing jobs) and what training gaps there are for training decisions.

Integration Challenges

Implementing these framework integrations presents both technical and operational challenges. This is the reason why we separate the core design in Part One from the additional design features in Part Two. At the very basic level, ILA portals must maintain user-friendly interfaces and useability. However, this design still has to bear in mind future alignments as described above. Again, this progressive design reflects the need to recognise that the ILA portal development is not one-off. It is a continuing process that grows with the ILA policy tool itself.

6.   ADVANCED FEATURES FOR FUTURE IMPLEMENTATION

Building upon the framework integrations discussed in the previous section, several advanced features can enhance ILA portals once their core functionalities are established. These features represent the additional enhancements in making training and learning more personalised, accessible, and effective through digital innovation.

The Use of Artificial Intelligence (AI)

Intelligent recommendation systems represent a significant advancement in helping users navigate training opportunities. While basic search and filter functions, as discussed in earlier sections, form the foundation of course discovery, AI-powered recommendations can provide more nuanced and personalised guidance. These systems can analyse patterns in user preferences, self-assessment results, labour market trends and learning outcomes to suggest relevant training pathways.

There are many other use cases in which artificial intelligence and data science can create added value to the ILA portal, e.g., fraud detection, automation, user support, among others. As such, we note that the European Skills Agenda specifically recognises the potential of AI in skills development, noting that "artificial intelligence and big data analysis have great potential... in defining new job profiles in different sectors based on the specific skill sets required." (EC, 2020: 8). This capability becomes particularly valuable in ILA portals where users need to make informed choices about investing their training entitlements.

Validation of Non-formal and Informal Learning

Advanced validation features can help recognising skills acquired through various learning pathways. The Council Recommendation emphasises the importance of validating non-formal and informal learning, and digital tools can make this process more efficient and accessible (Point 12 under 'Enabling Framework'). Enhanced portals may consider incorporating digital assessment tools, e-portfolios, and verification systems that help documenting and validating skills regardless of how they were acquired.

These validation features become particularly powerful when combined with the European Learning Model standardised approach to describing learning outcomes. They can help creating more comprehensive records of individual skills, making it easier for employers to recognise and value diverse learning experiences.

Cross-State Learning and Employment Opportunities

While at present the ILA implementations primarily focus on national training provision, in the future, advanced features can support cross-state learning and employment opportunities. Enhanced portals can include features for discovering and accessing training opportunities in other countries, managing qualification recognition, and even the possibility of supporting virtual learning across borders.

Further Career Guidance Enhancement

While basic career guidance features may be included in initial implementations, advanced systems can offer more sophisticated career development tools. These might include labour market analytics, skills forecasting, and personalised career pathway planning (as explained earlier in the Singapore case). The European Skills Agenda emphasises the importance of such tools in helping individuals navigate changing labour markets effectively (EC, 2020: 15).

Interoperability with Emerging Systems

Looking further ahead, ILA portals should be prepared to integrate with emerging systems for skills development and labour market matching. This might include connections to new European initiatives, emerging credential systems (also see Box 1), or innovative approaches to skills validation. Early experience in making the system aligned with EU-wide initiatives (such as those discussed above) makes it easier to incorporate future initiatives. The key is maintaining flexibility to adapt to new opportunities while ensuring stability in core functions.

7.   CONCLUSION AND IMPLEMENTATION CONSIDERATIONS

As Member States move forward with ILA portal implementation, several key considerations emerge from our discussion of both essential features and future enhancements. This concluding section draws together critical success factors, implementation approaches, and future perspectives to guide effective portal development.

Key Success Factors

The success of an ILA portal first and foremost depends on how well it serves its primary purpose – enabling and encouraging higher levels of learning/training engagement among working adults. Experience from existing implementations suggests that success relies not just on technical excellence, but on creating a system that is truly fit-for-purpose. On this point, we remind readers to carefully examine the section on the "enabling framework" in the Council Recommendation document. The broad message of the enabling framework suggests that the ILA portal must do more than simply processing transactions; it must actively support learning journeys with innovative ideas and enhancing accessibility.

Accessibility and inclusion, as discussed earlier, remain paramount. However, success also depends on maintaining a delicate balance between competing demands: security versus ease of use, comprehensiveness versus simplicity, standardisation versus flexibility. Finding these balances requires careful consideration of local contexts while maintaining alignment with broader European objectives.

Implementation Roadmap Considerations

The roadmap needs to consider both 'core' as well as 'advanced' features at the outset. However, a phased implementation is often adopted because of the potential complexity of the whole project. The core functions discussed in earlier sections provide a foundation upon which more advanced features can be built. This incremental approach allows for learning from early experiences and adjustment based on user feedback. Both the French and Singaporean experiences show that a long-term developmental process is required. The ILA portal is not a one-off exercise. In addition, initial technical architecture decisions ought to anticipate future needs, particularly regarding integration with European frameworks and systems.

Resource Considerations

While the Council Recommendation suggests that Member States can make "maximum and most efficient use of Union funds and instruments" (Point 26) for implementation, implementing and maintaining an ILA portal requires sustained commitment of resources. Beyond initial development costs, ongoing operations demand attention to system maintenance, user support, and continuous improvement. Human resources prove as crucial as technical ones. Portal implementation teams need expertise not just in technical development, but in adult learning, career guidance, and stakeholder engagement. Building and maintaining these capabilities requires ongoing investment in staff development and support systems.

Closing Thoughts

The implementation of ILA portals represents a significant step toward supporting the European vision of learning for all working adults. While the technical challenges are considerable, the potential benefits – for individuals, employers, and society – make this investment worthwhile. Success requires careful attention to both immediate practical needs and longer-term strategic objectives, always keeping focus on the ultimate ILA goal: empowering working adults to pursue continuous learning throughout their lives.

REFERENCES

European Commission. (2020). European Skills Agenda for Sustainable Competitiveness, Social Fairness and Resilience. Brussels: EC.

European Union. Introduction to the European Learning Model. https://europass.europa.eu/en/news/launch-european-learning-model

European Union. Launch of the European Learning Model. https://europass.europa.eu/en/european-learning-model-stakeholders

The Council of European Union. (2017). Council Recommendation on the European Qualifications Framework for lifelong learning. Luxembourg: EU.

The Council of European Union. (2018). A common framework for the provision of better services for skills and qualifications (Europass). Luxembourg: EU.

The Council of European Union. (2022). Council Recommendation on Individual Learning Accounts, Luxembourg: EU.

POSSIBLE FUNDING MODELS FOR INDIVIDUAL LEARNING ACCOUNTS: INSPIRATION FOR IMPLEMENTATION

Thematic discussion paper

Professor Johnny Sung, September 2023

BACKGROUND

This background paper on the funding models is second in the series written to support the Mutual Learning Programme on Individual Learning Accounts (ILAs)[1] Workshops organised by the European Commission (DG EMPL). This paper was written to support the second workshop held on 18 September 2023.

The primary aim of this second background paper is to support and inspire ILA implementation teams in Member States in designing their own customised approach to funding ILAs. As in the first background paper, this paper provides practical guidance as well as further information where the implementation teams can learn more about ILAs.

It is important to note that most Member States already have some training provision and systems in place, some of them may even have substantial provision. This could create a 'stakeholder effect' where careful change management and negotiation may be required. As a result, the discussions may also include suggestions on ways to minimise such resistance. Gaining support to the introduction to ILAs as proposed by the Council Recommendation[2] as well as finding inspiration on possible funding models – both in the short and long-term – are the primary focuses of this second background paper.

This paper focuses specifically on funding for ILAs and practical issues involved during planning and implementation. This is particularly important when the funding model may have to deal with agreements with existing stakeholders, integration with existing training schemes and future changes as a result of changes in funding source(s).

Some of the discussions are informed by a wide range of assessments conducted by a recent impact assessment on ILAs (European Commission, 2021) and a forthcoming study on ILAs by Cedefop, with in-depth case studies on five-countries. The inclusion of these studies helps align the discussions with the broad recommendations by the Commission.

The current paper has four sections:

- Section 1: The Council Recommendation on ILAs and funding consideration
- Section 2: Considerations for ILA Funding Models
- Section 3: Critical Success Factors for Implementing a Funding Model: the practitioner perspective
- Section 4: Some Concluding Remarks

SECTION 1: THE COUNCIL RECOMMENDATION ON ILA IMPLEMENTATION AND FUNDING CONSIDERATION

The paper was written to support the Mutual Learning Programme on Individual Learning Accounts (ILAs) Workshops organised by the European Commission (DG EMPL). For this reason, it is important to link this discussion to the Council Recommendation (CR) in the content of this paper. As such, we will focus on some of the main points in the CR that are relevant to the funding methods of ILAs. The revisit of the CR will provide a policy focus and guidance in our effort to introduce ILAs.

The objective of ILAs – Funding of any skills development policy is closely linked to its objectives as well as its coverage. In the CR, the general aim of ILA is said to be (2022/C 243/03; section 1)[3]:

"… managing transitions in the labour market and participate fully in society, against the backdrop of demographic change. Moreover, adult upskilling and reskilling can be powerful tools in promoting social fairness and inclusion for a just transition."

In the same paragraph, CR also emphasises:

" … ensuring socially fair, digital and green transitions." (see 1.3 and 1.4)

ILAS NEED TO SUPPORT SOCIAL RIGHTS

The implementation of ILA is also linked to the principles of the European Pillar of Social Rights of lifelong learning, active support for employment and fair working conditions (Council Recommendation of 16 June 2022 on individual learning accounts, 2022/C 243/03; section 2). Table 1 highlights the relevant sections:

Table 1: ILAs and the principles of the European Pillar of Social Rights

The Pillar Content	
The first principle	Everyone has the right to quality and inclusive education, training and lifelong learning in order to maintain and acquire skills that enable them to participate fully in society and manage successfully transitions in the labour market.
The fourth principle	On active support for employment – to uphold everyone's right to timely and tailor-made assistance to improve employment or self-employment prospects.
The fifth principle	On active support for employment […], regardless of the type and duration of the employment relationship, workers have the right to fair and equal treatment regarding working conditions, access to social protection and training.

Source: RC. 2022/C 243/03; section 2.

On green and digital transitions

The European Skills Agenda calls for a skills revolution to turn the ecological and digital transitions into opportunities for upskilling and reskilling of working-age adults, complementing other actions targeting employers and the providers of education and training. Furthermore, the 'New Industrial Strategy for Europe', calls for lifelong learning to become a reality for all, ensuring that education and training keep pace with and help deliver the twin transitions. Additionally, the Green Deal Industrial Plan[4], put forward by the European Commission on 1 February 2023, aims at scaling up the EU's manufacturing capacity for net-zero technologies and products required to meet Europe's ambitious climate targets. As the green transition must be people-centred, the third pillar of the Green Deal Industrial Plan focuses on skills —green and digital— at all levels and for all people, with the inclusion of women and young people at its core. In April 2023, the Commission presented two proposals for Council recommendations on:

■ enabling factors for successful digital education, and

■ improving the provision of digital skills in education and training[5].

This second recommendation proposal aims to strengthen digital skills provision across all education sectors and encourages Member States to foster the development of a wide range of digital skills and address ongoing and emerging digital skills mismatches.

On adult learning targets

The Pillar Action Plan states that at least 60% of all adults will participate in training every year by 2030. In general, the Action Plan has an emphasis of universality, and the overall level of training participation ought to increase. Support should be offered particularly to adults, specifically those in atypical forms of work, employees of small and medium-sized enterprises (SMEs), the unemployed, and those with fewer qualifications. For those adults, skills development opportunities are too often 'out of reach'.

On the role of social partners

CR also suggests attention be paid to the role of social partners, the possibility for public and private financing of lifelong learning, sustainable funding and stronger support for vulnerable groups and lower-skilled workers.

The need for an 'enabling framework'

CR also covers a wide range of considerations that may be relevant to funding implications for ILAs. These considerations form the 'enabling framework', aiming at engagement, motivation and participation of adult learning. Table 2 gives a brief summary:

---

4   https://ec.europa.eu/commission/presscorner/detail/en/ip_23_510
5   https://ec.europa.eu/commission/presscorner/detail/en/ip_23_2246

Table 2: Considerations that are relevant to the funding model

Consideration	Detail
Accumulation and portability	While ILA entitlement is suggested to be provided yearly, the features of accumulation and portability require a long-term funding model.
What to spend on	Does it cover all the activities relevant to the training event, e.g., fees, assessment and guidance? What about indirect costs, e.g., equipment, living expenses, travel costs, or income replacement? A study by Cedefop points out that there are Member States which already have either supply-side or demand side provision on direct costs for learning. If this applies to your case, some integration or arrangement needs to be worked out.
Is ILA linked to other provision?	CR suggests that paid training leave be considered in order to enhance the motivation for engaging in training for both short or longer courses. The Cedefop study also points out that training leave for short spells and long spells may have very different implications for funding needs. For example, long training leave may require funding for living subsistence or some form of wage subsidy. Also, there could be additional negotiation for employer cooperation and support.
Outreach and awareness	In some countries, ILAs may be a new concept. People need to be informed about it, what it is for, and how to use it. Additionally, certain methods of funding may need greater efforts to gain acceptance and use, e.g., using the different combinations of co-funding methods to support ILA, which may involve the learner, the employer and/or public funds.
Monitoring for continuous improvement	Monitoring is crucial in supporting quality assurance, policy impact and continuing improvement. This is a large topic involving many aspects of policy operation. Taking funding as an example, we need to have regular feedback on how the fund is used, and by who? For what type of learning? The adequacy of funding: is the funding achieving the intended goals? Last and not least, how are ILAs working within the overall funding landscape for training?

Source: Author's own.

All the points provided above may seem a little overarching. However, they will help us scope and plan our ILA policy and its funding method. In the subsequent discussions, we will see the connections between the recommendations here and funding issues that we need to consider.

SECTION 2: CONSIDERATIONS FOR ILA FUNDING MODELS

In this section, we focus specifically on the considerations relevant to ILA funding models. We will not complicate the discussion by making a distinction between an 'early establishment' phase and the long-run model, as many of the issues may apply to both.

While the general distinction between supply-side funding and demand-side funding models can be helpful as a mental or policy construct, it can also be a bit academic. In practice, these concepts may be more intertwined than one might expect, as we will see in the following points.

A supply-side funding model

This is generally a 'centrally' provided model where the central authority controls most if not all aspects of the funding scheme. Funding coming from a central government budget or those coming from the relevant European funding facilities are prime examples. It is 'supply' in nature because it is proposed, planned and delivered centrally by a government ministry or its agency. More importantly, the use of funding is mostly structured around the government's skills plans.

A demand-side funding model

While making use of centrally provided funds, this model has strong features that enable the use of funding to be driven by the user such as learning generated under ILAs. For example, the user determines what learning may support an up-skilling decision, when the learning activity may fit into his/her career plan, and so on.

However, while the user can determine what, when and how the fund is exercised, in practice, these decisions may be 'mediated' via other stakeholders, e.g., employers, the state's policy goals, existing training agreements or other sources such as public learning providers and counselling support. The implications for ILA implementation mean that the introduction for ILAs is not just about finding a funding model, but also one that will work for the learner as well as the stakeholders.

On the plus side, ILAs located within a wider skills system gives the opportunity to explore different possibilities for funding and co-funding. The issue here is that when the level of ILA funding is relatively small, the small amount may discourage the use of ILAs. The possibility of combining different sources of funding may create a greater resource available, thereby increasing the attractiveness of ILAs. There is a further discussion on the level of ILA funding later in this section. Table 3 shows a summary of relative advantages of using the two main funding models:

Table 3: The relative advantages of supply-led and demand-led funding models

	The supply-side model	The demand-side model
Administrative management	Relatively straightforward – mostly making use of existing funding channels. It is therefore more cost effective to maintain. This may enhance stability and planning.	May need to create new channels for managing the funding, especially in the some of the co-funding methods cited in 2.2.2. where other stakeholders are involved, e.g., contributions from individual, employer or sectoral funds.
Targeting learning provision	It may provide a stronger steer in areas such as provision for individuals most in need of up- and reskilling or areas of skills development that are hard to articulate.	Targeting is possible with variable funding and ceiling. However, there is evidence that those with higher attainment levels of education and higher income tend to use the fund more. Hence, as in the case of ILA, additional awareness campaigns with learners in certain situations have been used to good effect, e.g., people not in the labour force or people in rural areas.
Quality assurance and accountability of use of fund	The chosen QA system is the main means of ensuring accountability in the use of funds. Internal audits are the standard means. Note that accountability is important in both supply-side and demand-side models.	The eco-system in which a demand-side model is located tends to be more complex and may involve more actors (e.g., a large private sector of providers; many more learners). Complexity creates greater management risk.
Creating more diverse funding sources	Mostly through course-fee subsidies grants and (low-cost) loans to entice individuals' contribution and participation.	Historically, it has been shown that more varieties and combinations of co-funding sources and criteria used.
Responsiveness to local needs	Tend to be subject to more constraints for local variations.	Local variations are mainly supported via individuals' decisions on how the fund is used. Hence, flexibility is 'in-built', but not guaranteed.
Individualisation of learning	While the model may support the notion of individual learning and plans, the model is not built around individualisation supporting be-spoke individual learning or career plans.	The model is intended for 'individualising' learning (up to a point, e.g., pedagogy, level of learning, what is 'approved' and mode of delivery may form a constraint). Generally, the funding model encourages the learner – or the employer for that matter – to 'choose'. It may help to stimulate participation in learning.
Achieving learning targets	Much of the supply-side model is designed around achieving targets. For example, the targets are often achieved via established training/ education infrastructures such as formal education institutions, employers' bodies, education networks, training providers and so on.	Achieving learning targets depends on learners' (and the employers') decisions to participate in learning activities, which in turn depend on the support of the wider 'enabling framework' (as cited 1.7). For example, the 'individualised' nature of ILAs may require greater support in terms of counselling, information on the future of work, re-designing provision for flexibility and so on. Many other factors may also come into play, e.g., study leave, employers' support, family constraints and so on.

Source: Author's own.

Table 3 is useful for establishing some baseline models for consideration. However, in practice, as mentioned, there is not a definitive boundary between the two, because some of the financing tools such as levies can be deployed in both supply- and demand-side models. For example, we are already familiar with the use of levies funding TVET training. They can also be used to support ILAs.

It is also possible to have a supply-side and demand-side model evolving over time when the circumstances are changing, e.g., moving from EU seed-funding for the establishment of ILA and its enabling framework to a long-term internally-funded model.

Next, we will examine the financing methods of ILAs. Here, we do not cover the early stage of development where EU funds may be used, other than reminding the readers that, if there is a 'two-stage' situation, it would be useful to work out the transition between the two stages to avoid significant disruptions. In any case, changes for improvement over time are inevitable.

To examine what funding methods could be suitable for a particular ILA scheme, there are two levels of discussion. First, we need to examine four factors that may affect the overall scope of the ILA scheme. The four factors are:

◼ The level of ILA funding;

◼ What can ILA be used for;

◼ The potential number of users; and

◼ How long the scheme may last before review for renewal.

According to the CR, ILAs are expected to offer universal coverage, i.e., be accessible for the entire working-age population. The four factors above may determine the scope of funding required. We will look into the details of these factors further below.

Second, we will look at the most frequently used methods of generating funds for the ILA account, e.g., cost-sharing or using levies. Although we discuss these issues separately, in practice, they need to be considered in relation to each other. We will examine funding methods in more detail later in this document.

The most basic question concerns "What is the level of ILA funding per person?" This is a frequent query about ILAs referring to an optimum or just 'useful' amount of money for each learner. Unfortunately, there is no ready answer. Setting a funding level which is too low may not motivate the users. When it is 'too high' – though this seldom happened – there could be issues that we have yet to learn, let alone potential conflicts with other training spends.

However, the result from a randomised study in Switzerland showed that utilisation rate increased with higher funding values (Schwerdt, G. et al., 2012). So, there is evidence that we would need to avoid a low threshold. Obviously, it is hard to define what level is low. The threshold is expected to vary from country to country and the types of learning content approved. In addition, we want good quality training provision. Good training may cost a little more because of depth and complexity. As a result, this tends to be a compromise that may also require piloting and further tweaks before roll-out.

In general, the policymakers may also find some of the following questions useful:

◼ What costs to cover – Does ILA cover the direct costs (e.g., fees) and the additional contribution to the living costs (if employment or wages are interrupted or reduced)? Financial requirements for additional contributions to the living costs should also be calculated in the design phase of the ILA scheme, these are relevant to support participation.

◼ What levels of learning does ILA cover? As mentioned, short courses are less costly, but deep-skilling – often coincides with much longer duration of training or education – may involve more expensive support. Where the policy is oriented towards a lifelong learning approach to skills development, deep-skilling and finding a new career are important motivating factors for using the ILA. The case of Singapore is a useful example as the ILA tends to be less than the fees required for the more advanced courses. As a result, a career guidance support has been set up to advise on additional sources.

◼ If ILAs cover a wide range of age groups, this may have implications for the types of learning provided and costs. Younger citizens may be interested in IT and analytics-related learning while mid-career workers may be more interested in learning knowledge needed for a higher posting. The different types of learning may incur funding implications, both level and scope.

◼ Can ILAs be used in combination with other publicly subsidised training/learning programmes? In this case, the ILA funding may be sufficient when combined with other funds. However, while co-funding may resolve some of the funding level issues, it may create new challenges. Low-income individuals may not be able to co-fund the learner's contribution (e.g., as found in the Individual Training Account in the USA). Then in Upper Austria, where low-waged participants in the *Bildungskonto* scheme enjoyed more help. The fees are paid by the organisation upfront directly to the educational provider. Reimbursement to the employers follows upon completion of the training.

- How long is the ILA expected to be in operation? Will there be 'top-ups'?[6] Is ILA accumulative? If so, is there a cap? Some of these decisions may be subject to overall financing and budgetary and fiscal constraints. However, it is also relative to what the ILA can achieve. For schemes that are intended to be an entitlement or supporting lifelong learning, accumulation and 'top-ups' are important elements to encourage utilisation. However, if it is a co-funding arrangement with employers or levy bodies, complicated negotiations may occur (e.g., employers may not agree with the timing or the amount of 'top-ups' when their business is not performing well; levies may involve legislation and sectoral agreements). Likewise, making ILAs accumulative and portable needs to be supported by all stakeholders in the system.

- Can we learn from the experience of existing ILAs? In this regard, the OECD did an interesting exercise, calculating ILAs as a percentage to the annual average wage[7]. The figures from Belgium, Scotland, Singapore and Switzerland show that the four countries all provided ILA type or ILA-like support (in the standard case) amounting to less than 1% of the average wage (0.3% to 0.8%) (OECD, 2019: 22). But then, the same study also found that workers who are known to have a low propensity to learn may receive more. For example, people with a very low-level of education under the reformed French *Compte Personnel de Formation* (CPF) may receive up to 21% of the average wage. ILAs in Upper Austria and Canada (pilot) may get up to 5% of (maximum support) the average wage under qualifying criteria (OECD, 2019: 21).

- Following on from above, ILA entitlement may vary because the Council Recommendation also suggests the possibility of additional support in certain circumstances, e.g., enabling re-skilling in the strategic sectors, to support the green and digital transitions.

- It is important to establish a range of scenarios and estimates following those queries above. Then depending on what eventual financing model that is agreeable among the stakeholders and government, we can always adjust our initial estimates. The advantage of this approach is that we can have something relatively concrete to work with, which is important for negotiation with stakeholders as well as rallying for policy support.

- What else can ILA cover in relation to 'approved ILA spending'? We may start with a set of existing approved programmes. As will be discussed later in Section 3 (on 're-balancing the curricula'), would the introduction of ILA represent a good opportunity to examine the range of provision? For example, if not already supported, could assessment for the recognition of prior learning (RPL) be supported? Is there already a mechanism to allow new types of learning to be approved? Opening up new ground may require infrastructure development cost and re-vamping counselling support. In addition, existing providers may see platform-based learning as competitors.

- Most fixed costs may be covered by normal government budget – such as counselling, administration of ILAs, QA etc. However, these need to be ascertained and negotiated. Also be aware that some of the 'fixed costs' may not be fixed. They can be proportional to the number of people who use their ILAs and the number of approved learning courses involved that may impact on assessment, QA (for content and providers) and counselling infrastructure.

Funding methods

To start, we need to pre-empt one of the myths that there are unknown funding methods that we do not yet know. Funding for ILAs is the same. The real issue and decision about funding methods surround what variations or combinations of methods that we already know and how that design is 'fit-for-purpose'. So, let's start by identifying the major methods of funding ILA or indeed, other policy tools, as the basis for discussion.

- **Direct funding from government budget**

  Nearly all training schemes have some elements of government funding. This could support ILA or other training funding tools such as vouchers. It is almost a default source. However, the variations within come from whether it is wholly funded by state fund or it is co-funded (see later discussion on co-funding). Most voucher schemes may be wholly supported by state funds (e.g., *Chèque annuel de formation*, Canton de Genève, Switzerland). Other examples of ILAs that are wholly supported by central funds is the SkillsFuture Credit (SFc) in Singapore[8] and *Carta ILA* in Tuscany (Italy).

---

6   Additional funding on top of the usual entitlement e.g., for those most in need of training.

7   Notice that in the OECD studies, vouchers are regarded as a 'weak' form of ILA. However, both OECD and Council Recommendation would prefer an entitlement form of ILA such as the French CPF. Strictly speaking, vouchers do not fulfil many of the characteristics of an ILA.

8   There is no commonly agreed definition on ILA. The Singapore SkillsFuture (SFc) is regarded by some as a 'voucher' scheme because it does not have a characteristic of an 'account', which is similar to a savings account where debits and credits are made over time. SFc is fixed at a certain amount (S$500; around €435), until it is 'topped-up'. There is no accumulation via some criteria (e.g., OECD, 2019). However, SFc is a learning entitlement more universal than CPF, e.g., any citizen over 25, in-work or otherwise with a wide range of courses, both local and overseas. So, other studies regard SFc as an ILA (e.g., EC, 2021).

- **Training levy**

This is a tax levied on employers. ILA examples include the *Compte Personnel de Formation* (CPF) in France. Outside ILAs, training levies have been extensive used, especially by sector-based training schemes.

- **Co-funding**

This method has been widely used to fund training. It can be used under ILA as well as other training schemes. However, there are many ways to 'co-fund' as discussed as follow:

- **State subsidies**

This is where government fund covers a percentage of course fees. It is very similar to the 'grant for individual' model or subsidised loans (on favourable terms). An ILA example may include SFc as it can be used as part funding to courses that may be above the SFc amount. A normal training scheme using subsidies may be *Bildungskonto* in Upper Austria.

- **Individual contributions**

Both CPF and SFc have this provision. However, research show that this remains a very small proportion of the source of funding. For example, under CPF, only 3.9% of the cost of funding (in 2020-2021) came from individual contributions, though this normally applies to more expensive courses, and such contributions are not expected from everyone. (EC, 2021).

- **Tax incentives**

These are real bank savings accounts allocated specifically to support approved learning activities. They attract income tax deductions up to a certain limit. Examples of saving accounts include those used in some states of the USA. For example, Washington State provides a 50% tax rebate for first USD 500, 25% for following USD 2,000 (OECD, 2019). While this model can be used for ILA or specific training purposes, it is not widely adopted because there is potentially a considerable 'deadweight' effect – i.e., we are subsidising something that would have happened in any case. The ones who save are mostly likely the high-earners, and they would normally engage in more learning compared with low-earners. Therefore, it may not work for an inclusive policy objective. Indeed, because of this, the European Commission's impact assessment for ILA concluded that this is a less effective method to consider than ILA (EC, 2021).

- **Employers' contribution**

Other than the levies, employers may contribute towards training fund directly. For example, if an ILA allows employers co-funding with courses that are more expensive than the ILA amount can afford. In France, the employers can 'top up' the CPF with additional contributions if they wish to support their employee's training needs.

- **Dedicated state investment fund for ILAs**

This is an unusual funding source. To our knowledge, only the SkillsFuture Credit (SFc) in Singapore uses this method. The Singapore government has invested a total of S$10 billion (€6.8 billion) in the Lifelong Learning Endowment Fund (LLEF) since 2000. The LLEF is a sovereign wealth fund, and its earnings are used solely to support lifelong learning, including the SFc.

The advantage of using a separate funding mechanism is that the fund sends a powerful signal that the government is serious about learning (or lifelong learning in the Singapore case). At the same time, it is an independent source of funding that does not affect the previous funding provision. This means that there is less objection from the existing stakeholders.

Another advantage of using a sovereign fund is that while the normal funding for training (e.g., for TVET) could be affected by unexpected shortfalls in the yearly government budget, the sovereign fund is invested over a long period of time and its value accumulates through reinvestment over time. The distribution to SFc funding only happens occasionally (twice so far). As the LLEF cannot be used for anything else but designated funding instruments such as SFc, stable funding is assured.

Would this form of funding be suitable or feasible for ILA funding in EU Member States? It would depend on at least two factors:

- Is there a strong (state) commitment to create a long-term funding mechanism that is stable and for a designated use? This is clearly a political decision, though societal demand can play a part. However, before a social demand is possible, citizens themselves may have to be sufficiently informed to initiate the demand.

■ Are there opportunities to create this form of investment for funding learning? In the non-oil producing countries, these funds tend to come from three sources: foreign exchange reserves, budget surpluses or proceeds from privatisation.

Singapore derived its sovereign fund for LLEF from the yearly budget surpluses. It was initiated by the government to streamline the frequent message for citizens to up-skill.

The variety of funding methods discussed above may help policymakers to think through how each method can meet the needs of the country concerned. It is not a case of finding the 'best example'. For example, if a country is already using levies extensively, it might be better to consider one of the co-funding methods. This may increase the buy-in from existing stakeholders, making ILA a complementary resource to the existing skills system, and not a new 'competitor' within the funding landscape. Indeed, one of the Cedefop's recommendations in the forthcoming ILA report reminds us that the introduction of a novel ILA might require a revisit of the overall funding arrangements. It is good practice to review the efficacy and adequacy of funding on a regular basis.

Other points to note:

While finding the 'best funding method' is not necessarily the best way to examine ILA funding methods, we often over-look the fact that the decision is also about finding an effective incentive for engaging learning/training. In this respect, there are three related challenges in designing funding for ILAs:

■ Policy integration – This is about finding a 'programme space' for ILA, so that ILA complements existing tools and stakeholders' interests;

■ Policy utilisation – Introducing a cultural change (e.g., greater motivation for learning) among the learners;

■ Effective incentive – Finding an effective incentive that will strengthen (a) and support (b).

As we are discussing funding, we focus on point (c) here. The learner has their own calculus, leading to a personal priority. An effective incentive can therefore mean many things to different individuals. For example, when a subsidy is used, the value of a subsidy is relative to 'other things' – a 'loss' of earning may be one; whether the new learning can lead to a 'better job' is another, and so on. The task of the policymaker is to find a policy design that will maximise the impact of that incentive. In this regard, the level of a subsidy (relative to something) is important. What is that 'something'? For example, in a country where people are already working many hours and have few days off, 'lack of time' is a real barrier as we have seen time and again in every training survey.

Thus, one of the 'enabling framework' elements could be the adoption of 'training/learning' leave (e.g., Finland, Sweden and France), an 'absentee pay-roll' subsidy for the employer (e.g., Singapore) or childcare support (e.g., Australia and Norway). The idea is that funding model is also about effective incentivisation of learning. Other features such as portability and accumulative entitlement (as recommended in RC) are also useful in this respect.

SECTION 3: CRITICAL SUCCESS FACTORS FOR IMPLEMENTING A FUNDING MODEL: THE PRACTITIONER PERSPECTIVE

In this final section of the background paper, we will examine a range of practical considerations when designing a funding model.

Establishing a new tool and its integration into the existing policy landscape

One important lesson from previous training policies is the need to avoid introducing a new funding tool that may end up either 'competing' with other schemes or creating a 'deadweight' loss. While avoiding or reducing the competition effect may be relatively easier to ascertain, e.g., with a thorough consultation with stakeholders, the possibility of dead-weight loss is not so straight-forward. Deadweight loss refers to training action which would have taken place even without the introduction of a funding tool. As far as ILA is concerned, to ascertain 'what would have happened' requires good data on what companies are doing both formal and non-formal training, plus at the individuals' level, what training decisions they would have made. There are few studies on this issue. In an earlier study, Schwerdt et al. (2012) calculated that vouchers had a deadweight loss of 30 per cent on average. While we should bear in mind that this result comes from a voucher scheme, and deadweight loss may vary from case to case. While some deadweight loss may be unavoidable, we ought not introduce a design with no estimation on this at all. And then we should also examine what level is 'acceptable'.

Another challenge when introducing a new tool such as ILA is the potential 'push-back' by existing stakeholders who may see the new tool affecting the existing arrangements and interests in a negative way. To minimise this potential negativity, there are a number of things to be considered:

■ Thorough consultation with stakeholders is recommended by CR. The key is the content of that consultation. Will there be a new landscape – as mentioned by the Cedefop ILA study as a possibility – that is an improvement over the current system? For example, we may present the new niche (or learning outcomes) that the new tool may create. How would the new tool create complementarity with existing tools (even though there could be some overlap)? Most importantly,

there is a need to balance the needs of the main stakeholders, namely individual, employer, and community needs in the outcome of that consultation (Williams et al., 2010). In short, effective consultation is less about presenting a new case than about presenting a better case that still maintains a useful balancing action across all interests.

■ It is also important to bear in mind that sound 'internal logics' of the design of a new tool may be a good start. Most of the consultation work is about creating 'ownership' of the new tool. In this regard, an interesting way to resolve negativity despite an overall good outcome is to assign ownership to that source, where it is deemed feasible. For example, a department/agency that may perceive the entrance of ILA may affect their work or training fund. That department may be considered to be the owner or one of the owners of the new tool. We will have more discussion on this later (see section on 're-balancing governance').

The use of technology

ILA schemes are supposed to be simple for maximum participation. The funding method is clearly one of the elements that will deliver this quality for participation. Hence, consider good use of technology to support this goal. Another advantage of technology is the scalability of the system when the number of users goes up. The new system cannot be stand-alone. It needs to be integrated into the existing eco-system in a seamless manner. All these will require time.

Managing expectations

As mentioned previously, if a 'two-stage' scenario is envisaged in the introduction of ILAs, the stakeholders' consultation need to bear this mind. This can enhance the management of expectations and to avoid complications down the line.

ILAs are an investment

ILAs have a universal appeal in most cases. However, when it comes to funding issues, it is sometimes very useful to make a distinction between 'investment' and 'expenditure' regarding the introduction of ILAs. The investment argument may present a different dynamic in making a long-term funding argument. In one case we are aware of – a significant proportion of the ILA use for those under 35 was under the domain of digitalisation and analytics learning. This helped make the argument that ILA was supporting individuals' investment in line with 'the future of work' and trending from the Skills Needs Anticipation (SNA) exercise. The idea here is to find a link within the national context that makes an investment and not an expenditure case.

FACTORS THAT AFFECT THE UTILISATION OF ILA AND FUNDING IMPLICATIONS

Would the utilisation of ILA enhance learning?

To secure sufficient funding for ILA, we need to make a case that it will be widely used. Therefore, high utilisation of ILA is a key factor. However, to consider this, we need to answer some outcome questions at different levels. For example:

■ What would we expect to be the learning outcomes on the individual level e.g., up- or re-skilling?

■ What would we expect to be the learning outcomes at the workplace level, e.g., % of qualified workforce, higher levels of digital competence, higher employment levels of individuals most in need of up- and reskilling?

■ What would we expect to be the learning outcomes at the national level and progress for digital and green skills?

■ In what ways can we expand learning in general, e.g., ILAs opening up a supplementary role within the existing skills system?

To what extent does 'individualisation' matter?

How important is individualization? ILA is often recognised as an important and direct instrument for supporting individuals' demand for learning. As such, individualisation is a critical element to incentivise the demand for learning. Considerations such as flexibility, range of provision, career linkages are all examples of individualisation.

Another argument for individualisation is that it motivates people to upskill. In practice, it is very difficult to ask someone to spend months or years upskilling without a strong motivation. To motivate them, we need the learner to be passionate about the subject they are learning. This is where upskilling, innovation, productivity, and individualisation meet each other. As such, ILAs and personal commitment can work together if learners are motivated by finding something they enjoy.

OTHER FACTORS THAT MAY HAVE IMPLICATIONS FOR FINANCING METHODS

Re-balancing responsibilities

If ILAs introduce a new funding method into the existing skills ecosystem, this can affect where the relevant responsibilities lie. It is important not to see this as an exercise in changing the 'power' within the skills system, but as an opportunity to create a more responsive skills ecosystem. In many ways, this is a reconfiguration of the ways in which learning can create impact at different

levels when ILA is introduced. For example, the existing training system is underpinned by a sectoral approach where tripartite agreements determine the responsibilities of the stakeholders. The introduction of ILAs could mean that the ministry or ministries in charge of ILAs may be given a new role. This could require a new agreement, which would also affect how funding flows and what additional funding could be created.

It is important to consider the 'knock-on' effects of rebalancing the governance structure, in order to project the likely outcomes. For example, career counselling may previously have worked closely with training institutions, but with ILA, career counselling often comes with a support for individual career planning. This means that career counselling may need to work more closely with public employment services. In some cases, career counselling may build a direct and continuous relationship with the learner via online facilities.

In a two-stage model for introducing ILAs, it is useful to start work on the long-term governance structure (i.e., the rebalancing of responsibilities) at the outset, avoiding the need to make substantial changes when moving towards the second stage.

Re-balancing the life-cycle of policy resources

Some funding tools have a relatively short lifespan, for example, a voucher scheme for a specific group of workers. Others may last longer. ILAs ares expected to be a longer-term mode of support. As such, we need to consider how funding needs may change over time, for example, by having a suitable process for monitoring ILAs.

There are two aspects to this monitor. On the macro level, how might skills policy change over time? For example, would reskilling, as driven by the twin transitions, take on even greater importance in five years' time? Would demographic change create different needs (e.g., more migrants or older people)? What is the lifecycle of industrial policy within the country (e.g., stages within national plans)? These questions may vary from country to country.

On the individual level, consider additional measures to encourage individuals who are less likely to use ILAs because of certain situations or particular needs of the country (e.g., emerging critical skills). These considerations may change over time. Do we have a mechanism to monitor these changes?

While most of these lifecycle questions may not be answered at the outset, they would form a useful component in the milestone reviews of ILA.

Re-balancing the curricula

This is about ensuring that a range of learning opportunities is available to support adult work and to a certain extent also personal needs. In recent times, emerging areas of learning may require new curricula for learning, for example, rapid technological development in all fields and the more frequent use of Artificial Intelligence require more substantial digital skills. The green transition requires that people have more applied environmental knowledge. Also, adapted trainings on financial skills, active citizenship, health and personal well-being are often linked to wider economic benefits of adult learning.

Strengthening existing weak provision – for example, learning support for SMEs in most cases is still less than satisfactory. SMEs often occupy a different segment of the value chain. They may employ different work processes, and have different levels of automation. Much of the training provision assumes the organisational structure of a large organisation. This is unlikely to meet the needs of SMEs. However, if we can augment provision to meet the needs of SMEs, this may open up additional funding methods to co-fund ILA, for example, loans or grants.

SECTION 4: CONCLUDING REMARKS

Funding is a topic at almost every training policy meeting. Most participants in these meetings tend to expect someone in the room to propose a funding method and say, "This is perfect! Let's use this!". In reality, however, it is rare to find a general funding method that provides an immediate and perfect solution to everyone. The solution is most likely to involve finding a workable arrangement – with the funding method being one of the 'moving parts' – that takes into account most, if not all, of the relevant elements already known. This is often a process in which the solution only becomes clear at the end. It is also a process that requires a lot of time and negotiation. Hopefully, this paper will provide a quicker start for those who need practical information on the matter.

REFERENCES

Cedefop (forthcoming). A study on individual learning accounts.

European Commission (2021). Commission Staff working document – Impact assessment report – Accompanying the document Proposal for a Council Recommendation on individual learning accounts. Brussels: EU Commission. Available at: https://ec.europa.eu/social/BlobServlet?docId=25016&langId=en

European Commission (2022). Council Recommendation of 16 June 2022 on individual learning accounts (2022/C 243/03). Brussels: EU Commission. Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32022H0627%2803%29

OECD. (2019). Individual Learning Accounts: Panacea or Pandora's Box? Paris: OECD Publishing.

Schwerdt, G. et al. (2012). 'The impact of an adult education voucher program: Evidence from a randomized field experiment', Journal of Public Economics, vol. 96(7-8), pp. 569-583.

Skills Development Scotland. (2021) Individual Learning Accounts. Retrieved from https://www.skillsdevelopmentscotland.co.uk/what-we-do/employability-skills/sds-individual-training-accounts/

Williams, J., McNair, S. and Aldridge, F. (2010) Expenditure and Funding Models in Lifelong Learning. National Institute for Adult Continuing Education (NIACE): Leicester.

DEVELOPING SUSTAINABLE AND STABLE FINANCING MODELS FOR NATIONAL ILA SCHEMES

Workshop II – Event report

18th September 2024, online
Written by ICF

INTRODUCTION

This report presents the key findings from the second of three workshops of the Individual Learning Accounts (ILA) Mutual learning programme. This series of workshops was designed to build capacity, know-how and commitment in the countries that volunteered to participate (Bulgaria, Croatia, France, Italy, Poland, and Romania, with Hungary[1] in an observer role), for implementing the [Council Recommendation](#) on Individual Learning Accounts in their country.

The second workshop was a full-day meeting that took place online on 18 September 2023 with the aim to explore various types of funding models available for supporting ILA schemes. The main aim was to look into possibilities to ensure a stable and sustainable financing source for an ILA scheme at the national level. Participants discussed how funding could be diversified by involving both public and private sources at national level.

The event also provided space for sharing information within country delegations about progress made as part of the ILA Mutual learning programme.

The Directorate-General for Employment, Social Affairs and Inclusion (DG EMPL) opened the event by referencing the latest State of the Union speech, in which labour and skills shortages were highlighted as two of the key economic challenges in Europe. According to a recent Eurobarometer survey, 78% of SMEs find it very or moderately difficult to attract staff with the right skills, and 63% of SMEs agree that skills shortages hold them back in general business activities. To help tackle these challenges, the European Year of Skills was officially launched on Europe Day in May 2023, and ILA is considered a key policy instrument that could provide a model to substantially increase up- and re-skilling in EU Member States.

In the second workshop the six country delegations gathered in their countries and joined the meeting from one physical place to allow for in-depth country-level discussions. Observers, national experts, a thematic expert, external speakers as well as representatives of the European Commission also joined the event.

1. THEMATIC PRESENTATION ON PRACTICAL ISSUES RELATED TO ILA FUNDING MECHANISMS

The thematic expert of the ILA Mutual learning programme presented some of the key practical issues that Member States need to consider when implementing ILAs, drawing on his experiences of ILA implementation in Singapore as well as his reflections on the participating countries' baseline analyses. The expert invited delegations to:

Understand the needs of users and providers:

- Understanding users' journeys through the proposed model, including what challenges may occur, is critical for designing an effective system.

- User needs can also have funding implications, as it can affect the demand for certain programmes.

Providers need to ensure that they are aware of the administrative aspect of implementing an ILA scheme, as well as its promotion and risk management. Therefore, gathering provider feedback on different aspects of the programmes can resolve issues before they would cause a problem.[2]

Draw lessons from countries implementing similar ILA models. This can shortcut the development process and help countries avoid some of the challenges that other countries faced. For example, Singapore's ILA model was similar to the U.K.'s and both faced similar issues, yet there was a lack of dialogue between these countries which was potentially an opportunity missed.

Develop sustainable funding mechanisms (beyond accessing EU funding). This step is crucial to ensure the sustainability of the ILA scheme. In contrary to measures based on vouchers, ILAs should be a long-term project that goes beyond just 2-3 years.

---

1   Hungary is currently participating in a project – called 'Development and implementation of the individual learning accounts (ILA-s) in Hungary' – supported by the Technical Support Instrument (TSI). The TSI is a demand-driven tool, offering technical assistance to support a variety of activities, such as piloting, conducting studies, preparing action plans or recommendations. The deadline for the upcoming application round of the TSI is 31 October 2023.

2   In Singapore, user and provider needs were not fully understood at launch, which was only discovered three years later when the service was reviewed. This resulted in lower-than-expected utilisation in the first two years of its ILA scheme, as learners had their ideas about how they may wish to use their ILA.

In Singapore, funding was allocated through a sovereign national investment fund, which meant that ILA funding would not be affected by fluctuations in the government funding. This fund was launched 15 years prior to the launch of ILAs and could only be used for activities related to lifelong learning and ILAs.

Consider how ILA could be integrated with other key components, such as career guidance and facilitating access to the labour market. In Singapore, the environment supporting ILAs was not well established in the first years, which initially created implementation challenges.3

Involve relevant partners and stakeholders, including social partners, into the design of ILA schemes.

Consider carefully and at an early stage how ILA schemes could be scaled up after piloting for only a particular sample of the population with specific needs. It is key to be cautious, as the lessons learnt from these particular groups may not always be applicable to the entire national population.

2. FUNDING MECHANISMS FOR ILA – PRESENTATION BY CEDEFOP

The European Centre for the Development of Vocational Training (**Cedefop**) presented its work on funding individual participation in adult learning. The presentation was based on two main sources of information:

- **Cedefop's ongoing study on ILAs**: the aim of this piece is to contribute to EU-level policy initiatives on ILAs and support policy makers, social partners and other stakeholders in designing and implementing ILA schemes. This study developed an analytical framework as well as policy guidelines, and conducted five in-depth country case studies in Austria, Estonia, Germany, Ireland, and the Netherlands.

- **Cedefop's database on financing continuing vocational education and training (CVET) and adult learning**: the database provides information on various financing instruments implemented in EU countries aimed at increasing adult learning participation. Financing instruments targeted at individuals include 1) grants / vouchers / ILAs; 2) tax incentives; 3) subsidised loans; and 4) paid / unpaid training leave. Whereas certain instruments are targeted at companies, such as 1) training funds; 2) grants and vouchers; 3) tax incentives; and 4) payback clauses.

Cedefop identified that the implementation of the Council Recommendation on ILAs requires a substantial increase in the financial support provided for adult learning. This is to cover both novel demand-side funding instruments but also to strengthen an enabling framework. The sources of funding for demand-side incentives to increase participation in adult learning were explored in-depth. The combination of these stable sources of funding is essential to ensure the sustainability of ILA schemes even in times of crises. The funding streams can be based on:

- General taxation at central, regional or local level;

- Social security contributions (unemployment insurance arrangements) – so-called para-taxes – that can be paid jointly by the employer and employee, or separately by each;

- Training levies based on national law or social partner agreements that can be paid either by the employer or jointly by the employer and employee;

- EU funds also represent an important additional financial source, especially in Member States where this already plays a systematic role in co-funding national initiatives to support adult learning.

The Council Recommendation invites Member States to build on their existing financial arrangements to support both frequent participation in typically shorter spells of adult learning, as well as occasional longs spells of learning. Having a multi-step approach to gradually adapting the adult learning system, involving policymakers, social partners, and stakeholders across different policy fields and levels of governance is key. Cedefop also stressed the significance of mutual learning among countries with diverse funding traditions and encourages a whole-government approach for successful implementation of ILA. To illustrate various funding mechanisms, specific country examples were referenced from Estonia, Denmark, Germany, Ireland, and Austria as detailed below. Although these are not ILA schemes and are not in line with the Council recommendation on ILAs, the way how the funding is collected could inspire countries setting up a fully-fledged ILA scheme.

Estonia has a labour market training scheme encouraging skill acquisition often relevant for priority economic sectors. Each participant is entitled to EUR 2,500 to cover tuition fees with funding derived from compulsory unemployment insurance contributions shared by employees and employers.

The issue of covering indirect and subsistence costs during short and frequent spells of adult learning remains a challenge. While numerous nations permit employees to take short paid educational leave, only a handful provide substantial public support for such leave, which is taken at the discretion of the individual.

---

3   For instance, the elderly could not use the online platform, which required the development of a phone booking system alongside the online system.

Denmark gives individuals subsidies amounting to around EUR 600 per month to facilitate their participation in training. It is funded through an employers' reimbursement system, which gathers contributions from all employers. In particular, employers contribute with a lump sum per employee annually, which undergoes yearly adjustments, ensuring a sustainable financial pool for supporting adult education. What makes this system particularly intriguing is its flexibility. Traditionally, such subsidies are paid directly to the employer, ensuring the employee's salary continues uninterrupted while they engage in training. What sets Denmark apart is its consideration for employees on unpaid leave. Even in scenarios where salary continuity is disrupted, the subsidy can be directly disbursed to the employee.

Denmark's strategy demonstrates a systematic training fund arrangement, which is based on mandatory contributions from all employers and ensures flexibility in subsidy disbursement. With this they support continuous education and the development of a learning culture within the workforce.

In relation to prolonged adult learning, certain Member States have implemented demand-side funding mechanisms that contribute significantly to the direct costs associated with extensive education and training for adults. Germany and Ireland, in particular, have introduced measures in this domain, based on mandatory financial contributions from employers. By utilising a combination of grants, loans, and contributions from various stakeholders, these countries have created frameworks that support individuals in their pursuit of higher education and vocational training.

Germany's approach involves the provision of a comprehensive funding scheme known as 'Upgrading Training Assistance'. This initiative combines grants and loans, offering financial support for both tuition fees and living expenses. Adults returning to higher vocational education and training on a full-time basis can avail substantial assistance through this programme. The scheme provides one-time support of up to EUR 15,000. The funding for this initiative is primarily sourced from general taxation, predominantly from the central state. Additionally, contributions from federal states further increase the financial resources available for this initiative.

In **Ireland**, the 'Springboard+' scheme provides access to extended advanced vocational education and training (VET) programmes at the postgraduate level. Offered by higher education institutions, this programme is financially sustained through the National Training Fund. This draws on a mandatory financial contribution from employers, stipulated by law, wherein all employers are obligated to pay a fixed percentage (1%) of their payroll. These contributions play a pivotal role in financing the Springboard+ scheme, which in turn ensures its continuity and effectiveness.

Only in a minority of Member States are there public schemes contributing to the indirect subsistence costs during long spells of adult learning. One notable example is **Austria's 'Skilled workers' grant'. This provides access to a combination of fully-funded full-time CVET programmes, typically leading to a qualification. In addition, it also includes a contribution to living costs – equal to the unemployment benefits (around 57% of net wage) – and a monthly bonus. The scheme is funded through unemployment benefits and tax-based subsidies given annually to public employment services.**

In conclusion, Cedefop's research highlighted the **importance of stable and diverse funding streams for the successful implementation of ILA**. By embracing a multi-faceted approach and learning from various funding traditions, EU Member States can effectively realise the individual right to access adult learning. Initiatives like this pave the way for informed policy decisions, fostering a more educated and skilled European workforce.

3.   EXAMPLES OF FUNDING MODELS FOR ENSURING SUSTAINABLE NATIONAL FUNDING FOR AN ILA SCHEME

The financing models of adult learning in two countries were presented in depth during the event, including that of Ireland and France as detailed below.

Ireland

The Irish National Training Fund (NTF) could serve as an example for other countries on how to collect the national funding that is needed to set up and run an ILA scheme. The NTF was established by an Act in 2000, replacing the previous Apprenticeship Levy. It is a fund dedicated to 1) raising the skills of those in employment; 2) providing training to those wishing to acquire skills to take up employment; and 3) providing information in relation to skills requirements in the economy.

The NTF is funded by ESF+ and an employers' levy, collected through a deduction on the pay-related social insurance (PRSI) paid by the employers in respect of Class A and Class H employees, representing approximately 75% of all insured employees.[4]

The NTF's funding has been increasing annually, particularly since 2015. This was due to the recovery of the Irish economy, increases in the employment rate and increases in the rate of the NTF levy.[5] By the end of 2022, the NTF's funding was EUR 951

---

4   Class A employees are employed in the private sector and employees in the public sector who were recruited after April 1995; and Class H refers to enlisted personnel in Ireland's defence forces.
5   In its 2018 budget, the government announced an increase of the NTF levy from 0,7% to 1% over the period 2018 to 2020 – which resulted in an additional EUR 200 million being added to the expenditure of the NTF.

million. This is greater than the amount spent on the scheme, despite spending increasing from EUR 366 million in 2017 to over EUR 900 million in 2023. This has resulted in a growing surplus, forecasted to rise to over EUR 1.4 billion by end 2023.

The fund provides financing for a broad range of schemes aiming to facilitate flexibility and agility in responding to economic and labour market conditions. It provides funding for programmes that support people who are in employment and wish to upskill, as well as for the unemployed and those still in education. It also supports research and labour market forecasts, such as the Expert group on future skill needs. The NTF allocates resources to 18 programmes, delivered across 10 different government departments, agencies, and other bodies – each of which has an annual expenditure ceiling. The main recipients of funding are:

- SOLAS – the funding authority for further education and training – disperses funding to 16 education and training boards that deliver funding and training throughout Ireland in a wide range of settings, including post-legal certificates, further education colleges and training centres;

- The Higher Education Authority (HEA) – the funding authority for higher education;

- Skillnet Ireland – a business support agency – provides companies with opportunities to develop answers to their training and development needs, with the mission to facilitate increased participation in enterprise training and workforce learning, and providing subsidised training at companies, supporting over 21,000 companies and 87,000 trainees on an annual basis; and

- Other agencies, including IDA; Enterprise Ireland; Engineers Ireland; The Wheel (community and voluntary sector).

Out of the above, SOLAS and the HEA receive over 90% of the funding from the NTF.

The NTF's budget and funding is set out in the Act. It is included in the budget for the Department of Further and Higher Education, Research, Innovation and Science (D/FHERIS). Once this is approved, the D/FHERIS allocates funding to the NTF recipients. The recipients of NTF funding provide the profile of expenditure for the year and drawdown funding on a monthly or bi-monthly basis as required. NTF recipients also provide end-of-year reports, detailing expenditure and progress, to the D/FHERIS.

The NTF allocates funding for 1) training in employment, 2) training for employment, and 3) provision of skills. However, the split of funding across these priorities has been adjusted over time depending on the economic cycle and skills demands of the Irish economy. For example, nearly 83% of NTF funding was allocated to schemes for training people seeking employment in 2014 (during an economic downturn), whereas 58.5% was allocated for this in 2023. In addition, funding for upskilling in 2023 accounts for 41.1% of the fund, which has increased from 16.9% in 2014.

There has been an increase in the HEA allocation between 2017-2022. This is due to a number of factors, including that an Expert group on the future funding of higher education in Ireland recommended an increase to the core funding of higher education in September 2016. In particular, funding for a HEA programme on enterprise education increased substantially from EUR 5.5 million in 2017 to EUR 143.5 million in 2023. In addition, EUR 300 million of funding has been allocated from 2020 to 2025 for the HEA Human Capital Initiative (HCI) programme, which aims to increase capacity in the higher education system to provide skills-focused programmes to meet priority skills needs. One of these activities is the MicroCreds project, which aims to develop a single platform for micro-credentials in seven universities, co-created with businesses.

To accompany the increase in the NTF levy, the fund was reformed in 2017-2018. An independent review of the NTF in 2018 provided 14 recommendations across 4 key areas. One of the recommendations was the establishment of the NTF Advisory Group in 2019, as a means to advise on skills and human capital development priorities for NTF expenditure that utilise the funding surplus. This is to enable investment in the twin transitions of digital and climate to support sustainable employment and drive forward ambitious skills and continuous learning objectives. A plan with options for the utilisation of the NTF surplus was submitted to the Irish Government as part of the Estimates 2024 process.

The OECD has recently published a review of Ireland's National Skills Strategy. The review sets out how all the different dimensions of Ireland's tertiary education system has played a crucial role in underpinning the quality of its skills base. It also highlights the necessity to take steps towards certain changes in skills, talent and workforce development in the country. The plan for the use of the NTF surplus was set within the context of this OECD review, and its recommendations are currently being reviewed and considered for what needs to be done in terms of implementation and next steps in Ireland.

This presentation of the Irish NTF demonstrated the value in using a combined budget to fund different initiatives that can adapt to changing labour market and local needs.

France

The financing of the French CPF was also presented during the workshop. This example covers both the collection of funds as well as the personal budget. Each company operating in France contributes to the financing of professional training through a specific tax. This tax – including a contribution to professional training and an apprenticeship tax – is calculated based on the company's payroll, and part of it is allocated to the CPF. The employer's contribution is deducted directly each month by the collection agency

([Urssaf](#)) which already collects other social security contributions. The employee is aware of this employer contribution, as it is visible on the payslips.

The proceeds from the tax are paid to France Compétences, a national public institution, and the body in charge of managing and distributing the funds which finance various professional training schemes – including the CPF. It also records and updates the certifications eligible for the CPF.
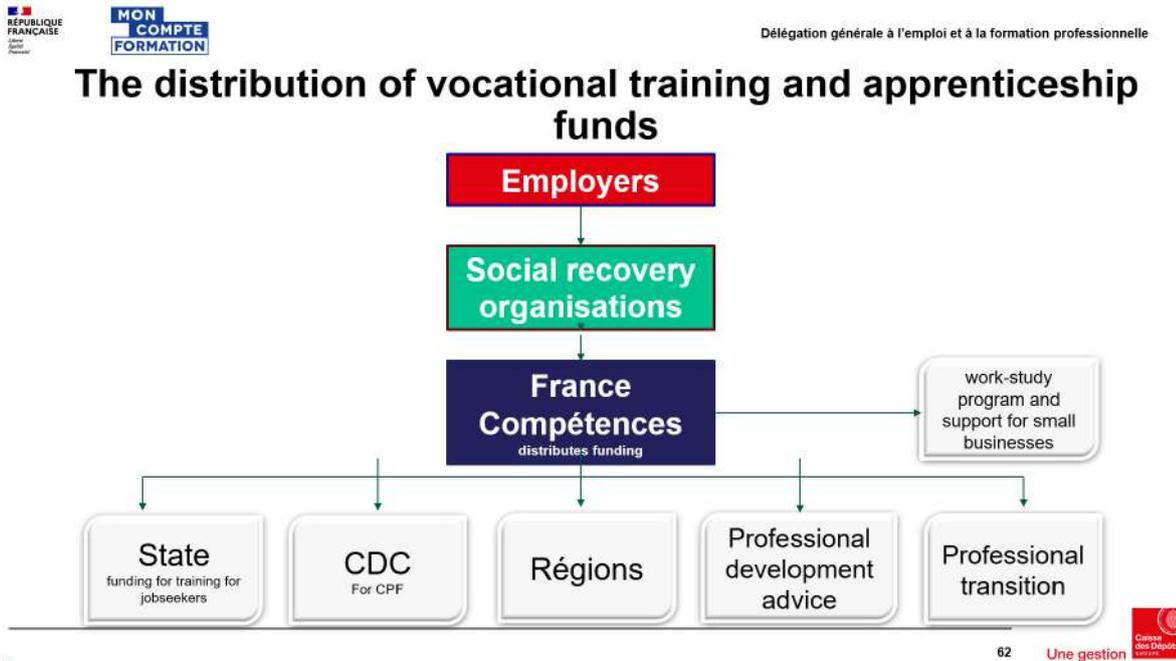
Source: Presentation by Ministry of Labour, France at the ILA 2023 Workshop 2.

At the end of each year, the Board of Directors of France Compétences agrees a forecast budget for the following year in order to determine the financing needs for each professional training system which are financed by employers' pooled funds. The forecast for the CPF is calculated based on the consumption recorded over the previous year. In addition, a review of regulatory and policy measures providing savings and reforms that will increase consumption (new training actions eligible for the CPF) are also taken into account.

The management costs of the Caisse des Dépôts et Consignations (CDC) – responsible for managing the CPF – are also financed from this budget. The CDC receives monthly funding from France Compétences to pay for CPF holders' trainings via the MonCompteFormation platform. The funding is also used by the CDC to carry out all the IT and technical developments for the CPF, to provide support for CPF holders and training organisations, and to prevent the misuse of funds.

The French Labour Code allows third-party organisations to supplement individuals' CPF, which can include the state, the employment centre (Pôle emploi), local authorities (municipalities, regions, departments), employers, as well as health insurance organisations. In addition, the CDC has developed four categories of complementary financing, as detailed below:

■ Endowments: a funder can supplement the rights of a holder directly on their CPF account – this is for small employers via a dedicated platform;

■ Contributions on instruction: a jobseeker can send via the platform a request for additional financing from the Pôle emploi, which will take a decision on granting this financing after examining the file – in 2022, only the Pôle emploi is affected by this type of contribution;

■ Automated contributions: these are contributions whose allocation is automated at the time of the beneficiary's training request according to criteria defined by the funders – these are initially offered to regions, branches and Competence Operators (OPCO), and to the State; this offer was also extended, in 2022, to a large company;

■ Reimbursement by collective agreement: a company or group agreement can define training actions eligible for the CPF which the employer undertakes to finance by mobilising the CPF rights of employees after obtaining their agreement. In this case, the company takes care of the financing directly and requests reimbursement from the CDC of all or part of the CPF rights of its employees.

Since the opening of the MonCompteFormation platform in 2019 until 31 December 2022, the total funding for the CPF reached EUR 6,687.45 million, including EUR 6,203.25 million (93%) financed by France Compétences. The total amount of disbursements to finance training files was EUR 5,409.96 million, including EUR 5,071.08 million for France Compétences (the CDC management fees within this, amount to EUR 121.80 million). The platform has 3.84 million users and 4,903,200 validated training courses.

4. EU FUNDING OPPORTUNITIES

The European Investment Fund (EIF) presented its approach to financing various policy objectives, including funding sources that could potentially support ILA schemes. The EIF is part of the European Investment Bank Group with the mission to facilitate access to finance for the small businesses in the European Union. To date, the EIF has supported 2 million small businesses and 14 million jobs within the EU. It designs and deploys third-party financial instruments that target funding gaps – rather than funding beneficiaries directly. EIF funding comes from the European Commission, local authorities, national promotional institutions and private investors.

The EIF does not provide grants – it supports businesses in accessing equity or debt financing through risk sharing with other funders and banks. Every EUR 1 of public investment has leverages of more than EUR 5 of investment and lending to small businesses.

The EIF is the largest implementing partner of InvestEU – a fund running until 2027 to support sustainable investment, innovation and job creation in Europe. InvestEU is responsible for deploying EUR 11 billion of funding for the support of selected thematic areas, including skills and education. Thanks to its financial products and intermediaries, the fund will generate and make EUR 145 billion of financing available. The EIF can use these resources, while also providing advisory support to facilitate the implementation of its financial products, such as by providing capacity building to the financial intermediaries.

One financial product of the EIF is the InvestEU's Skills and Education Guarantee. This is targeted at skills and education, with the aim to incentivise debt financing for individuals, smaller companies, education providers and service providers.[6]

As shown below, the EIF is providing the Skills and Education Guarantee of the InvestEU to:

■ Banks and financial institutions – so that these financial intermediaries can provide access to loans guaranteed by the EU to the listed four categories of final recipients; as well as

■ Non-traditional financial intermediaries, such as organisations supplying education and training – so that these provide access to deferred payment of fees or Income Share Agreements[7] to the first two categories of final recipients.
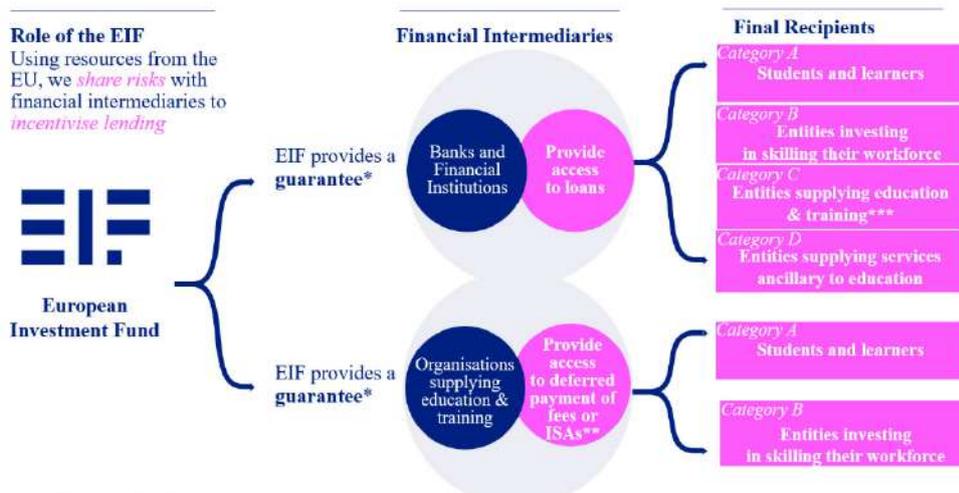
Source: Presentation by InvestEU at the ILA 2023 Workshop 2.

---

6 The EIF also provides equity support to skills and education. Participants can contact to Laoura Ntziourou to discuss this at l.ntziourou@eif.org.
7 An Income Share Agreement (ISA) is a type of student financing, providing for an income linked payment scheme. There is no pre-defined payment plan as payments are linked to the student's future income. Individuals pay a pre-determined percentage of income over a pre-defined period of time. The total amount to be paid depends on student's career progress and respective salary path.

The four categories of recipients are:

- **Category A** – students and learners beyond the age of 18 participating in an eligible educational programme in an EU Member State. These beneficiaries can use debt financing for tuition fees, living expenses and accommodation feed, and other expenses related to the eligible educational programmes.

- **Category B** – SMEs, small mid-caps and small public enterprises within EU Member States. These beneficiaries can access funding for tangible and intangible assets and working capital. It can be used to fund apprenticeships, traineeships, programmes leading to nationally recognised qualifications, student entrepreneurship and digital / green skills.

- **Category C** – education providers (organisations conducting business activities/ projects falling under the NACE code P, or are developing a NACE code P project[8]) which are SMEs, small mid-caps or small public enterprises in an EU Member State. They can access funding for tangible and intangible assets and working capital.

- **Category D** – providers of services ancillary to skills and education that are SMEs, small mid-caps or small public enterprises (including platforms), including guidance and validation services. They can access funding for tangible and intangible assets and working capital.

The Skills and Education Guarantee has different guarantee rates depending on the final recipient. For individuals, the guarantee rate is 80%, while for the other three categories, this is 70%.[9] The maximum loan amount that an individual can get is EUR 30,000, whereas beneficiaries in the other three categories can receive up to EUR 2 million.

Importantly, the presentation explored how the InvestEU Skills and Education Guarantee could be applied to an ILA scheme. To do so, key ILA actors were listed – including the government, training providers, employers, providers of career counselling and validation services, and individuals – to demonstrate how these could benefit from the guarantee. The two cases discussed are:

- Case 1: the listed ILA actors – except the government – can benefit from debt financing possibilities from the guarantee when an EIF financial intermediary (FI) exists in the country. For instance:

  - **Category A** final recipients can request debt financing form the FI to complement their individual learning entitlement;

  - **Category B** final recipients can request debt financing from the FI to support the up-skilling / re-skilling of their employees (e.g. to cover for apprenticeships costs, etc.);

  - **Category C** final recipients can get debt financing for investment in tangible and intangible assets, as well as working capital (i.e. to support their business activity, e.g. to develop their training offering); and

  - **Category D** final recipients can request debt financing for investment in tangible and intangible assets, as well as working capital (i.e. to support their business activity).

- Case 2: by enabling access to debt financing via partners that can become EIF financial intermediaries. For instance:

  - The government could establish relationships with banks, national promotional institutions and alternative lenders that could participate in an ILA scheme and provide complementary financing to the individuals. This would be to complement the missing financial resources that individuals may need on top of their individual learning entitlement to undertake their learning.

  - Training and education providers can act as financial intermediaries of the EIF, offering deferrals of payments, income share agreements, or other debt financing solutions to the ILA users, guaranteed by the InvestEU.

5. CONCLUSION

DG EMPL highlighted that in line with the Council Recommendation on ILAs, Member States need to keep in mind that whereas schemes aimed at certain sectors / for certain groups may be a good starting point, these should ideally be developed into a full ILA scheme, available to all working-age adults. Diversification of funding is essential to ensure the sustainability of ILAs, as systems cannot solely rely on EU funding. In addition, ILAs should be both universal as well as differentiated – stronger support can be provided to those most in need of upskilling. It is not a question of one or the other but ensuring both aspects.

---

8   NACE is the statistical classification of economic activities in EU. NACE code P includes pre-primary education, primary education, secondary education, higher education, other education, educational support activities.

9   This means that – e.g., in the case of a loan – each time there is a default on a loan, the EIF will cover 80% or 70% respectively of the defaulted amount. This attracts some of the risk of the financial intermediaries and as such, it incentivises them to lend more money for the support of the four categories of final recipients. Being a capped guarantee, there is a limit to how much the EU can cover from the defaulted amount (25%).

THE PLANNING FOR AN INDIVIDUAL LEARNING ACCOUNT BUDGET AND THE BENEFITS OF ILA TRAINING SUPPORT

Thematic discussion paper

Professor Johnny Sung, February 2025

INTRODUCTION

This background paper was prepared to support the workshop of the Individual Learning Account Mutual Learning Programme (ILA MLP), organised by DG EMPL on 17-18 February 2025. The workshop addressed two principal themes: (a) the design of sustainable short- and longer-term ILA funding models; and (b) the analysis and explication of ILA-supported training benefits at various levels.

Whilst the paper's scope reflects these two workshop themes, the first topic specifically examines methodologies for estimating long-term ILA budget requirements—defined here as the funding period beyond the initial pilot phase. The second topic presents a comprehensive framework of indicators and metrics for identifying the benefits derived from ILA-supported training.

The discussion of benefits is deliberately extensive, encompassing not only the relevant metrics but also the practical considerations inherent in their application, including methodological steps and analytical techniques. Rather than advocating for specific (or 'best') metrics, the paper emphasises the importance of implementation teams selecting measures that best suit their context, adhering to the 'fit-for-purpose' principle. This principle extends beyond ILA policy objectives to encompass operational budgets, temporal frameworks, research capabilities or other considerations.

Whilst the term 'impact evaluation' appears throughout the benefits discussion, it is important to note that within this context, it refers specifically to the assessment of positive effects derived from ILA-supported training, rather than a comprehensive evaluation of the ILA system's operational infrastructure (such as portal functionality, transaction processes and directory utilisation).

The paper is structured as follows:

- Introduction

- Section 1: Estimating the Size of a Long-term ILA Budget

- Section 2: Traditional ROI Analysis and its Suitability for ILAs

- Section 3: Alternative Metrics for Identifying the Benefits of ILA Supported Training

- Section 4: Practical Implementation for ILA Impact Evaluation

- Section 5: Broader EU Considerations

- Section 6: Concluding Remarks

- Appendix 1: An Example ROI Calculation

SECTION 1: ESTIMATING THE SIZE OF A LONG-TERM ILA BUDGET

A frequent query in ILA implementation is the methodology for budget projection. This consideration can be examined through two parts. The first part addresses the foundational elements of budget estimation in their most elementary form. The second part encompasses variations in funding system implementation, including such mechanisms as co-payment requirements and annual accumulation provisions, though there could be other additional features.

The French Compte Personnel de Formation (CPF) budget estimation methodology provides an instructive model for basic ILA budget projection. This approach utilises the mean cost of ILA-approved courses as its primary calculation basis, subsequently adjusted by two key variables: the anticipated annual CPF utilisation rate and the extent of complete versus partial ILA deployment.

The precise quantification of potential ILA utilisation presents significant methodological challenges, particularly in cases where ILAs represent a new policy instrument. Case studies from existing ILAs, whilst potentially informative, may offer limited utility due to substantial variations across different ILA schemes. These variations –encompassing elements such as entitlement levels and accessibility or additional support parameters for prospective learners – may substantially influence the demand propensity for ILA-supported training initiatives.

To illustrate the basic approach for estimating potential demand and subsequent budget projections, the following simple example is used. This example presents a generalised model without assuming any country-specific provisions, thereby maintaining broad applicability across Member States.

An example to estimate the initial take-up rate:

- In the absence of reliable prior information regarding take-up rates, a three-step approach is proposed for ILA budget estimation. This comprises: firstly, the determination of an appropriate survey sample size for data extraction; secondly,

the derivation of take-up rate estimations from the sample data; and thirdly, the utilisation of these derived rates in conjunction with mean course price assumptions to generate budget projections.

■ **The first step is to estimate the minimum sample size for a small survey** The first step employs Cochran's formula (1) to establish the preliminary sample size (n_0), subsequently utilised for estimating the population proportion ($\hat{p}$) of probable ILA uptake. Following established statistical practice for unknown proportions, we initially assume $p = 0.5$ (i.e., a 50-50 chance of taking up)1 and the margin of error is 5% (0.5):

$n = (Z^2 p(1-p))/e^2$ (1)

$n_0 = (Z^2(0.5)(0.5))/e_0^2$

Where:

$Z = 1.96$ (95% confidence level)

$e_0 = 0.05$ (preliminary margin of error)

Thus: $n_0 = (1.96^2)(0.25)/0.05^2 = 384$ respondents

■ The second step requires the estimation of probable utilisation from the derived sample of 384 respondents, selected through randomised sampling. It is crucial that this sample reflects the demographic and socioeconomic characteristics of the prospective ILA-entitled population. You could select the sample from your pilot population if the pilot has equivalent characteristics to the eventual ILA population. If not, the pilot is not the best place to administer the small sample survey.

In the survey, we will include the following questions (you may add others) to extract data for the calculation. The responses to those 'likely utilisation' questions will provide the basis for a 'weighted probability approach' to the calculation:

"Within the next 12 months, what is your likelihood of accessing the Individual Learning Account provision of €500?"

– Definitely will use (1.0) – complete certainty

– Very likely to use (0.8) – highly probability

– Somewhat likely to use (0.5) – moderate probability

– Unlikely to use (0.2) – low probability

– Definitely will not use (0.0) – null probability

The numerical values in parentheses represent direct probability assignments, providing a linear scale of likelihood estimation.

■ Normally, the above info may be sufficient to proceed to calculate the 'take-up' rate. However, it is known from existing ILAs that the ILA holder may choose to use a portion of or the whole of the ILA entitlement. This decision will affect the size of the budget needed:

"What would be your likely purchase for training programmes?"

– Below €200 (P_1)

– €200-€349 (P_2)

– €350-€500 (P_3)

– All €500 and may add self-funding supplement (P_4)

---

1   The established convention of p = 0.5 is to give either scenario (take-up or otherwise) the maximum variations, i.e., the 'worse case' scenario).

- With the survey results, we can estimate the utilisation (or uptake) rate of the ILA ($p^{\hat{}}$).

  $p^{\hat{}} = \Sigma(R \times N)/n_0$

  where:

  R = Response score (number of respondents in 25(c))

  N = Number of respondents in category 25(c)) – we will use some assumed number below

  n_0 = Total sample size

  Numerical Example:

  For a sample of 384 respondents:

  - «Definitely will use» (45 respondents): 1.0 × 30 = 30.0

  - «Very likely» (65 respondents): 0.8 × 65 = 52.0

  - «Somewhat likely» (90 respondents): 0.5 × 90 = 45.0

  - «Unlikely/definitely not» (184 respondents): 0.1 × 184 = 18.4 (average of the last two categories)

  Total utilisation calculation:

  Utilisation in whole-person units: 30.0 + 52.0 + 45.0 + 18.4 = 145.4

  As a proportion of all 384 respondents: $p^{\hat{}}$ = 145.4/384 = 0.417 or 37.9%

- The third step: estimating the total ILA budget – Assuming there are 5 million ILA holders in the country and using the French CPF example which makes use of the average price of all the approved courses as approximate quantum. The budget estimate may be as follow:

  B = N × $p^{\hat{}}$ × AV

  Where:

  N = Eligible population

  $p^{\hat{}}$ = Take-up rate

  AV = The average price (assumed to be €500)

  Thus: B = 5,000,000 x 0.379 x 500 = €947.5 million

- It is essential to note that this represents a simplified first-year funding model, excluding provisions for subsequent annual accumulations, occasional top-ups or higher entitlements for targeted groups of ILA users. The methodology can be refined through more granular price differentiation aligned with varying utilisation rates across different types of training, thereby enhancing the precision of budget.

Another frequent question from the implementation teams is how the 'co-payment' system works in the Korean National Learning Card (NLC) and how it may affect the budget estimate.

The basic NLC funding arrangement is 'co-payment' based. The reason for this arrangement is to reduce non-completion rates. A proportion of the training fee is paid by the ILA holder is to ensure a personal commitment to completing the learning event. Because the ILA holder has to pay a portion of the fees, this may affect the 'price elasticity' of demand for the training. The result will impact on the calculation of 25(c).

The basic structure of the NLC co-payment system is as follows:

Table 1: The Co-payment System of the Korean National Learning Card

Co-payment rate by NLC users

	Employment rate of training field					K-Digital, National Strategic Training
	Over 70%	60~70%	50~60%	40~50%	Below 40%	
Earned Income Tax Credit recipients	7.5%	12.5%	17.5%	22.5%	27.5%	0%
General trainees	15%	25%	35%	45%	55%	
Low-income group type I			30%	40%	50%	
Low-income group type II	0%				20%	

Table 1 shows that unless the NLC holder belongs to the very low-income group or choosing training courses of the 'strategic' kinds, the NLC holder has to pay a certain proportion of the fees, ranging from 7% to 55%. This co-payment varies inversely to the (observed) employment rate after training. The higher the employment rate after training, the lower is the co-payment from the NLC holder. In other words, the Korean NLC co-payment system incentivises NLC supported training for 'in-demand' jobs.

The advantage of the co-payment system is to make ILA supported training linked to labour market demands. However, on the same token, it may introduce tensions with individual career development aspirations from a budgetary perspective, the use of co-payment may need additional analytical consideration in the estimation, specifically:

■ Price elasticity due to various co-payment percentages across courses

■ Potential policy changes in co-payment band structures

■ Dynamic interactions between these variables

Readers who are interested in developing the example further are advised to consult their technical colleagues to incorporate additional factors that may affect the budget calculation. Furthermore, after 12 months, it is also advisable to review the estimates so that any emerging short-falls or surpluses can be identified early. As well as checking the accuracy of the estimates, it is crucial to monitor price changes for those approved courses.

Much of what is discussed in Section 2 is due to the little prior information available about the level utilisation of the ILA. Once into operation, there will be plenty of known data to skip some of the steps discussed here.

SECTION 2: TRADITIONAL ROI ANALYSIS AND ITS SUITABILITY FOR ILAS

Traditional Return on Investment (ROI) analysis has historically served as the primary methodological framework for evaluating training effectiveness, particularly in quantifying the economic impact of structured occupational training programmes such as apprenticeships and vocational qualifications, with or without tertiary education components.[2] The conventional ROI analytical framework predominantly examines post-training wage differentials, focusing specifically on the wage premium accrued by programme participants. However, when applied to Individual Learning Accounts (ILAs), this approach to ROI analysis may not be suitable without some modifications. Some of the reasons are listed as follows:

■ **Training Provision Heterogeneity** – Fully implemented ILA frameworks encompass an extensive spectrum of learning interventions, potentially spanning tens of thousands of training programmes, ranging from occupation-specific competencies to personal development initiatives, and from foundational to advanced skill acquisition. Certain programmes, such as digital literacy enhancement or language learning, whilst not directly correlating with quantifiable wage increases, nevertheless constitute essential competencies in contemporary workplace environments.

■ **The Temporal Complexity** – Unlike traditional vocational training, the economic benefits of ILA-funded learning may materialise over varying timeframes, making it difficult to establish clear cause-and-effect on wages. In some cases, the acquired skills might only show their wage impact when combined with future learning (e.g., basic coding and applying the skills to deep learning) or a different job design (e.g., the worker moving onto a job with greater job autonomy).

■ **Career Mobility Effects** – One of the values connected to ILA-funded training may manifest in improved employability, career change capabilities or taking on greater responsibilities in work rather than immediate wage increases or promotion. Traditional ROI calculations may not be able to capture these qualitative improvements in career resilience, enhanced

---

2   We have created a simple example to illustrate how an ROI analysis is carried out in Appendix 1.

capacity and adaptability over a very long period.

- **Contextual Variations** – The same training can have different values depending on individual circumstances, local labour markets, economic conditions and the business model in which the learner is located. This variability makes it challenging to establish standardised ROI measurements across an ILA instrument with tens of thousands of diverse training programmes, without controlling all the relevant contextual factors statistically. In practice, we do not always have the data for those contextual factors, e.g., business models or wage determination within a workplace, and so on.

  Notwithstanding these methodological limitations, ROI analysis retains analytical utility when appropriately modified or supplemented with complementary evaluation metrics, particularly in contexts where ILAs aim to support lifelong learning and enhance employability in dynamic labour markets. The following methodological adaptations may be considered:

- **Segmented Analysis** – Rather than adopting a homogeneous approach to ILA-funded learning, disaggregating different types of training programmes enables more nuanced ROI calculations. This methodology facilitates targeted analysis of specific learning pathways, effectively recreating conditions conducive to traditional ROI analysis.

- **Wage and Career Trajectory Analysis** – Instead of focusing solely on immediate wage returns, this approach extends the wage measure to incorporate measures on broader career development patterns. It considers factors such as promotion and career transitions. This approach may require longitudinal data as well as measures that are accurate in reflecting career advancement. The analysis can be more expensive and complex to create.

- **Composite Value Assessment** – This approach combines traditional wage data with other quantifiable benefits such as:

  - Reduced turnover/recruitment costs for employers

  - Improved workplace innovation

  - Improved employee engagement/satisfaction

  - Shortened job search periods for individuals

  - Improved workplace productivity

  - Enhanced team performance

  The above elements need to be 'monetised' to create a pseudo-ROI calculation that better reflects the full value of ILA investments.

- **Skills Premium Analysis** – This method examines how specific skill combinations, acquired through ILA-funded training, attract premium compensation in the labour market. An example is the combination between soft skills training with certain occupations. It is known that soft-skills have values, though it is not uniform across all occupations, and some occupations accrue no skills premium for soft skills (e.g., the so-called 'front-facing' jobs).

Notice that these modified analytical approaches may require substantially more sophisticated methodological frameworks and analytical rigour to generate evaluations similar to traditional ROI analysis. These modifications provide crucial linkages between conventional ROI methodologies and the more comprehensive benefits framework explored in subsequent sections.

SECTION 3: ALTERNATIVE METRICS FOR IDENTIFYING THE BENEFITS OF ILA SUPPORTED TRAINING

To begin this section, it is important to point out that the French CPF does not use ROI analysis to convey its achievements. Instead, it uses a range of metrics such as:

- Training records validated

- Training cost for the whole CPF per year and the average cost per training course

These indicators are then compared across different years to show progress made by the CPF. Through a recent discussion with Dr. Soorin Yoon at Korean Institute for Vocational Education and Training (KRIVET), she confirmed that similar administrative metrics are used for the Korean National Learning Card (NLC).

Additionally, the French CPF uses learner profile metrics to show where policy interests may be supported by the ILA.[3] The number of job-seekers who have used CPF for training

- The proportions of CPF learners who are female, younger or older

---

3   Further details of the CPF metric are available at http://bit.ly/4O9DPLJ

- The proportion of CPF learners who have low or no formal education

- The proportion of CPF learners who are non-managerial employees

- These metrics seem to demonstrate how CPF has made progress with user groups that are given policy priority.

One question may arise: "Why can't we just use those metrics which are readily available from the ILA administrative records?" Indeed, for normal or public use, those metrics may be sufficient. For internal use or more in-depth analysis, we do have to consider other metrics that are often outside the administrative data. For example, the Singapore ILA – SkillsFuture Credit (SFC) – is the main tool that supports lifelong learning in Singapore. Additional metrics that reflect behavioural change, repeated learning episodes and others had to be created to show the impact of SFC.

As we do not know what specific metrics might be useful to a particular member state, we will use the remaining space in this section to highlight a wide range of benefit metrics that ILAs may bring. It would be up to the policymakers to select what might suit their purposes within their national and policy context.

Individual Level of ILA Benefits – When evaluating ILA impacts, individual benefits extend far beyond traditional wage increases. A comprehensive framework may consider:

- Employment Resilience:

    - Job retention during economic downturns

    - Successful career transitions

    - Reduced periods of unemployment

    - Enhanced job search effectiveness

These indicators can be created through longitudinal surveys and administrative data (if tracer studies have been built into the system in the first place), providing employment evidence of ILA effectiveness in supporting career and job security.

- Skills Portfolio Development – Modern labour market policies emphasise up-skilling, requiring workers to continuously update their skills. Key indicators may include:

    - Digital competency progression

    - Technical skill acquisition

    - Soft skills enhancement

    - Professional certifications achieved

These can be measured through skills assessments, certification tracking, and employer feedback. As assessment and certification are often part of an ILA system, the data can be extracted from the administrative system.

- Learning Engagement – ILAs often catalyse broader learning participation:

    - Increased confidence in learning new skills

    - Greater willingness to pursue further education

    - Development of learning strategies

    - Enhanced self-directed learning capabilities

These outcomes, while more qualitative, can be assessed through structured surveys and participant interviews, tracer surveys or case studies.

Workplace Benefits – ILA benefits extend to employers and workplaces, offering several measurable outcomes:

- Organisational Adaptability

    - Faster adoption of new technologies

    - Improved problem-solving capabilities

    - Enhanced team collaboration

- Greater workplace innovation

These benefits can be captured through employer surveys and workplace performance metrics.

- Productivity Enhancements
    - Reduced error rates
    - Improved customer satisfaction
    - Enhanced process efficiency
    - Better resource utilisation

Such improvements can be quantified through employer surveys, workplace performance data and sometimes customer (online) feedback.

- Workforce Development
    - Reduced skill gaps
    - Improved talent retention
    - Enhanced internal mobility
    - Stronger learning culture
    - These outcomes can be measured through

Be-spoke data have to be created via HR metrics and organisational surveys.

- Societal Benefits – The wider societal impact of ILAs manifests in both economic and social dimensions:
    - Economic Resilience
    - Enhanced labour market flexibility
    - Increased sector mobility rates
    - Strengthened regional development
    - Greater economic adaptability

These factors can be measured through labour market statistics and regional economic indicators.

- Social Cohesion
    - Improved social inclusion
    - Enhanced community participation
    - Better health awareness
    - Increased cultural engagement

These outcomes can be tracked through social surveys and community indicators.

- Systemic Benefit

    - Reduced skills mismatches in the economy

    - Enhanced lifelong learning culture

    - Improved intergenerational mobility

    - Stronger innovation ecosystem

These broader impacts require long-term tracking and mixed-method evaluation approaches.

SECTION 4: PRACTICAL IMPLEMENTATION FOR ILA IMPACT EVALUATION

Setting Up Monitoring Systems

The successful implementation of ILA evaluation frameworks requires careful consideration of both technical infrastructure and stakeholder engagement processes. The primary challenge lies in developing systems that are sufficiently robust to demonstrate complex learning outcomes (as described in Section 4) while remaining practical and cost-effective to operate.

Working with existing administrative and bespoke new data means that we have to manage the integration of multiple data streams. Some data may require careful consideration for interoperability standards. The system needs to accommodate inputs from various sources, including training providers, formal educational bodies, employers, and participants, while maintaining data quality and consistency. Ideally, the infrastructure may be sufficiently flexible to adapt to emerging evaluation needs and changing policy priorities, though this is often hard to achieve at the outset. A more practical point is to be aware of the needs for evaluation and monitor for emerging trends and changes.

Stakeholder Engagement

The effectiveness of ILA impact evaluation systems also requires meaningful stakeholder engagement. For example, training providers may be equipped, motivated and in some cases 'incentivised' to provide detailed, standardised information about course completion, learning outcomes and in some cases be the effective data collector from the learners with whom they were connected. In a similar situation, when employers or sectoral bodies are part of an ILA supported programme, they would be well-positioned to collect impact data. Thus, there could be cost implications as some of these stakeholders may need to be incentivised financially. This often requires additional investment in capacity building and the development of streamlined reporting mechanisms that minimise administrative burden while maximising data quality.

Employer engagement may require further considerations. While employers are crucial sources of information about skills utilisation and workplace impact, their participation must be carefully structured to ensure consistent and reliable data collection, as the contextual factors within workplaces may present significant impact on how the data can be interpreted. For example, a workplace that supports greater autonomy and rewards discretionary effort tends to have higher impact on various workplace performance outcomes than workplaces without these work processes. These differences in work practices are not obvious. Likewise, a business model that focuses on 'standardised' processes tends to utilise lower skills compared to a business model that relies on product differentiation. The latter is often associated with significant value-add premium. The development of employer feedback mechanisms should control for the diverse contexts in which skills are deployed and the varying capacity of organisations to participate in the ILA impact evaluation processes, if used.

Quality Assurance

Quality assurance in ILA impact evaluation includes establishing clear definitions of key outcomes, standardising measurement approaches, and implementing robust verification processes. The most important attention is to be able to separate confounding effects from that of ILA supported training. An example of this that when measuring increased in pay, we fail to allow for some companies that would pay out bonuses to all employees whenever the profits exceed a certain level.

Particular attention is also required for validating qualitative data collection. Interview protocols, survey instruments, and case study frameworks should be carefully designed and consistently applied, especially ILAs cover a variety of occupations, sectors, employment statuses and personal differences. Regular review and refinement of these tools, informed by practical experience and emerging best practices, helps maintain the integrity of the evaluation system.

Resource Management

The discussions so far would have suggested that in order to identify ILA impacts, the ILA administration would require resources beyond data analysts to include stakeholder engagement specialists, technical support, evaluation experts and policymakers' participation. While comprehensive data collection might be desirable, ILA programme administrators must carefully assess the cost-benefit ratio of different evaluation components. This may lead to prioritising certain metrics or adopting phased implementation approaches that allow for gradual system development aligned with available resources. In practice, the most important metrics would be those that were particularly relevant to the current skills policy priorities.

SECTION 5: BROADER EU CONSIDERATIONS

Cross-Border Benefits

It is understood that ILA implementation needs to provide clear benefits of training to the national policymakers in order to strengthen national support for ILAs. However, beyond national benefits, ILA supported training may also provide EU-wide benefits. The free movement of people, a foundational principle of the European single market, creates a separate and additional perspective for evaluating of training benefits. These dynamics manifest particularly in the realm of skill portability and qualification recognition across Member States. Beyond national benefits for training, these too are tangible benefits of training, going beyond wage increases within a job, but mobility for better labour market outcomes.

The European Qualifications Framework (EQF) provides an essential architecture for understanding cross-border benefits of ILA-funded learning. This framework, when effectively integrated into ILA evaluation systems, enables the assessment of qualification portability and skills recognition across national boundaries. Like the WQF, the European Learning Model (ELM) may provide similar benefits within the EU-wide perspective. Labour mobility patterns within the EU suggest that standardised qualification frameworks significantly enhance the value proposition of portable learning credits.

European Policy Alignment

It is also useful to align national ILA impact evaluation frameworks with broader European policy objectives, particularly those articulated in the European Skills Agenda and the European Pillar of Social Rights. The development of green skills and digital competencies, identified as crucial elements in the European Green Deal and Digital Strategy, requires specific consideration in evaluation methodologies. These policy priorities may suggest that ILA impact evaluation metrics can reflect contributions to systemic transformation in addition to individual advancement.

The emergence of European-level skills intelligence frameworks, notably through CEDEFOP's skills forecast and the Skills Panorama, provides valuable context for ILA impact evaluation, if we are able to match up ILA support training programmes with specific skills trends, e.g., the expansion of digital and green skills. These resources enable the positioning of national ILA outcomes within broader European labour market trends and skills development patterns.

SECTION 6: CONCLUDING REMARKS

This paper has highlighted two fundamental challenges in ILA implementation: the methodological framework for budget estimation and the comprehensive evaluation of training benefits. The discussions demonstrate that whilst traditional approaches to both topics provide valuable foundational principles, the distinctive characteristics of ILAs warrant more sophisticated analytical frameworks.

The budget estimation methodology presented in this background paper emphasises the importance of empirically-grounded calculations, incorporating both statistical rigour and practical considerations of implementation contexts. However, what we have demonstrated is a basic model without too many additional features. The ILA accumulation provision in the French CPF and co-payment requirements in the Korean NLC illustrate that additional policy features can significantly influence utilisation patterns and, consequently, budgetary requirements.

Regarding benefits evaluation, the paper has established that conventional ROI analysis, whilst valuable, may be supplemented by a wide range of data metrics to capture the multifaceted impact of ILA-supported training. The proposed evaluation framework encompasses individual, organisational, and societal dimensions, reflecting the complex interplay between skills acquisition and various socioeconomic and organisational outcomes. This comprehensive approach enables policymakers to demonstrate value beyond immediate wage effects, incorporating metrics that reflect enhanced employability, workplace innovation, and broader societal benefits.

The integration of these methodological frameworks within broader European policy architectures, particularly through established qualification frameworks and skills intelligence systems, provides an additional evidence-based ILA implementation across Member States.

APPENDIX 1: AN EXAMPLE OF ROI ANALYSIS

The following is a hypothetical example of a vocational training programme in the hospitality sector, specifically analysing the returns from a professional certification programme for front-desk personnel.

Consider a structured six-month training programme providing comprehensive front-desk operations certification. The ROI analysis systematically compares the wage trajectories of programme participants against a control group of comparable workers who did not undertake the training over a 24-month observation period.

The fundamental ROI calculation requires several key data elements:

- 1. Direct Training Costs:
    - – Course fees: €2,000 per participant
    - – Materials and assessment costs: €300
    - – Time compensation for participants: €1,200 (calculated as hours in training)
    - – Assuming no other costs, e.g., training room, heating, travel subsidies, childcare etc.

Total Investment per participant: €3,500

- 2. Participant Data (from the policy-impacted group):
    - – Pre-training wages: €22,000 annual salary
    - – Post-training wages at 24 months: €27,500
- 3. Control Group Data (from the non-participants doing the same job):
    - – Initial wages: €22,000 annual salary
    - – Wages at 24 months: €23,340

    The ROI calculation proceeds through systematic analytical steps:

    24-Month Analysis:

    ROI (%) = [(wage differential between trainee and non-trainee) – total Investment per participant) / (total Investment per participant)] × 100

    In our example, this translates to:

    ROI (%) = [((€27,500 – €23,340) – €3,500) / €3,500] × 100 = [€660 / €3,500] × 100 = 0.189 × 100 = 18.9%

This methodological framework demonstrates several crucial analytical considerations. First, the fundamental importance of establishing appropriate control groups to isolate training effects from general wage inflation or sector-wide trends. Second, we need to observe over a sufficient period to capture the full benefit trajectory. Third, the requirement for comprehensive cost data incorporating both direct and indirect training expenditure. This example we use have a massive simplification of costs involved.

Contemporary ROI methodologies suggest the inclusion of additional quantifiable benefit streams (as discussed in our Section 4 on 'Alternative Metrics for Identifying the Benefits of ILA Supported Training', including reduced staff turnover costs, enhanced customer satisfaction metrics, and improved operational efficiency indicators. However, if these metrics are incorporated, they are often expressed in 'monetary units' before they can be incorporated into the ROI calculation. The incorporation of such elements requires robust empirical validation and systematic data collection protocols.

For those who are interested in identifying these costs, please refer to Cedefop (2011). "The economic benefits of VET for individuals". Luxembourg: Publications Office of the European Union.

REFERENCES

Cedefop (2011). "The economic benefits of VET for individuals". Luxembourg: Publications Office of the European Union.

European Commission (2021). Commission Staff working document – Impact assessment report – Accompanying the document Proposal for a Council Recommendation on individual learning accounts. Brussels: EU Commission.

KRIVET. (2019). 내일배움카드 통합 방안 연구 (Research on Integration of My Work Learning Card), Korea Research Institute for Vocational Education and Training.

Sung, J. (2024). Supporting Individual Learning: two case studies outside the EU. Workshop Background Paper, 20-21 June, 2024. Online Meeting. European Commission. DG EMPL.

The Council of European Union. (2022). Council Recommendation on Individual Learning Accounts, Luxembourg: EU.

Yoon, S. (2024). Individual Learning Account in Korea. Presentation at the June 20-21, 2024 EC ILA MLP Sharing Workshop.

QUALITY ASSURANCE FOR ADULT LEARNING AND INDIVIDUAL LEARNING ACCOUNTS IMPLEMENTATION

Thematic discussion paper

Professor Johnny Sung, March 2024

INTRODUCTION

This paper was written to support the Mutual Learning Programme on Individual Learning Accounts (ILAs) Workshops organised by the European Commission in 2024. Specifically, it focuses on the topic of quality assurance (QA) and the crucial role QA plays in the successful delivery of an ILA system.

The paper adopts a 'practical' approach, with a particular focus on issues pertinent to the implementation, operation, and enhancement of an ILA scheme.

Our discussion is organised in six sections:

- Section 1: Introduction

This concise section outlines the structure and content of the paper, serving as a guide to understanding the role of QA within the context of adult education and learning.

- Section 2: Enhancing Adult Education and Learning Through Quality Assurance

QA in adult learning and workforce training is vital for maintaining and improving the quality of education and training to meet set standards and requirements. It involves establishing quality criteria, implementing processes to meet those criteria, and conducting evaluations for continuous improvement. QA also enhances policy effectiveness, accountability, and continuous improvement in public policy.

Within the EU skills context, QA promotes high-quality, inclusive education and training, supports learner mobility, enhances transparency, fosters trust, and encourages participation. In this background paper, we highlight two key EU documents, namely the Council Recommendation on the European Qualifications Framework and the Council Resolution on a new European Agenda for Adult Learning, outlining the importance and principles of QA in ensuring qualifications meet consistent standards across the EU, thereby enhancing employability, mobility, and social integration.

- Section 3: Building Robust Quality Assurance Systems for Individual Learning Accounts

This section discusses the fundamental principles of QA for ILAs and assists policymakers in identifying gaps in existing QA systems. Utilising a recent OECD report and insights from a previous sharing meeting, this section highlights QA mechanisms across 38 countries. The OECD proposed analytical framework for QA includes types of QA mechanisms, responsible bodies, delivery providers, scope of assessment, cost, and assessment tools. It suggests the need for a mapping tool to understand QA dimensions' relevance for ILAs, emphasising certification, government responsibility, in-house service delivery, and the

scope of assessment extending to learners. It also discusses the importance of considering new sources of QA data, like online feedback, for continuous improvement.

- Section 4: Examples of Using Registries as Tools for Quality Assurance in Europe

This section provides case studies from Croatia and Poland, illustrating how registries are used to enhance QA in adult learning. Croatia's approach integrates QA through the Croatian National Qualification Framework, focusing on standardisation, transparency, and validation of non-formal and informal learning. Poland's upcoming Individual Development Account pilot emphasises QA's strategic role, with the Database of Development Services (DDS) serving as a primary registry for adult training, ensuring provider verification and user trust. These examples highlight the critical role of QA and registries in standardising learning outcomes, raising learning quality provision and promoting lifelong learning.

- Section 5: Practical Considerations for Implementing Effective Quality Assurance

Practical considerations for QA in ILA implementation include recognising the varied meanings of 'quality' among stakeholders and the necessity for a bespoke QA model that accounts for diverse contexts and needs. It suggests forward planning for scalable capacities and utilising online tools for data collection and feedback. Additionally, it emphasises the need for QA models to address potential malpractices and promote good practices, including the use of online registries for competition and price transparency. The section concludes that adding developmental (or improvement-oriented) elements to the QA system is essential for the long-term success of ILAs.

- Section 6: Concluding Remarks

We summarise the key messages of this paper, reflecting on the lessons learned.

What is quality assurance (QA)?

The concept of QA has its roots in the manufacturing industry. A recent OECD report describes QA for adult learning as follows (OECD, p. 12). Notice the emphases on 'quality', 'products', 'service', 'standards' and 'customer':

Quality assurance refers to the systematic process of evaluating and improving the quality of a product or service to meet customer requirements and standards. Quality assurance includes establishing quality criteria, developing, and implementing processes to meet those criteria, and conducting evaluations to ensure the ongoing improvement of quality of the product or service.

Adult learning definition of quality assurance

In the context of adult learning, QA requires a continuous and active process that encompasses evaluation, feedback loops, and, in some instances, accreditation. This process aims to maintain and elevate the quality of adult education and training.

Practical activities of QA

In terms of activities, QA involves the establishment of standards, the monitoring of performance, the identification of areas for enhancement, and the assurance that the delivery of education and training meets the specified criteria and objectives.

QA in public policy context

QA can bolster policy effectiveness by enhancing accountability, which may involve external scrutiny and adherence to agreed procedures and objectives. When applied to continuous improvement, QA can offer insights into policy operations and identify gaps, even after compliance has been achieved.

QA in the EU skills context

Among most of the actions within the EU Skills Agenda, QA is an important tool for promoting high-quality, inclusive education and training. It supports learner mobility, enhances transparency, fosters trust, and encourages participation. QA activities include both internal and external evaluations, assessments of provision and stakeholders and the achievement of better learning outcomes. Two documents are particularly relevant to QA implementation:

- The Council Recommendation on the European Qualifications Framework (EQF) for Lifelong Learning (CR, 22 May 2017) serves as a common reference framework to improve the transparency, comparability, and portability of qualifications across Europe, aiming to enhance employability, mobility, and social integration of workers and learners. It covers all types of qualifications, including those from higher education, vocational education and training, general education, as well as qualifications awarded by private and international sector organisations. The specific reference to quality assurance of qualifications and the formulation of common principles for quality assurance is found in Annex IV of the Recommendation.

- Annex IV outlines ten principles that are integral to all QA systems to ensuring that qualifications meet consistent standards of quality and enhance trust across the European Union. The ten principles are as follows (CR, 2017: 13):

    - Address the design of qualifications as well as application of the learning outcomes approach;

    - Ensure valid and reliable assessment according to agreed and transparent learning outcomes-based standards and address the process of certification;

    - Consist of feedback mechanisms and procedures for continuous improvement;

    - Involve all relevant stakeholders at all stages of the process;

    - Be composed of consistent evaluation methods, associating self-assessment and external review;

    - Be an integral part of the internal management, including sub-contracted activities, of bodies issuing qualifications with an EQF level;

    - Be based on clear and measurable objectives, standards and guidelines;

    - Be supported by appropriate resources;

    - Include a regular review of existing external monitoring bodies or agencies, carrying out quality assurance;

- Include the electronic accessibility of evaluation results.

- The Council Resolution on a New European Agenda for Adult Learning 2021-2030 (CR, 2021) outlines several key areas and actions related to QA, focusing on enhancing the provision, promotion, and uptake of formal, non-formal, and informal learning opportunities for adults. Here's our summary of the key messages relevant to QA:

  - Quality, Equity, Inclusion, and Success in Adult Learning (Priority Area 4)

    - Professionalisation and Capacity Building: The resolution calls for the professionalisation and capacity building of adult educators and trainers. It emphasises the need for defining and validating the key competences of adult learning professionals, which is essential for the quality of education and training provided.

    - Quality Assurance Mechanisms: It stresses the need to develop quality assurance mechanisms. This includes promoting internal and external quality assurance related to programs, processes, implementing organisations, adult educators and trainers, and counselling activities. It also suggests developing data collection methods, for example, through graduate tracking, to increase the quality assurance of adult learning outcomes.

  - Governance and Systems Implementation

    - Effective Governance (Priority Area 1): Aligning with the broader strategic framework for European cooperation in education and training, the resolution highlights the importance of integrating quality assurance in governance structures to ensure comprehensive, quality and inclusive adult learning systems.

    - Open Method of Coordination (OMC): The resolution also mentions using the OMC to evaluate and improve adult learning policies, including quality assurance practices, through mutual learning and exchange of best policies and practices among Member States.

- The first document emphasises the importance of the EQF as a reference tool for national qualifications systems, urging EU countries to align their qualifications with the EQF levels and criteria for quality assurance as outlined in the recommendation and its annexes. The second document underlines a holistic approach to adult learning, integrating quality assurance across all levels and aspects of adult education and training. Together, the documents provide a comprehensive focus on QA aiming to ensure that adult learning programs across the EU meet high standards of quality, trust, and inclusion, thereby contributing to the overall success of adult learners.

SECTION 3: BUILDING ROBUST QUALITY ASSURANCE SYSTEMS FOR INDIVIDUAL LEARNING ACCOUNTS: A FRAMEWORK FOR GOOD PRACTICE

This section serves two purposes. Firstly, it aims to provide information to support policymakers in need of a fundamental review of QA. Thus, we need a discussion on the fundamental principles of QA. This will enable us to address crucial questions such as: What are the key components in a QA system? When, how and who should undertake specific actions? Secondly, it seeks to assist policymakers concerned with identifying gaps in an existing QA system.

Large-scale studies on QA in the training/education sector are scarce. In this section, we utilise a recent OECD report by Espinoza et al. (2023), which offers a comprehensive review of QA systems for adult education and training across 38 countries. Additionally, we will draw on insights from Espinoza's presentation at an ILA sharing meeting in Brussels in April 2023 (Espinoza, 2023). We will highlight the QA mechanisms identified in the report and provide further commentary from the perspective of the current ILA sharing initiative. For an in-depth understanding, readers are encouraged to consult the original report (see reference at the end of this document).

Diagram 1, adapted from Espinoza et al. (2023), serves as an analytical framework in a cross-country study, offering a general overview of how QA is implemented in relation to adult education and training in 38 countries.

Diagram 1: QA analytical framework: dimensions and indicators
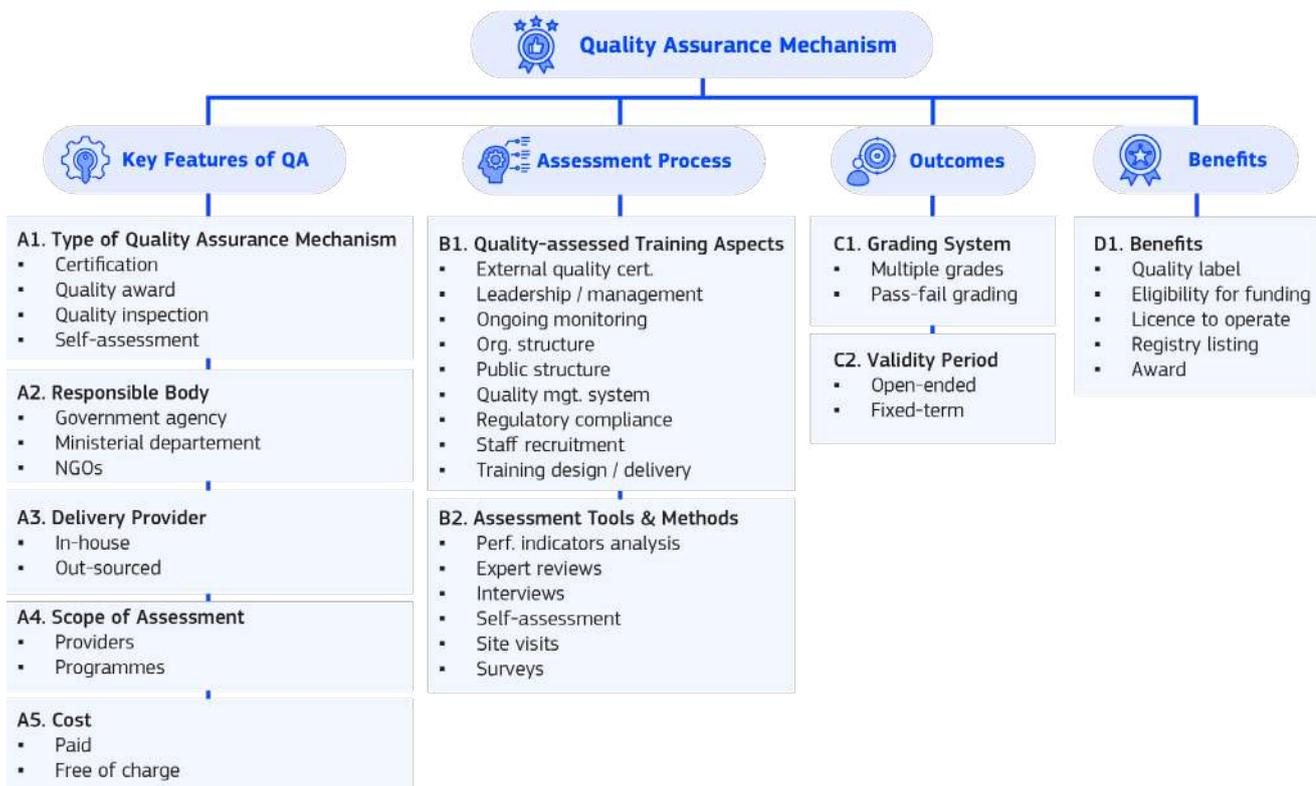
We can make use of the QA framework proposed by Espinoza et al. (2023) as a 'mapping' tool. This mapping tool is divided into four major dimensions: features, assessment, outcomes, and benefits. We will examine these dimensions and their relevance from the ILA perspective.

A1. Type of Assessment Mechanism

Espinoza reported that certification is the most commonly used QA mechanism (63% of cases) in the review. Certification, through quality labels, logos backed by reports, and certificates, indicates the achievement of specific quality standards. In the next section, we will see an example of the use of certification for this purpose in a case study of Qualiopi in France. Certification needs to be supported by a transparent system that informs the public regarding the quality of learning provision. Thus, utilising a registry would be an ideal method to centralise certification information, thereby facilitating access for learners in a convenient and accessible manner.

A2. Responsible Body

The report indicates that government agencies (47%) and ministries (42%) are the most frequently utilised QA entities, with NGOs and others being the least used (11%). While the specific types of ministries or agencies (e.g., education or labour; employment or skills agencies) were not detailed, it is important to assign the overall QA responsibilities to an entity that understands the specific needs of ILAs and the related QA issues.

A3. Service Delivery Provider

QA is predominantly conducted by in-house/centralised providers, with outsourced QA assessments being rare (8%). This distribution may reflect the bias towards formal and professional learning in the sample. For ILAs, they normally cover a much wider range of learning and providers in different fields. This may require a greater amount of collaboration with external bodies.

A4. Scope of Assessment

This refers to assessments carried out on learning providers and/or their programmes. The general pattern of assessments observed in the OECD review was approximately one-third on providers, one-third on programmes, and one-third on both. In the context of ILAs, the scope of assessment might need to extend to include learners, particularly considering past studies found that attracting ILA users (i.e., utilisation rates) has been challenging. QA practitioners may need to know more about the users and their learning outcomes.

A5. Cost

The report provides inconclusive data on QA fees, with over half of the countries surveyed not providing information. This lack of data might be attributed to QA costs being integrated into the normal operations of QA bodies, making it difficult to isolate a separate cost for QA. In some countries, ILAs may fall under the remit of skills/qualifications agencies that oversee all qualified programmes, with most ILA-approved programmes already certified prior to the adoption of ILAs.

B1. Quality-assessed Training Aspects

This category covers how quality assessments are conducted in practice, including external quality certification (e.g., ISOs), leadership quality, organisational factors, regulatory compliance, training delivery, and staff quality. The OECD study found that training delivery (94%), organisational structure (72%), and teaching staff quality (63%) are the most commonly assessed QA areas. External quality certification (24%) and public information provision (25%) are the least assessed areas. Interestingly, given the previous point on 'attracting more ILA users', perhaps public information could receive more attention.

B2. Assessment Tools and Methods

The OECD study reports that site visits are the most commonly used assessment method for quality assurance (62%), while analysis of performance indicators and surveys are the least used (both at 9%). Although not included in the OECD framework, the utilisation of online feedback data could offer another tool for quality assurance assessment, since information on ILA transactions, learning choices, and funding/co-funding are often managed online.

C1. Grading System

The surveyed systems utilised either multiple category grading systems or pass-fail systems. The simplicity and low operational costs of the pass-fail system have led to its adoption by 58% of the countries surveyed, with only 11% using a multiple grading system. A multiple category system may provide more information to identify areas for improvement, though in the ILA case, the grading methods may have been pre-determined as a result of programmes and providers assessment are already carried out by existing QA activities (e.g., qualification authorities, formal education institutions and professional bodies).

C2. Validation Period

Most assessments have fixed terms validation (58%), though the report does not specify the most common duration. The choice of validation period may be predetermined for ILAs due to previously discussed factors (e.g., prior validation by other authorities) and the potential use of mixed assessment tools (e.g., combining self-assessment with a site visit and thus allowing a longer gap between two site visits for geographical or cost reasons).

D1. Benefits to Providers

The top benefits for providers participating in a QA process include eligibility for public funding (48%) and the display of a quality label (43%).

Using the OECD proposed framework, we may arrive at the following observations:

- QA is a complex exercise but is crucial for promoting ILAs.

- Despite its complexity, QA need not be expensive, as some assessments might already be conducted under existing QA systems for qualifications and providers.

- It is important to consider aspects of QA not included in the OECD framework that may be significant for ILAs, such as career guidance, support for long-term/repeat learning, learner experience to increase participation rates, and the use of online data for research and continuous improvement.

SECTION 4: EXAMPLES OF USING REGISTRIES AS TOOLS FOR QUALITY ASSURANCE IN EUROPE

In this section, we will illustrate a couple of case studies that make use of registries to enhance quality of adult learning training provision. In our case studies, a registry in adult learning can be described as a structured system/directory that compiles and organises information on validated training courses and educational services tailored for adults. These registries are instrumental in promoting adult learning, supporting skill development, and aligning qualifications with the demands of the labour market.

Case 1: Adult Learning in Croatia and the critical role of the CROQF Registry

We begin with a summary of the current state of adult learning/training and ILAs in Croatia:

- Participation Rates – Croatia has experienced significant growth in adult learning participation, more than doubling since 2017. However, this progress still falls below the EU average (4.4% in 2022 compared to an EU average of 11.9%).

- Key Legislations – The Adult Education Act (2021) aligns adult learning with the Croatian National Qualification Framework (CROQF), emphasising quality, accessibility, and the validation of prior learning.

- Funding Sources – The main sources of funding include employer contributions, learner contributions, national funding, and EU funding. The introduction of training vouchers marks a significant step towards more structured support for adult learning.

- The Voucher System – The training voucher co-funded from EU funds serves as a 'stepping stone' to the ILA. It covers the full training costs for eligible programmes, aiming to enhance skills for career development, employment, or job retention.

Governance and Stakeholders:

- The Ministry of Science and Education regulates operational, legislative, and strategic developments in adult education.

- The Agency for Vocational Education and Training and Adult Education *(AVETAE)* oversees, monitors, and ensures the quality of the formal adult education system. This includes managing the adult learning institution database and approving units of learning outcomes and national qualification standards.

- The Croatian Employment Service (CES) implements the voucher system and provides career guidance for both employed and unemployed adults. Incidentally, the Croatian voucher system has already possessed various features similar to an ILA. It is expected that the voucher system will evolve into an ILA.

- The Ministry of Labour, Pension System, Family, and Social Policy works closely with CES to implement, finance, and monitor adult education programmes under active labour market measures. It also oversees the implementation of the voucher scheme financed through EU funds.

- Other stakeholders include the National Centre for External Evaluation of Education (for assessment and validation), the Croatian Chamber of Trades and Crafts (for professional exams and industry standards), employers, unions, formal education institutions, and NGOs (promoting non-formal and informal learning).

The Croatian National Qualification Framework (CROQF) plays a pivotal role in quality assurance (QA) and the effective provision of training and learning through training vouchers and the forthcoming Individual Learning Accounts (ILAs). In Croatia, QA mechanisms are integrated into the adult learning system through several ways:

- Legislative and Regulatory Framework – The Adult Education Act (2021) and the Croatian Qualification Framework Act (CROQF) provide the legal basis for QA in adult learning, ensuring programmes align with national standards and qualifications. This alignment is crucial to the development, quality delivery, and evaluation of ILA, as well as other adult/lifelong learning provision.

- Institutional Roles and Responsibilities – Oversight by the Agency for VET and Adult Education (AVETAE) is critical in monitoring quality, accrediting learning institutions, and ensuring programmes meet the required standards for formal adult education. This includes developing and approving qualifications and learning outcomes in line with labour market demands.

- Program Accreditation – Adult learning institutions must obtain a "positive expert opinion" on their programmes' compliance with qualification standards or units of learning outcomes listed in the CROQF Register for accreditation.

- Self-Evaluation and External Evaluation – The recent Adult Education Act introduces the obligation for quality assurance through self-evaluation and external evaluation of adult learning institutions.

The specific roles of the CROQF Registry:

- ◼ Standardisation – It provides a standardised framework for qualifications, ensuring all training programmes and qualifications align with national standards.

- ◼ Transparency – The registry offers transparency by listing all accredited programmes and qualifications, making it easier for learners and employers to recognise and trust the quality of adult learning offerings.

- ◼ Validation of Non-formal and Informal Learning – It facilitates the recognition and validation process for skills and knowledge acquired outside formal education, which is important for adult learners seeking to enhance their qualifications and employability.

- ◼ Facilitation of Lifelong Learning – By enabling the recognition of micro-qualifications and partial qualifications, the CROQF registry also promotes lifelong learning and the continuous development of skills and competencies.

The Croatian model, with its integrated QA mechanisms and the central role of the CROQF registry, provides a valuable example by focusing on critical elements, namely standardisation, transparency, and validation of prior learning. Through its online platform, the registry also offers easy navigation and selection by learners and employers, emphasising efficiency and accessibility. This approach not only enhances the quality and relevance of adult education but also promotes lifelong learning and the adaptability of workforce training to changing labour market demands.

Case 2: The use of the qualification registry in supporting quality assurance in Poland.

ILA in Poland, known as the 'Individual Development Account' (IDA), is launching a pilot study in the first quarter of 2024. Yet, it is clear that QA is strategically positioned as a key element for a successful ILA scheme. The IDA aims to address skills gaps and enhance workforce employability in line with labour market needs. The role of national registries, such as the Database of Development Services (DDS) and the potential for integration with other existing databases like the Register of Training Institutions (RTI) and the Integrated Qualifications Register (IQR), is crucial in supporting the QA process for effective training and learning provision.

To provide a background, the following is the 'state of play' of adult learning/training and IDA in Poland:

- ◼ Lower Participation Rates – Poland's participation rates in adult education are below the EU-27 average, although there has been a notable increase from 2017 to 2022.

- ◼ Diverse Provision – Despite relatively low participation rates, the provision of adult learning is extensive, including upskilling programmes, Active Labour Market Programmes (ALMPs), and workforce development programmes co-financed by European Union Funds.

- ◼ Key Learning Institutions – The Ministry of Education and Science is pivotal in coordinating continuous learning activities, with regional and district authorities also playing significant roles. Plans are underway to establish Vocational Skills Centres and a Voivodship Coordination Team for Vocational Education and Lifelong Learning to improve coordination and efficiency.

Governance and Stakeholders:

- ◼ The Ministry of Education and Science is the main body responsible for coordinating all activities related to continuous learning, including strategic planning and implementation of lifelong learning policies.

- ◼ The Ministry of Family and Social Policy collaborates with the Ministry of Education and Science to implement lifelong learning policies, focusing on the unemployed, job seekers, and employees, and managing ALMPs.

- ◼ The Ministry of Funds and Regional Policy manages the coordination and disbursement of European funds supporting various training and development programmes.

- ◼ The Polish Agency for Enterprise Development (PARP) supports innovation, regional development, export activities, and human capital development. PARP manages the DDS and is the main operator for the IDA pilot from 2024 to 2027.

- ◼ Public Employment Services (PES) include district and regional labour offices delivering ALMPs, offering career guidance and learning information to adult learners and managing the RTI.

- ◼ Other stakeholders include employers, unions, training providers, Voivodship Coordination Teams for Vocational Education and Lifelong Learning, Sector Skills Committees, NGOs, and research institutions.

In Poland, QA relies extensively on the use of verified information contained in its three registries, which are expected to be integrated in light of the introduction of ILA and an expanded range of users and provision. The current registries are:

- ◼ Database of Development Services (DDS) – Managed by the Polish Agency for Enterprise Development (PARP), the DDS is the primary registry for adult training in Poland. It acts as an online platform listing available training, post-graduate

studies, vocational courses, counselling, e-learning, and other services supporting the development of competences required in the labour market. All training providers are verified within its 'service evaluation system' which also includes monthly audit monitoring, evaluation of user feedback and continuous development of new QA tools, aiming at providing accurate information and trust among learners.

- ■ Register of Training Institutions (RTI) – Managed by the Public Employment Services (PES), the RTI is a registry of certified training providers, allowing only those meeting certain quality standards to offer training services, thereby maintaining the quality and reliability of training programmes available to the public.

- ■ Integrated Qualifications Register (IQR) – Managed by the Ministry of Education and Science, the IQR compiles information on all qualifications within the Integrated Qualifications System (IQS), providing descriptions of qualifications, information about authorised awarding institutions, and details on institutions providing external evaluation.

The DDS and its online platform provide the following tangible QA benefits for users:

- ■ Time savings through its 'one-stop shop' approach.

- ■ Ease of choosing reliable service providers based on 'ratings and user experience' information.

- ■ The option to submit 'tailor-made' service requests.

- ■ Simple procedures for ease of use.

- ■ Learning and qualifications recognised by the Integrated Qualifications Register (IQR).

- ■ A robust safeguard against potential misuse of funding.

- ■ Systematic verification of transactions, facilitating speedy funds settlement.

- ■ High degree of transparency provided by the information.

- ■ Contains information useful for research and future improvements.

In summary, the two case studies highlight the following observations:

- ■ **The Role of QA and ILA** – QA is crucial to the introduction of ILA. Like existing training/learning provision, the quality, reliability and recognition of ILA can be enhanced via a strong QA system.

- ■ **The Role of Registries in the adoption of ILA** – Registries serve as effective tools to verify good practices in learning, such as meeting required standards, ensuring a positive learning experience, upholding expected conduct and support, as well as facilitating assessment and recognition. These elements provide critical information for learners to make informed and timely decisions regarding their education and training.

- ■ **Make use of existing facilities** – In both case studies, there is an existing framework of governance, stakeholders, and participating entities that leverage existing registries to deliver learning and the QA necessary to support forthcoming ILAs. While adaptations may be necessary to ensure the system is 'fit for purpose', the principle of leveraging existing structures could be considered a cost-effective approach to designing a policy tool, especially when the system has been tried and tested.

- ■ As discussed in the following section, while the use of registries is crucial, it represents just one component of an effective QA system (see the general QA system discussion in the previous section). Hence, it is important to consider what other QA elements that must be taken into account to develop a comprehensive QA system.

SECTION 5: PRACTICAL CONSIDERATIONS FOR IMPLEMENTING EFFECTIVE QUALITY ASSURANCE

Following the approach of previous background papers, this section explores practical considerations for the implementation of Individual Learning Accounts (ILAs).

The Meanings of 'Quality'

The concept of 'quality' carries varied meanings across different occupations, learners, and stakeholders. For example, learners might perceive the quality of learning differently from employers. Government ministries may prioritise 'value for taxpayers' money' over long-term societal changes, which are more challenging to quantify. Unions view quality learning as a means of protecting their members, while others, concerned with productivity, may interpret quality learning in terms of impact on the business bottom-line. There is no universal answer, but the implementation of ILAs and their QA systems must acknowledge and work through these diverse perspectives so that we can incorporate the appropriate balance and priority into their final design.

The Meanings of 'Quality Assurance'

The Meanings of 'Quality Assurance' – Referring back to the definition of QA outlined in Section 3, much of this definition is seen from a 'process' perspective, leading to a 'pass-fail' judgement regarding the learning provision (i.e., providers and programmes). It could be argued that QA for ILAs should also address outcomes, given that ILAs are focused on individual citizens' demand for skills. This highlights a potential gap in assessment that may suggest the need for the development of specific QA metrics reflecting the unique aims of ILAs. In Croatia, the QA system tracks voucher users with a questionnaire six months after they finish which then forms the basis of an annual evaluation of the voucher scheme.

Capacity and Forward Planning are Essential

Recognising the success of ILAs as a reflection of their growing appeal, it is advisable for policymakers to anticipate these trends by planning for scalable capacities from the outset. This approach not only ensures that systems are prepared to handle fluctuations in demand but also positions them to adapt and expand seamlessly as the level of ILA activities evolves. Making use of efficient IT solutions and forward-thinking strategies can significantly mitigate potential bottlenecks, ensuring that quality assurance processes remain robust and responsive.

New Sources of QA Data ILA implementation is anticipated to utilise online tools extensively. Traditional QA exercises often overlook the potential of online data for ILA and QA purposes. User feedback, for instance, could enhance QA assessments of training providers, with suggestions from users helping to improve service quality. Other data might reveal the impact of learning on individuals and assess whether the entire learning experience offers 'value for money' (also see the next point).

QA to Promote Good Practices While many aspects of a QA model focus on fostering good operational practices, as exemplified by the OECD QA model for adult learning, it is equally important for ILA-specific QA to address potential 'malpractices'. Potential misuse of public funds in ILA schemes, such as employing unethical methods to attract learners, offering incentives for course participation, providing low-quality learning, or falsely claiming attendance, can be greatly prevented by the use of online methods. It underscores the need for an audit-like component within the QA process (see the French CPF example in box). Additionally, there is evidence that programme costs may be inflated by some providers due to the perception of ILA funds as 'free money'. Interestingly, the use of an online registry could introduce more competition and price transparency, potentially discouraging artificially high pricing.

Regulating Sub-contracting: the case of CPF using QA to promote good practices

While the Compte Personnel de Formation (CPF) has been successful in promoting individual learning activities, concerns have arisen in recent years regarding potential mis-use. One such concern is the use of sub-contracting by training providers. While sub-contracting itself is not illegal, issues of transparency emerge, particularly when the actual training providers or instructors (i.e., subcontractors) might not be directly known to the original providers, the learners or even to the CPF administration. This lack of transparency complicates efforts to ensure quality and accountability.

In response, a legal framework for the Qualiopi certification of sub-contractors was introduced in 2018 to address a broad spectrum of quality assurance issues. The Qualiopi certification is grounded in a national quality reference system that sets out precise criteria that training providers must fulfil. These criteria encompass various aspects of training provision, including the identification of training objectives, the adaptation of training programs to learners' needs, the adequacy of training resources, and the evaluation of training outcomes.

To secure Qualiopi certification, training providers must undergo a rigorous audit process conducted by accredited certification bodies. This process verifies compliance with the established quality standards. Sub-contractors, as integral components of the training delivery chain, are also required to adhere to these standards. This ensures consistency and quality across all training activities funded by the CPF and other public funding sources.

By mandating Qualiopi certification for subcontractors, the French government aims to guarantee that all training activities, whether directly offered by the contracted provider or subcontracted to third parties, meet the same high-quality standards. This initiative is vital for sustaining confidence in the CPF system and ensuring that public investments in training deliver significant benefits for individuals and the wider workforce.

Source: Beyond the regulatory constraint, Qualiopi offers an opportunity to improve its organisation (https://www.centre-inffo.fr/site-centre-inffo/au-dela-de-la-contrainte-reglementaire-qualiopi-offre-une-opportunite-dameliorer-son-organisation)

A Bespoke QA Model

Considering all the points discussed in this section, we cannot rely on a one-size-fits-all approach to Quality Assurance (QA). A more nuanced approach is required. QA plays a pivotal role in ensuring the long-term success of Individual Learning Accounts (ILAs). A critical question arises in this regard: "Will QA enable ILAs to fulfil their intended objectives, such as facilitating re-skilling, up-skilling, career development, ensuring portability, establishing a learning 'right', and increasing participation in learning over time?" This leads us to ponder whether we are merely evaluating service quality within the existing framework, or if there is a need to reconceptualise QA specifically within the context of ILAs.

SECTION 6: CONCLUDING REMARKS

In concluding this discussion paper on quality assurance (QA) in the context of Individual Learning Accounts (ILAs), we would like to highlight several key messages, offering crucial guidance for policymakers embarking on or refining ILA system:

■ Firstly, the importance of integrating QA into the ILA systems cannot be overstated. The examples of France, Croatia and Poland show that QA is not merely a regulatory requirement but a foundational element that ensures the relevance, transparency, and trustworthiness of learning offerings. These case studies illuminate the potential of registries, certification and national frameworks to standardise and enhance learning outcomes, thereby directly contributing to goals of ILAs.

■ Moreover, the exploration into constructing robust QA frameworks reveals the complex structure of QA mechanisms, responsible entities, and assessment processes. Drawing from the insights that the comprehensive OECD mapping provides is very useful, but it is also important to look out for a bespoke QA model that is sensitive to the unique demands of ILAs and the specific contexts of member states. Such a model should not only address the traditional process-based of quality but also incorporate outcome-based assessments that align with the broader objectives of ILAs, including upskilling, employability, and lifelong learning.

■ The practical considerations highlighted throughout the discussion emphasise the variable nature of quality, suggesting that the definition and measures of quality assurance must be appropriate to different stakeholders' perspectives, striking the right balance and priority.

■ As a final thought, QA frameworks should not only ensure the quality of learning offerings but also foster an ecosystem where adult skills development and lifelong learning thrives, supported by trust, transparency, and a commitment to continuous improvement. In doing so, ILAs can fulfil their intended promises as powerful tools for personal and professional development, contributing to the resilience and dynamism of the workforce.

REFERENCES

Centre Inffo. (2023). Beyond the Regulatory Constraint, Qualiopi offers an opportunity to improve its organization. https://www.centre-inffo.fr/site-centre-inffo/au-dela-de-la-contrainte-reglementaire-qualiopi-offre-une-opportunite-dameliorer-son-organisation

Council Recommendation on the European Qualifications Framework (EQF) for lifelong learning, issued on 22 May 2017. See https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32017H0615%2801%29

Council Resolution on a new European agenda for adult learning 2021-2030. See https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32021G1214%2801%29

Espinoza, R. (2023). Quality Assurance of Adult Education and Training: Evidence from OECD Countries. Presentation at the First Individual Learning Accounts (ILA) Sharing Meeting, Brussels 25-26 Apr 2023.

Espinoza, R., & Martinez-Yarza, N. (2023). Quality matters: A comparative analysis of quality assurance mechanisms in adult education and training in OECD countries.

European Commission (2021). Commission Staff working document – Impact assessment report – Accompanying the document Proposal for a Council Recommendation on individual learning accounts. Brussels: EU Commission.

European Commission. (2020). European Skills Agenda for Sustainable Competitiveness, Social Fairness and Resilience. Brussels: EC.

The Council of European Union. (2022). Council Recommendation on Individual Learning Accounts, Luxembourg: EU

GOVERNANCE AND OUTREACH IN PRACTICE: FOUR ILA CASE STUDIES

Thematic discussion paper

Professor Johnny Sung, May 2025

INTRODUCTION

This background paper was prepared to support the workshop of the Individual Learning Account Mutual Learning Programme (ILA MLP), organised by DG EMPL on 21-22 May 2025. The workshop addressed two main themes: (a) explaining the importance of governance in delivering an effective ILA system; and (b) emphasising the importance of awareness raising and outreach activities to ensure a high level of ILA take-up.

The paper is structured as follows:

■ Section 1: Introduction

■ Section 2: Governance in the Context of Individual Learning Accounts

■ Section 3: The Importance of Outreach

■ Section 4: Case Studies: France, Lithuania, Latvia, Croatia, and Singapore

■ Section 5: Concluding Remarks

SECTION 2: GOVERNANCE IN THE CONTEXT OF INDIVIDUAL LEARNING ACCOUNTS

The success and robustness of Individual Learning Accounts (ILAs) depends significantly on their governance. The Council Recommendation on Individual Learning Accounts, adopted by the Council of the European Union in June 2022, stresses the need for effective governance mechanisms to ensure that ILAs contribute meaningfully to adult upskilling and reskilling objectives across member states. While the Council Recommendation does not prescribe a single governance model, it outlines key principles for effective implementation, including clarity of roles, inclusivity of stakeholders, financial sustainability, transparency, data-driven adaptability, and robust quality assurance.

The subject of governance has been covered by previous Background Papers when we discussed the various aspects of ILAs in operation. In the current paper, we make governance a bespoke topic. Governance, in the context of ILAs, is not a single-dimensional concept but a multi-faceted architecture that aligns strategic objectives, administrative roles, technical platforms, effective ILA outreach and policy responsiveness. Table 1 presents six core aspects of ILA governance. These aspects structure the analysis in this paper and serve to disaggregate what governance means in operational terms.

Table 1: Governance Aspects in ILA Implementation

Governance Aspect	Example Governance Tasks / Decisions	Remarks
Policy content design & legal authority	Who sets eligibility, entitlements, and policy goals? (e.g. ministry, parliament, national strategy body)	Stability or evolution may reflect shifting national strategies or labour market priorities.
Institutional coordination	How are responsibilities shared between ministries, PES, training agencies, finance controllers?	Critical for managing cross-sectoral input, reducing duplication, and ensuring holistic delivery.
Financial governance	Who funds the ILA? Who manages disbursement and audit? What controls exist for fraud, misuse, price inflation?	Central to public trust and system durability. Reflects how risk and accountability are shared.
Training market coordination	Who approves training providers or courses? Who defines "eligible learning"?	Affects quality assurance, relevance to labour market needs, and cost-effectiveness.
Platform governance	Who owns/manages the digital infrastructure? Who controls data use? What are the performance outcomes?	Determines user experience, data integrity, and system scalability. Often requires inter-ministerial cooperation.
Stakeholder inclusion	Are employers, unions, or learners involved in design or feedback loops? Through what mechanisms?	Reflects the legitimacy, responsiveness, and adaptability of the ILA system.

It is important to note that of all the different aspects of ILA governance, the first - policy content design & legal authority – is fundamental to defining the other aspects of governance.

Policy Content Design and Legal Authority

To establish an institutional and functional basis for an ILA, we need a legal framework. This refers to the strategic core of the ILA: who defines the entitlement (e.g. financial value, frequency of top-ups), eligibility criteria, learning goals, the portability relationships with employment and legal status. These decisions may cross the policy boundaries of two or more government ministries. Ministries, (typically education or labour) are the main actors, but coordination with parliaments or strategic advisory bodies (e.g. adult learning bodies, sectoral organisations and social partners) is also required. The 'enabling framework' as described by the Council Recommendation also suggests that the legislative framework may need to include elements in the broader ILA environment, e.g., paid study leaves and other forms of assistance.

ILAs are typically long-term projects. Stable governance in this domain is essential for continuity and user trust. However, flexibility is also needed to allow evolution over time, particularly in response to new labour market needs, technological change, or changing demographics. Thus, monitoring and improvement are also important for inclusion in this area of policy provision.

Institutional Coordination

This dimension focuses on how different governmental and quasi-governmental bodies interact to implement the ILA. Clear institutional roles help to avoid duplication or contradictory responsibilities between, for example, ministries of education, public employment services, quality assurance agencies, and digital infrastructure bodies.

In some cases, this coordination role is strengthened by the establishment of an autonomous or semi-autonomous ILA agency under the relevant ministry/ministries because the operation is substantial, and it requires dedicated policy attentions, focused coordination and sufficient capacities to operate effectively. In such cases, a legislative framework is required to define the roles and responsibilities of such an agency.

In the ILA operational context, governance often extends to the working of other bodies or agencies. Various coordination tools, such as joint working groups, steering committees, or formalised memoranda of understanding can be instrumental in resolving coordination challenges. In a nutshell, strong coordination is required for good governance. Without it, the ILA system may become fragmented or inefficient.

Financial Governance

Financial governance ensures that ILA schemes are not only funded but also effectively administered. It addresses key concerns of sustainability, transparency and anti-fraud controls, ensuring targeted groups to make use of funds, and fiscal accountability. It includes decisions about who pays into the ILA (e.g. state, employers, individuals), how funds are collected and allocated (or reimbursed), and what financial controls are in place. Where there are budgetary constraints, governance in this area must also grapple with tensions between expanding access and controlling costs, especially when ILA funding is subject to year-to-year fluctuations in government financing.

Training Market Coordination

Digital infrastructure underpins modern ILA systems. Governance in this domain includes decisions about system ownership, software development, data protection and privacy, user analytics, and platform maintenance. It determines whether the platform operates as a truly user-friendly one-stop-shop, even with users who are less 'technology savvy'. In addition, in the EU context, good platform governance requires not only technical expertise but also a clear mandate for digital interoperability with other systems (e.g. PES, national registries, Europass etc.).

Stakeholder Inclusion

Stakeholder governance refers to the extent to which social partners (employers, unions), learning providers, and learners themselves have a voice in ILA design evolution and evaluation. Inclusion is essential for relevance and legitimacy. Governance structures may include advisory councils, consultation rounds, or feedback mechanisms embedded in platform usage. In terms of daily operation, user feedback and ratings are key elements to support a quality delivery of ILAs. Additionally, stakeholder inclusion may differ widely from one member state to the next. However, excluding key stakeholders' risks misalignment with real-world skills demand and disconnection from end-users.

The Role of Quality Assurance (QA)

Quality assurance intersects with multiple governance domains as described above. It affects the ILA training market by setting standards for providers and curricula; it supports financial integrity by preventing funding misuse; and it underpins platform governance through monitoring data quality, user satisfaction, and learning outcomes. QA mechanisms might include pre-authorisation of providers and courses (i.e., the formation of the registry), periodic audits, learner evaluations, and performance tracking. Effective QA is not only about setting standards but also about building feedback loops that enable systems to learn

and evolve, especially learning needs may change over time. In the context of ILAs, QA helps ensure that governance functions are credible, adaptive, and aligned with learners' and labour market needs.

SECTION 3: THE IMPORTANCE OF OUTREACH

Alongside robust governance, the success of an ILA scheme is inseparable from its capacity to reach and engage users. Outreach is not a peripheral activity but a central component of ILA system design, as acknowledged in both the EU Council Recommendation and multiple national implementation strategies (e.g., Lithuania and Latvia) that we examine in the current background paper (see discussions in the Section 4). Without sustained and inclusive communication efforts, the utilisation of ILAs remains low, undermining the entire policy rationale for creating individualised training entitlements.

The critical role of outreach is twofold. First, it addresses awareness gaps: many adults, especially those in low-skilled or precarious employment, are unaware of their training rights or the existence of learning schemes. Second, it tackles engagement barriers: even when adults are aware, they may hesitate due to motivational, institutional, or socio-economic factors. These include digital illiteracy, distrust in the value of training, lack of confidence, and negative experiences with past learning.

The issues of awareness gaps and engagement barriers maybe more complex than they seem. In a discussion with representatives of SkillsFuture Singapore, an interesting comment was made in this regard:

One of the most frequently asked questions in the user focus-group feedback exercise is this … "I don't know what to learn!"

> *I enquired: "Did the comment refer to what subject to learn or how to make use of the ILA online platform?" The reply: "Neither. The user did not know what learning he/she wanted at all."*

This information from the outreach officers suggests that awareness of the ILA scheme is only a start, but it may not necessarily lead to a learning outcome. And there is more engagement than just talking to the ILA users. Do we need a more appropriate form of counselling that is individualised and career oriented, and not just finding a job? Can upskilling be done without a personal understanding of career that matters to that person? Do we need special assessment tools to support career guidance? Do ILA users need a basic knowledge of career management?

The above discussion leads to the question whether a 'one-off' learning episode is a success for the objective of ILAs, or if we want to see repeated learning spells. The latter points to the need for 'cultural' and behavioural changes among society and working adults at large. Can our governance system support that? All these questions mean that outreach must go beyond information provision. In light of these complexities, the Council Recommendation (2022) encourages member states to tailor outreach to hard-to-reach groups (beyond informational needs) and to integrate communication with guidance, validation, and other support services.

In sum, a technically sound ILA system without active and inclusive outreach risks becoming a low-uptake policy instrument with limited social and labour market impacts.

SECTION 4: CASE STUDIES: FRANCE, LITHUANIA, LATVIA, CROATIA, AND SINGAPORE

The following four case studies provide a more detailed look at how they are applying the principles of governance and outreach in the context of Individual Learning Accounts (ILAs). While all four are at different stages of ILA development and institutional maturity, each presents unique approaches to implementing key governance functions and promoting user participation. These case studies are structured to highlight both the conceptual aspects laid out and the practical implementation or challenges encountered within their national context.

France – A Case Study

Stage of ILA Development

France operates a well-established ILA system in Europe. The Compte Personnel de Formation (CPF) has been operational for over a decade, with the current monetised version launched in November 2019. Since then, the CPF has functioned as an individualised, credit-based account system accessible to working-age individuals from the age of 16. Funded at €500 per year for most workers (or €800 for low-qualified individuals), CPF credits can be used for accredited training, skills assessments, and the validation of prior experience (VAE). The CPF system is managed through the digital portal MonCompteFormation, and it forms a central pillar in France's lifelong learning and upskilling framework (Bertrand, 2025a; Bertrand, 2025b).

GOVERNANCE OF THE FRENCH ILA

Policy Content Design and Legal Authority

The CPF was established by legislation, with its current governance set out under the law of 5 September 2018. The legislature, with input from both Parliament and government, defines the general principles. Social partners play a foundational role: the CPF originated from national interprofessional agreements, and they continue to influence the legislative and regulatory frameworks. The Ministry of Labour oversees the system and issues the necessary decrees, while regulatory and operational responsibilities are shared with the Caisse des Dépôts et Consignations (CDC), which manages CPF operations under a triennial objectives and performance agreement (Bertrand, 2025a).

Institutional Coordination

The Ministry of Labour leads CPF governance, delegating daily operations to the CDC. France Compétences, a public agency under the Ministry, manages the registry of eligible qualifications and the distribution of a portion of the central training fund that finances the CPF. Training providers are managed and governed by regulations and standards defined by the CDC. Other ministries can submit certifications for CPF eligibility or propose co-financing. Regulatory bodies (e.g., police, fraud offices, and tax authorities) coordinate with CDC and France Compétences to monitor compliance and respond to fraud (Bertrand, 2025a).

Financial Governance

The CPF is funded through employer vocational training levies, pooled by France Compétences. The CDC receives monthly funds based on projected training demand and reimburses providers only after completion and verification. This system ensures strict financial discipline. CDC performs audits of training providers, verifies completed courses before releasing payment, and implements additional quality control mechanisms, including thematic and regional audits. This layered financial model reinforces transparency, fiscal soundness, and safeguards against misuse (Bertrand, 2025a and 2025b).

Training Market Coordination

All training programmes eligible for CPF must lead to a qualification or certification registered with France Compétences. The scope also includes skills assessments and VAE support. Some training types are prioritised through legislation (e.g. driving licence preparation, skills audits). Providers must apply to be listed on the MonCompteFormation portal and are accepted only if they meet eligibility and quality criteria. This framework ensures that CPF-supported training is purposeful, certified, and aligned with labour market needs (Bertrand, 2025a).

Platform Governance

The MonCompteFormation platform is developed and operated by the CDC. It functions as a comprehensive digital interface, allowing users to search for, compare, and register for eligible courses using their CPF credits. The Ministry of Labour mandates and oversees all platform developments under the objectives and performance agreement. The CDC manages user registration, authentication, course enrolment, and payments. It also provides technical and user support, carries out fraud detection, and ensures integration with the national qualification registries (Bertrand, 2025b).

Stakeholder Inclusion

France's CPF system has been stakeholder-driven from the outset. Social partners – employers and trade unions – have been central to its conception and evolution. They are regularly consulted on regulatory updates, participate in working groups, and are involved in CPF usage monitoring. Training provider federations also engage with the CDC via information sessions and consultation mechanisms. This inclusive governance model contributes to strong legitimacy and helps align CPF supply with sectoral priorities (Bertrand, 2025a).

Outreach and Engagement

Outreach for the CPF relies mainly on the visibility of the MonCompteFormation platform, which is nationally branded and widely recognised. Public campaigns are supported by regional posters, public transport advertising, social media, employer communications, and community events. Communication materials are distributed to employers, trade unions, industries, and local authorities. An integrated campaign was under preparation at the time of writing. Additionally, mobile app adoption and simplified user pathways have improved individual access and self-directed use of CPF rights (Bertrand, 2025a).

Lithuania – A Case Study

Stage of ILA Development

Lithuania has one of the most recently launched ILA schemes in the EU. Its national ILA scheme was formalised through amendments to the Law on Non-formal Adult Education and Continuing Learning in 2023, following earlier policy groundwork set out in the Economic Recovery and Resilience Plan. The system is anchored in a strong legal and institutional framework and has moved rapidly from policy design to operational rollout. As of late 2024, the scheme includes a fully functioning digital platform, an integrated training offer registry, a defined governance structure, and clear funding rules. The Lithuanian ILA scheme, the KURSUOK System, provides up to EUR 500 per five-year period for individuals aged 18–65 to enrol in approved learning programmes. The platform also enables co-financing from individuals, employers, or other public sources (ICF, 2024a).

GOVERNANCE OF THE LITHUANIAN ILA

Policy Content Design and Legal Authority

The Ministry of Education, Science and Sport (MESS) is the legal and policy owner of the ILA system. The 2023 amendments to the Law on Non-formal Adult Education and Continuing Learning formalised the system's objectives, eligibility criteria, priority competence areas, and financial rules (ICF, 2024a: 18). The legal framework supports both stability and adaptability, enabling periodic reviews of priority areas and target groups through ministerial orders.

Institutional Coordination

Lithuania is a good example of working with multiple agencies for delivering an ILA. The European Social Fund Agency (ESFA) administers payments and manages the ILA system website. The Qualifications and Vocational Education and Training Development Centre (KPMPC) is responsible for programme quality assurance, while the Lithuanian Higher Education Institutions for Centralised Admissions (or LAMA BPO) ensures system interoperability and data sharing with other education registries (ICF, 2024a: 4). Additional roles are played by the National Agency for Education and the Public Employment Service (PES), the latter managing recognition of non-formal learning and outreach to jobseekers (ICF, 2024c: 10).

Platform Governance

Lithuania's ILA system places huge emphasis on its digital platform. The single national portal integrates multiple education and labour market registries and allows users to search for, register in, and evaluate learning offers (ICF, 2024c: 1). LAMA BPO and the Ministry of Education co-manage platform infrastructure. Platform performance is monitored through user analytics and backend coordination with PES and provider systems. Recent updates focus on improving user interface, expanding course filters, and aligning platform functionality with the European Learning Model (Lithuania, 2024a: 2)

Stakeholder Inclusion Social partners, municipal bodies, and NGOs are represented on the Lithuanian Non-formal Adult Education Council, which functions as an expert advisory board. Their role is consultative, influencing both system design and review. Moreover, municipal coordinators play an active role in promoting local outreach and identifying emerging training needs (ICF, 2024a: 8).

Outreach and Engagement

In Lithuania, the ILA platform (www.kursuok.lt) has been promoted through national television, radio campaigns, social media, and employer networks (Lithuania, 2024b: 3). Tailored messaging has been used to engage low-skilled and inactive adults. Municipalities and PES centres serve as local information points, supported by guidance personnel trained to use the ILA system. Outreach is closely linked to guidance and validation services, and the platform includes information on career planning, validation, and training relevance. Despite these efforts, challenges remain in reaching digitally excluded groups and aligning learning offers with local labour market needs (ICF, 2024a: 3).

Latvia – A Case Study

Stage of ILA Development

Latvia is currently piloting its Individual Learning Account (ILA) system, with implementation guided by the national Recovery and Resilience Facility (RRF) and supported through European Social Fund Plus (ESF+) funding. The ILA initiative is positioned as a cornerstone reform under the Human Capital Development Action Plan (2025–2027), designed to enhance adult participation in skills development. The pilot began in 2024 and is set to run through 2026, with an expected target of assisting 3,500 adults in acquiring digital skills (ICF, 2024b: 3). A centralised platform is operational, and legislative and governance structures are under active development, making Latvia a work-in-progress case study.

GOVERNANCE OF THE LATVIAN ILA

Policy Content Design and Legal Authority

The ILA initiative is coordinated by the Ministry of Education and Science (IZM), which holds overall policy authority. The legal framework was strengthened in July 2024 with the adoption of Cabinet of Ministers Regulation No. 506, establishing the ILA pilot under Component 2 of Latvia's RRF Plan (ICF, 2024d: 3). Strategic direction is further defined in the Education Development Guidelines 2021–2027 and the Human Capital Development Strategy (draft) (ICF, 2024d: 3).

Policy objectives (e.g. to pilot and implement the ILA) are embedded in these national policy documents and approved by government following inter-ministerial and social partner consultation (Latvia, 2025). Operational goals are set by IZM itself, the institution responsible for implementation, thus combining high-level strategy with administrative control.

Institutional Coordination

Latvia's governance model is characterised by cross-ministerial collaboration. A key innovation is the Human Capital Development Council, formed in 2023, comprising ministers from Economics, Education and Science, and Welfare. It serves as a high-level coordinating body. The State Education Development Agency (SEDA or VIAA) is tasked with platform implementation and coordination of outreach and piloting activities. The State Employment Agency (SEA or NVA) and other ministries are engaged through a working group and consultative committees (ICF, 2024b: 4).

Historically, IZM led training for employed persons, while the Ministry of Welfare (through NVA) supported unemployed adults. This demarcation has weakened in recent years, with ongoing political discussions about governance reform. Financial oversight for EU funds is centralised under the Central Finance and Contracting Agency (CFLA), a Ministry of Finance agency (Latvia, 2025). These dynamics suggest an evolving institutional arrangement that reflects both functional legacy and emerging coordination needs.

Financial Governance

The ILA is funded through the RRF (2023–2026) and will later draw on ESF+ until 2029. As of early 2025, Latvia has not finalised a long-term funding model. Disbursements are centrally managed by VIAA, while financial control measures—including anti-fraud mechanisms—are coordinated with CFLA (Latvia, 2024b: 4; Latvia, 2025). A separate Supervisory Board (SB), distinct from IZM's policy unit, is tasked with oversight of RRF implementation and signs governance declarations twice annually to affirm the integrity of fund use. Education providers operate under a simplified cost methodology approved by IZM, which standardises the price per learner across all approved programmes, including teaching, materials, and support costs (Latvia, 2025).

Training Market Coordination

Training providers and programmes must be registered in the National Education Information System and licensed by the relevant education authorities. Courses for the ILA pilot focus on digital skills. Training needs are identified in close consultation with the ICT sector and validated by the ILA consultative partner working group, which includes employer and employee representatives (ICF, 2024d: 10; Latvia, 2025). This approach aligns with broader ESF+ mechanisms, where the Ministry of Economics chairs an external commission to define labour market priorities. The model began operating in 2024 and is still undergoing iterative development to refine quality assurance and relevance criteria.

Platform Governance

The Latvian ILA platform is hosted on the Skills Management Platform (https://stars.gov.lv) and was developed by VIAA. It is being integrated into the Unified Education Information System (VIIS), overseen by IZM (ICF, 2024d: 8; Latvia, 2025). The platform supports secure authentication, user tracking, and course selection. Data access and control are governed by Cabinet of Ministers regulations. As of May 8, 2025, more than 16,000 individuals had registered on the platform, with over 14,000 applying for training. This signals a growing uptake and provides a basis for system scalability and data-informed refinement.

Stakeholder Inclusion

Latvia has adopted an inclusive governance model. A wide range of stakeholders — including employer organisations, unions, sectoral ministries, and digital industry representatives — participate through advisory structures and platform testing (ICF, 2024d: 8; Latvia, 2024b: 4). These include the Ministry of Economics, Ministry of Welfare, Latvian Employers' Confederation, Free Trade Union Confederation, ICT Association, SEA, and higher education IT consortia. These stakeholders contribute to training needs analysis and project oversight through quarterly working group meetings coordinated by VIAA (Latvia, 2025). Their involvement strengthens the legitimacy, responsiveness, and labour market relevance of the ILA pilot.

Outreach and Engagement

Latvia has taken a multi-tiered approach to outreach. A national strategic communication plan was launched in mid-2024, informed by focus groups and stakeholder workshops. Outreach is segmented across three target groups: national stakeholders, municipalities, and individuals. Specific efforts are underway to reach adults with low or no digital skills through municipal adult learning coordinators and partnerships with PES offices. A media campaign supports national visibility, and the platform itself incorporates guidance tools and user profiling (ICF, 2024b: 8–9).

Building on this, each support programme delivered through the ILA platform contributes to its public visibility. Outreach activities include messaging via mass media, social media, trade unions, and municipal networks. Stories have been featured on television and in regional newspapers, with additional branding visible through outdoor advertising and posters in public transport. Communication materials are distributed to employers, industries, and educational institutions, and a common visual identity is used across all partner channels, contributing to growing public recognition of the ILA platform. The launch of a more integrated national communication campaign is also anticipated (Latvia, 2025).

Notably, Latvia has embedded career guidance into its outreach infrastructure, using trained staff from municipalities and education centres. Still, integration between PES services and the ILA platform remains partial. As highlighted in the Final Country Report, continued coordination challenges between platform governance and service provision may limit uptake among harder-to-reach populations (Latvia, 2024a: 2; ICF, 2024d: 10).

Croatia – A Case Study

Stage of ILA Development

Croatia has not yet launched a full Individual Learning Account (ILA) scheme, but it has established a nationally scaled voucher system as a transitional model. This system was introduced in April 2022 as a stepping stone towards a formal ILA programme. The voucher scheme enables individuals to access training aligned with labour market demands, particularly for green and digital skills. Supported by the National Recovery and Resilience Plan and co-financed by ESF+, the Croatian government intends to evolve this system into a more structured ILA by 2027. The ILA model is currently in development under the "Strengthening the connection between education and the labour market" project and is being steered by a cross-ministerial working group to be formalised by ministerial decree (Croatia, 2025: 1–2).

GOVERNANCE OF THE CROATIAN VOUCHER SYSTEM

Policy Content Design and Legal Authority

The policy authority for the voucher scheme — and the eventual ILA — rests with the Ministry of Labour, Pension System, Family and Social Policy. This ministry sets eligibility rules, defines entitlements, and determines which training areas align with Croatia's strategic upskilling goals. The shift from a voucher model to an ILA is intended to enable a much larger number of people to benefit from the training support and decentralise user decision-making (i.e., being a personal training budget) while ensuring alignment with national employment policies (Croatia, 2025: 2).

Institutional Coordination

The Ministry of Labour provides policy oversight and system-level monitoring, while the Croatian Employment Service (CES) handles the operational management of the voucher system. This includes evaluating voucher applications, processing payments to training providers, and maintaining the public registry of approved providers. Other institutions such as the Ministry of Science, Education and Youth, and the Agency for VET and Adult Education, are involved in accrediting providers and aligning curricula with the Croatian Qualifications Framework (CQF). Coordination is functionally delineated but relies heavily on the CES for implementation tasks (Croatia, 2025: 2).

Training Market Coordination All eligible training must be linked to the adult education programme register and comply with the standards of the CQF. Providers and curricula are jointly approved by the Ministry of Science, Education and Youth and the VET Agency. Programmes must contain competencies listed in the national skills catalogue, particularly targeting priority areas such as digital and green skills. The CES confirms curriculum alignment before adding them to the voucher registry, acting as the final gatekeeper for market inclusion (Croatia, 2025: 2).

Platform Governance

The voucher portal (https://vauceri.hzz.hr/) is fully digital and managed by the CES. It allows training providers and individuals to apply, track applications, and manage documentation. Authentication is handled through the National Identification and Authentication System (NIAS), ensuring secure user access. While this system is functional and moderately user-friendly, it remains relatively simple and not yet configured for more complex ILA features like credit accumulation, portable balances, or learning histories. Expansion of platform functions is expected as Croatia transitions toward a formal ILA model (Croatia, 2025: 2).

Stakeholder Inclusion

Croatia's model includes social partners in the governance of both the voucher scheme and the development of the future ILA. Employers, unions, and relevant ministries were involved in drafting the legal ordinance on voucher funding, and will formally participate in the working group steering the ILA model's development. This reflects an effort to move toward tripartite governance, although at present, the role of social partners is consultative rather than executive. Stakeholder input is expected to be institutionalised further in the 2025–2027 phase (Croatia, 2025: 3).

Outreach and Engagement

Outreach activities for the current voucher system are moderately developed and largely institutional in tone. Information dissemination occurs through the CES website, public announcements, and employer networks. The system's visibility is limited to the targeted groups, needing green and digital skills. The voucher portal itself is accessible and provides basic support, but more proactive, multi-channel communication efforts will be necessary to scale up participation.

Singapore – A Case Study

Stage of ILA Development

Singapore's SkillsFuture Credit (SFC) scheme, launched in 2015, stands as a mature and comprehensive model of an Individual Learning Account (ILA). It provides Singaporeans aged 25 and above with credits to pursue a wide range of approved courses, aiming to foster a culture of lifelong learning and skills mastery across the nation. The scheme has evolved over the years, introducing targeted top-ups (i.e., the 'mid-career' workers aged 40-59) and specialised programmes to address the diverse needs of its population.

GOVERNANCE OF THE SINGAPOREAN ILA

Policy Content Design and Legal Authority

The SkillsFuture initiative is managed by the SkillsFuture Singapore (SSG) agency, a statutory board under the Ministry of Education. SSG is responsible for the formulation and implementation of all policies related to skills development and lifelong learning in Singapore. The agency operates under the SkillsFuture Singapore Agency Act 2016, which provides the legal framework for its functions and responsibilities (Singapore Government, n.d.). The SSG Board, comprising members from various sectors, provides strategic guidance and oversight, ensuring that the initiative aligns with national objectives and responds to evolving economic needs.

Institutional Coordination

SSG collaborates with multiple stakeholders, including other government agencies, educational institutions, industry partners, and unions, to ensure a cohesive approach to skills development. This multi-agency coordination facilitates the alignment of training programmes with industry needs and national economic strategies. The integration of various initiatives under the SkillsFuture umbrella, such as the Skills Frameworks (a job-skills referencing system) and the SkillsFuture Work-Study Programmes, exemplifies this collaborative approach (Sung, 2024).

Financial Governance

The SFC scheme is funded by three sources: the Skills Development Fund, the Lifelong Learning Endowment Fund and the yearly budget (if the first two sources are not sufficient),[1] with allocations announced during national budgets. Each eligible citizen receives an initial credit of S$500, with periodic top-ups provided to encourage continued learning. For instance, the SkillsFuture Level-Up Programme introduced in 2024 offers a S$4,000 credit top-up for mid-career individuals aged 40 and above, targeting courses with strong employment outcomes. Financial governance is maintained through stringent audit processes and the use of secure digital platforms for credit disbursement and course enrolment.

Training Market Coordination

There are two levels of validation: a) the courses; b) the provider. Courses eligible for SFC are assessed to ensure quality and relevance. Training providers must meet specific criteria and are subject to regular evaluations. The Training Quality and Outcomes Measurement (TRAQOM) system collects feedback from learners to assess course effectiveness, learning outcomes and provider performance (Sung, 2024). This continuous monitoring ensures that the training ecosystem remains responsive to both learner needs and industry demands.

Platform Governance

There are two portals supporting SFC. The MySkillsFuture portal serves as the central platform for the SFC scheme, offering users access to a comprehensive directory of courses, career resources, and personalised recommendations. The platform is integrated with Singpass, Singapore's national digital identity system, ensuring secure access and personalised user experiences. Users of SFC can make user-feedback and ratings on the platform. Then there is 'linked' platform called MyCareerFuture (maintained by the sister agency Workforce Singapore) that supports job search, skills assessments and career guidance (Sung, 2024).

Stakeholder Inclusion

Stakeholder engagement is a cornerstone of the SkillsFuture initiative. SSG actively involves employers, industry associations, community bodies, unions, and training providers in the development and refinement of programmes. All learning initiatives – like all employment matters – are formally instituted within a tripartite arrangement. Inter-ministry cooperation is under the formalised 'whole-of-government' arrangement. For example, the Ministry of Trade and Industry is responsible for job creation by sector, but SSG has a 'skills supply' team in each sector, monitoring skills needs and skills anticipation.

Outreach and Engagement

Singapore has implemented extensive outreach strategies to promote the SFC scheme and encourage participation. National campaigns, such as the "Be Skilled for the Future" initiative, utilise multiple channels including television, digital media, and community events to raise awareness about the importance of upskilling. Additionally, SSG organises the annual SkillsFuture Festival Week, offering seminars, workshops, career consultations, and networking opportunities to engage citizens directly. These efforts are complemented by targeted programmes for specific groups, such as mid-career individuals and seniors, ensuring that outreach is inclusive and addresses the unique needs of different demographics via local community and ethnic associations.

The general outreach activities described above are complemented by targeted programmes aimed at specific demographic groups. One example is the *SkillsFuture Advice initiative, which delivers structured career and training advisory sessions at community clubs and public libraries, especially for older adults and mid-career workers (SkillsFuture Singapore, 2023). Another notable example is the* SkillsFuture@PA (People's Association) partnership, which collaborates with ethnic self-help groups and community development councils to bring tailored learning talks and career planning workshops directly into housing estates and neighbourhood centres (People's Association, n.d.). For the 'mid-career' users (aged 40-60), a series of televised explainers, social media campaigns on LinkedIn and Facebook, and direct SMS/email notifications were used to reach-out the relevant individuals ahead of the additional 'top-up' in 2024 (Ministry of Education, 2025).

While the SFC system is functioning well, the utilisation rate is still a major challenge. In 2024, around 40% of the eligible population had used SFC (mostly partially spent). However, the official target has envisaged higher.

SECTION 5: CONCLUDING REMARKS

This background paper has examined the critical roles of governance and outreach in the effective implementation of Individual Learning Accounts (ILAs). By drawing on the diverse experiences of France, Lithuania, Latvia, Croatia and Singapore, the paper illustrates that while national contexts vary considerably, successful ILA implementation depends on paying attention to sound governance and effective outreach.

Governance is not simply about administrative control or formal structures. It is fundamentally about how policy objectives

---

1   See the rates of the SDF levy at https://unevoc.unesco.org/countryprofiles/docs/UNESCO_Funding-of-Training_Singapore.pdf and the detail of the Lifelong Learning Endowment Fund at https://sso.agc.gov.sg/Act/LLEFA2001

are translated into operational needs that are credible, coordinated, and sustainable. Across the six governance dimensions discussed—legal authority, institutional coordination, financial management, market coordination, platform operations, and stakeholder inclusion—the paper has highlighted the importance of clarity, coherence, and accountability.

Outreach ensures that the ILA is not just a policy instrument, but a 'readily available' opportunity. Informing citizens is necessary, but not sufficient. Effective outreach connects policy to people by addressing deeper barriers—such as confidence, motivation, social context, and perceived relevance. The cases discussed show that proactive, tailored, and multi-channel strategies are essential to raise both awareness and participation, especially among hard-to-reach groups.

An overarching lesson is that governance and outreach can be approached as interconnected domains. Robust governance provides the structural integrity of the ILA system, while outreach ensures its reach, uptake, and ultimately, its impact. The examples in this paper are not presented as definitive models, but as learning opportunities to inspire adaptation, collaboration, and innovation across Member States.

This paper is intended as a practical support tool for state officials and other actors involved in ILA implementation. It invites reflection on how governance and outreach challenges can be addressed systemically within a particular national context, and how emerging practices can be shared to build resilient, inclusive, and user-centred ILA systems across the EU.

REFERENCES

Bertrand., C. (2025a). Information for Background Paper. Unpublished Internal Paper.

Bertrand., C. (2025b). Présentation ILA MAI. Unpublished Internal Presentation.

Croatia. (2025). Information for background paper. Internal Communication.

European Commission (2021). Commission Staff working document – Impact assessment report – Accompanying the document Proposal for a Council Recommendation on individual learning accounts. Brussels: EU Commission.

ICF. (2024a). Implementing ILA: Mutual Learning Programme 2024 Final Country Report – Lithuania. Brussels: ICF.

ICF. (2024b). Implementing ILA: Mutual Learning Programme 2024 Final Country Report – Latvia. Brussels: ICF.

ICF. (2024c). Country baseline analysis – Lithuania. Brussels: ICF.

ICF. (2024d). Country baseline analysis – Latvia. Brussels: ICF.

Latvia. (2024a). Country Action Plan / Roadmap for the Design and Implementation of ILA – Worksheet to support the discussions at the first event (14-15 March 2024, Antwerp). ICF Internal document.

Latvia. (2024b). ILA Traffic Light Analysis. Brussels: ICF.

Latvia. (2025). Information for Background Paper. Unpublished Internal Paper.

Lithuania. (2024a). Country Action Plan / Roadmap for the Design and Implementation of ILA – Worksheet to support the discussions at the first event (14-15 March 2024, Antwerp). ICF Internal document.

Lithuania. (2024b). ILA Traffic Light Analysis. Brussels: ICF.

Ministry of Education Singapore. (2024). Infosheet 2: Enhancing Support for Mid-career Individuals under the SkillsFuture Level-up Programme. https://www.moe.gov.sg/news/press-releases/20250306-infosheet-2-enhancing-support-for-mid-career-individuals-under-the-skillsfuture-level-up-programme#:~:text=On%201%20May%202024%2C%20all,based%20on%20their%20employability%20outcomes.

People's Association. (2022). Your lifelong learning starts with SkillsFuture@PA! https://www.pa.gov.sg/our-programmes/cc-courses/skillsfuture/

Singapore Government. (n.d.). SkillsFuture Singapore Agency Act 2016. https://sso.agc.gov.sg/Act/SSAA2016

SkillsFuture Singapore. (2023). SkillsFuture Advice – Empowering Individuals Through Community-Based Outreach. https://www.skillsfuture.gov.sg/advice

Sung, J. (2024). Supporting Individual Learning: two case studies outside the EU. Workshop Background Paper, 20-21 June, 2024. Online Meeting. European Commission. DG EMPL.

The Council of European Union. (2022). Council Recommendation on Individual Learning Accounts, Luxembourg: EU.

SUPPORTING INDIVIDUAL LEARNING:
TWO CASE STUDIES OUTSIDE THE EU

Thematic discussion paper

Professor Johnny Sung, June 2024

INTRODUCTION

This background paper supports the second workshop of the Individual Learning Account Mutual learning programme (ILA MLP), organised by the European Commission in June 2024. It examines two non-EU individual learning support schemes, and discusses potential issues related to training price inflation for ILA courses.

This report presents two interesting case studies in Sections 2 and 3 on Individual Learning Support schemes outside the EU: the Canada Training Credit (CTC) and the National Learning Card (NLC) from South Korea. I use the word 'schemes' here for two reasons. First, these schemes do not fully conform to the type of individual learning accounts (ILAs) as found in the Council Recommendation (CR, 2022). However, they do have important features similar to the CR on ILAs and therefore they can provide a useful comparison. For example, they support the demand for skills emanating from the individual's skills needs. They are portable, not work status-dependent, and accumulative within the rules of the schemes. Second, as such, these initiatives provide valuable lessons for implementing ILAs.

Canada's CTC, linked to the federal tax system, offers a model by facilitating adult education through financial incentives. Although not an ILA in the strict sense, it incentivises personal investment in education, allowing individuals to reclaim part of their training costs. This approach highlights the benefits of integrating ILAs with existing systems – not necessarily the tax system – to enhance accessibility and reduce administrative burdens. However, the drawback of the CTC is the potential inequality that the scheme may generate. We will discuss this further in the lessons section.

The CTC's emphasis on mid-career upskilling in response to evolving job markets provides a model for ILAs that supports continuous professional development, especially relevant in adapting to digital/twin transformations and rapid technological changes in the labour market.

The South Korean NLC offers a comprehensive approach to lifelong learning, aimed at fostering economic growth and social cohesion. This model offers valuable lessons on how ILAs can be integrated within national education systems to support continuous learning across different employment statuses. Notably, the NLC includes broad yet targeted eligibility criteria, supporting unemployed individuals, workers in precarious positions, and those re-entering the workforce, thus promoting inclusivity.

The NLC faces challenges such as relatively low participation rates. However, participation has been rising steadily in the last few years (KRIVET, 2021; Yoon 2024). In general, participation can be improved via a universal entitlement and well-funded ILAs to avoid depleting resources that could hinder adult learning initiatives. We will look at some of these issues in Section 3.

Section 4 discusses the potential issue of 'training price inflation'. This discussion highlights how the availability of state-funded subsidies could lead to price increases by training providers, potentially impacting the efficacy of ILAs. This section helps policymakers explore mechanisms that may minimise price exploitation while maintaining or enhancing educational quality.

Section 5 will conclude by identifying a number of final 'take-away' points, focusing on ideas that go beyond the case studies.

SECTION 2: THE CANADA TRAINING CREDIT

In 2019, Canada introduced the Canada Training Credit (CTC) to address socio-economic and structural challenges within the country's adult education and training system. The key reasons for the CTC's introduction include:

- **Liberal market dynamics and inequality**

  With prevalent inequality and weaker unions, Canada's federal government calls for direct interventions to aid individual upskilling and reskilling, particularly for mid-career workers facing rapidly evolving job requirements and technologies (Walker, 2020).

- **De-centralised education and training system**

  Canada's two-tier federal-province system grants provinces autonomy over education and training policy, leading to varied priorities and legislation. This disparity can result in uneven access and support for adult learners nationwide, prompting a 2019 government review to urgently address these inequities (Ministry of Finance, 2019).

- **Educational participation gaps**

  Despite high overall educational attainment, Canada experiences substantial participation gaps. Groups such as older adults, lower-income individuals, and immigrants are notably less engaged in adult education and training, with these gaps widening over time (OECD, 2022).

- **Labour market alignment**

  Recognising a mismatch between existing workforce skills and employer demands, Canadian authorities emphasise the growing need for re-skilling and up-skilling to align with labour market requirements (OECD, 2020b).

What is the Canada Training Credit (CTC)?

The CTC is a refundable tax credit launched by the Canadian Federal Government to assist working-age Canadians in recovering part of their eligible training expenses. Although not an ILA in the strictest sense as outlined by the Council Recommendation, the CTC shares several similar features, such as being portable, accumulative, and providing entitlements to a vast number of people.

Eligibility of the CTC

The CTC is integrated with the federal tax system. Eligibility criteria require the account holder to file a tax return, have a Canada Training Credit limit above zero, reside in Canada for the entire year, and be aged between 26 and 65 at the end of the tax year (CRA, 2022).

The CTC Entitlement

CTC holders may claim up to 50% of eligible tuition and fees paid to qualifying educational institutions in Canada, with an annual maximum of CAD$ 250 (EUR 170.1). The lifetime limit of the credit is CAD$ 5,000 (EUR 3,403.2), effectively covering up to CAD$ 10,000 (EUR 6,806.5) in training expenses (i.e., 50% is claimable against tax). Notice that while nearly all working people may benefit from the scheme, the user needs to 'open' an account via the tax return. Otherwise, the account does not exist. The accumulation rule is defined by a 'lifetime' limit, which is rather different from CR ILAs.

Eligible Educational Institutions

Institutions eligible under the CTC include universities, colleges, and other educational entities in Canada that offer post-secondary courses or occupational skills courses certified by the Minister of Employment and Social Development (a directory of approved providers).

Progress Today

The CTC is a relatively new initiative with no formal evaluations yet conducted. Since its implementation, it has provided over CAD$ 200 million (EUR 136,129,174.6) in support to more than 600,000 learners. Notably, the usage of the CTC so far tends to be concentrated among individuals with above-average incomes and higher educational levels (Fung et al, 2024). We will discuss this pattern of utilisation in the next section.

Potential Lessons from the CTC

The CTC is neither an ILA nor a traditional training voucher but a tax-refund financial incentive. Nevertheless, it offers some useful insights for ILAs:

- **Enhancing personal ownership of training fund**

  The logic behind the CTC is that a tax refund is not 'free money' (i.e., a grant from the state). The available fund is the learner's own money. Unlike direct state subsidies, a tax refund, which requires claiming through an annual tax return, may foster a stronger sense of personal investment and ownership among fund recipients. This could positively influence the utilisation and impact of the funds. However, this advantage is somewhat offset by its disadvantages (see next).

- **Challenges for lower income earners**

  Like many other training schemes that employ tax incentives for training, the CTC struggles with low uptake among lower-income earners, partly because it requires individuals to pay for training costs upfront and claim back half the cost. This payment structure may exacerbate access and participation inequalities, as lower-income individuals may not be able to afford the initial outlay. The Commission's Impact Assessment Report supporting the proposal on individual learning accounts (EC, 2021) identified significant 'deadweight loss' in many tax-incentive-based training support schemes. This deadweight loss often leads to significant inefficiency in funding impact and may exacerbate access inequality to training.

- **Market signals**

  According to Fung et al. (2024), one of the notable outcomes of the CTC is the promotion of micro-credentials in Canada, which is a notable component in the Canadian skills policy to address the gap in non-formal learning opportunities for mid-skilled workers. With the backing of employers and co-funding arrangements, the CTC can help fill this gap, encouraging industry stakeholders to consider micro-credentials for workforce development. However, this is not an exclusive achievement of the CTC. ILAs can also encourage micro-credentials adoption in a similar way.

- **Low administrative cost**

  The CTC benefits from low operational costs since it integrates with the existing tax return system. Quality assurance is facilitated through an approved course directory managed by the Ministry of Employment and Social Development. However, the system's drawback is the limited promotion of the CTC. The Canadian Revenue Agency (CRA) is not an education body. The most visible promotion of the CTC is the CRA's online website.

SECTION 3: LIFELONG LEARNING AND THE NATIONAL LEARNING CARD IN SOUTH KOREA

Lifelong Learning in South Korea

Lifelong learning is deeply embedded in the country's national strategy for economic growth and social cohesion. The Lifelong Education Act, which laid the foundation for many of South Korea's lifelong learning initiatives, was enacted in 1999. This Act was a critical step in institutionalising lifelong learning within the national education system, emphasising the importance of continuous education throughout an individual's life to meet the demands of a rapidly changing global economy and technological landscape. In 2021, the Act was modified to confirm every citizen's right to lifelong learning, encompassing education and training within the South Korean TVET system (KRIVET, 2021).

Funding Support

Lifelong learning policy support in South Korea has two types of funding support. The first is the Lifelong Education Voucher which aims to increase participation in adult learning for low-income adults over 19 years of age and below the 65th percentile of the median income. The voucher is worth around EUR 270 covering fees and learning materials for approved courses. This scheme is under the Ministry of Education, and its participation is relatively small with around 10,000 in 2020 (OECD, 2021), compared with the second policy tool, the National Learning Card (NLC). The NLC is a form of individual learning account under the Ministry of Employment and Labour. This background paper will focus on the NLC only.

The National Learning Card (NLC)

The NLC came into its current form in 2020 when the South Korean government reformed the previous training account systems that separated training support for the unemployed from the employed people. Since 2020, all individuals can enrol in publicly funded TVET training with the NLC and develop their vocational skills regardless of their employment status and whether they have enrolled in the Employment Insurance or not. The reform in 2020 was also the consequence of increasing public demand for lifelong learning and self-directed skills development among the general public.

Eligibility and Coverage

While the NLC has not been designed as a 'universal right', its coverage across the adult population is extensive. Some who are not covered belong to the relatively high earnings groups or due to being employed in very large organisations who do a lot more training than small enterprises. Generally, the NLC covers unemployed and employed persons, workers without regular employment, self-employed persons (less than KRW 150 million, or EUR 104,167 revenue per year), workers in large firms over the age of 45 but earning less than KRW 3 million (EUR 2,083) per month. Additional eligibility extends to return-workers, such as those re-entering the workforce after domestic or health-related absences, and students in the final years of their degree courses (OECD, 2021).

Funding Provision

The NLC funding level varies. Anyone with a low income (50% or less of median income) and workers on unpaid leave, they can receive KRW 5 million (EUR 3,676) funding in their NLCs. Other qualified persons may receive support worth between KRW 3 million to KRW 5 million (EUR 2,206 to EUR 3,676) (OECD, 2021). The sum is valid for five years after the NLC is approved. After five years, the holder can re-apply for a new NLC under the eligibility rules as described in 2.4.

Participation and Learning Areas

In 2020, the NLC supported 847,394 individuals across various learning domains (Kim, 2023; MOEL, 2022):

- Job-related training for employed workers, jobseekers, and self-employed workers.

- Online courses.

- Up-skilling.

- 'K-Digital Training' – supporting fourth industrial revolution and digital transformation.

- Others, such as foreign languages.

A more recent set of figures show that between 2017 and 2021, participants in the NLC rose from 564,666 to 1,054, 415 (Yoon, 2024).

Financing the NLC

The Ministry of Employment and Labour (MoEL) oversees NLC funding, which is primarily sourced from government budgets and employment insurance schemes. Co-funding arrangements supplement these sources, involving contributions from learners, and occasionally, employers. Co-funding from employers is voluntary. However, co-funding from learners is required averaging 15% of course fees (Yoon, 2024), except for the under-privileged and very low-income groups who take on K-Digital Training, and National Strategic Training fields. The co-funding in these latter cases from the learner is zero. It is important to note that the NLC is used by the learner to cover the learner's co-funding. Where the course fee is below the NLC amount/balance, the learner is effectively paying nothing. If the available fund in the NLC is below the course fee, the learner needs to supplement co-funding from a private source.

Accessing the NLC

To access the NLC, one has to open an online account with the Human Resources Development Services of Korea (HRD Korea). HRD Korea is a division within the MoEL, offering approved adult learning. Once the NLC is approved, the learner can find an approved course online and utilise the funding. The NLC has a five-year life cycle. In other words, the fund has to be utilised within the five-year period. Once spent, the learner can apply for another round at the end of the period.

Governance and Delivery

The governance of the NLC is based on a two-tier system: policy decisions, quality assurance, funding and other structural elements are formulated at the ministry level while the implementation is carried out by agencies at the regional and local levels, e.g., via the Job Centres in the nine provinces and eight metropolitan cities. Running parallel to these units, HRD Korea is also a provider of learning as its offices are responsible for supporting general vocational education and training (VET) provided by employers. The NLC holders use their funding to join courses offered by these providers. Additionally, HRD Korea supports job creation and the implementation of National Competence Standards (OECD, 2020a).

Quality Assurance of the NLC

The quality assurance (QA) system for the NLC leverages the existing certification requirements of TVET training courses and regular evaluations of training institutions under the MoEL. These measures ensure that the educational standards remain stringent, preserving the integrity and effectiveness of the training provided under the NLC (Fung et al, 2024)

Promoting and Administrating the NLC

The NLC is promoted through HRD Korea's online platform, which facilitates learning directory searches, NLC applications, account maintenance, and career guidance. The online functionalities are similar to those found in other ILAs.[1]

Additionally, the Lifelong Education Voucher, managed by the Ministry of Education, is often promoted in conjunction with the NLC within the broader lifelong learning policy framework. In support of this, the Ministry of Education also oversees the Lifelong Learning City Program, which allocates funds to local governments to enhance lifelong learning initiatives regionally. This programme significantly boosts awareness and accessibility of various lifelong learning opportunities, including the NLC, at the local level.

---

1   https://www.hrd.go.kr/hrdp/mb/pmbao/PMBAO0100T.do?loginCallbackURI=/hrdp/ps/ppsvo /PPSVO0102D.do

Paid Training Leaves for NLC

The NLC fund is exclusively for training fees, with no provision for covering indirect costs. Nonetheless, legislation supports paid training leave, allowing employers to receive reimbursements for wages paid during an employee's training leave. However, unlike other ILAs, such as France's CPF where training leaves are entitlements to individuals, the NLC training leave is tied to the employers' training activities, which is similar to the system in Singapore.

In South Korea, employers providing paid training leave are eligible for financial compensation, which covers both direct and indirect costs, including wages for workers and their replacements. Small and medium-sized enterprises (SMEs) enjoy higher subsidies than larger firms. For instance, SMEs must offer at least 20 hours of training and five days of paid leave to qualify, receiving wage subsidies at 150% of the minimum wage. Since 2011, SMEs can also get additional support to cover replacement worker wages if they provide continuous training for at least 120 hours, grant at least 30 days of paid leave, and hire replacements. In contrast, larger firms face stricter criteria and receive smaller subsidies, varying between 40% to 60% of minimum wage. (OECD, 2021).

Challenges Facing the NLC

There are at least two challenges that the NLC has encountered so far:

- **Relatively low participation rate**

We have no figures for the actual registration of the NLC. Hence, it is difficult to work out a precise utilisation rate. As a 'guesstimate', we use the working population of around 35.8 million, as the denominator with and a reported NLC participation of around 1,054, 415 in 2021 (Yoon, 2024), this gives a rough calculation of 3.7%. Caution is advised as this is a 'per year' figure. Over the five-year lifetime of the NLC, this rate may be much higher. Also, the participation rate of the NLC has been rising steadily in the past few years. Possible reasons for a relatively slow start may be due to the following reasons:

  - **Not universal** – The NLC covers both employed and unemployed adults. This is a fairly broad coverage. However, as it is targeting adults with greater needs (e.g., those older or with lower incomes), the scheme is not yet fully universal. A general lesson here is that targeting learners who deserve greater support does not necessarily come into conflicts with universality of an ILA. Often, we can do both.

  - **Low participation amongst older adults** – The MOEL (2023) data shows that NLC participation starts to fall dramatically from the age of 50. Those who are 70 and above may have an NLC utilisation rate 20% below the 50 years old.

  - **Narrow programme focus** – The NLC primarily targets employment entry and re-employment, which might not appeal to individuals in their 30s or older who are in mid-career or managing family responsibilities. Research indicates that focusing mainly on job-related learning and imposing income limits could restrict broader access to the NLC, and 'lack of time' is the main reason for not applying for the NLC (KRIVET, 2021).

  - **Financial constraints** – The low participation rate could also be the result of financial limitations as the NLC's yearly budget is set in advance, leading to closure once depleted, hindering continuous support for adult learning initiatives.

  - **Training leave is not an individual entitlement** – The recent KRIVET study highlighted a discrepancy between legislation and employment practices regarding paid training leaves. While legislation allows for the request of financial support for state-funded paid training leaves, in practice, these leaves are often perceived as a favour granted by employers, rather than a right entitled to workers (KRIVET, 2021),

- **Potential Lessons from the NLC**

The NLC is an important tool for the lifelong learning effort in South Korea. There are several useful lessons that can be drawn from the South Korean case:

  - **Universal access** – Although the NLC offers generous allocations, restrictive qualifying criteria may reduce participation. A truly universal approach would better serve as a foundation for encouraging broader learning engagement.

  - **Financial resources** – The limitations of a not fully universal scheme may stem from financial constraints. It is essential to ensure adequate funding to support a robust national ILA system effective.

  - **Designing learning provision** – Effective learning provision should aim to eliminate barriers to participation. For example, the paid training leave provision is generous, but the provision is subject to the willingness of the employer to carry out training under stipulated conditions. While we can understand some of the reasons for the stipulation (e.g., minimum training hours), it also imposes additional barriers to obtaining the provision.

This involves rethinking how rights are implemented in practice and agreements among stakeholders.

- **Holistic approach** – The KRIVET survey noted 'lack of time' as a primary barrier to using the NLC, a common issue across many surveys. This suggests that while financial incentives are crucial, other life factors such as proximity to learning centres, child-care responsibilities, and time needed for learning also hinder participation. These elements should be considered in designing an ILA programme to ensure they accommodate the real-life challenges of potential participants. The ILA enabling framework, as outlined in the ILA Council Recommendation, would have the role to tackle some of the most crucial elements for this.

SECTION 4: THE NEED TO AVOID 'PRICE INFLATION'

For most publicly funded training schemes, a significant challenge is the risk of training price inflation, which can diminish the effectiveness of these programmes. As such, CR ILAs may also need to pay attention to this potential risk.

As policymakers explore the adoption or finetuning of ILAs, managing labour market dynamics is essential for the success of the scheme. Ensuring that funds contribute directly to meaningful skill acquisition, without triggering counterproductive price increases, is vital for maximising the return on investment in human capital development.

While price inflation is a difficult operation issue, there are the following suggestions that policymakers may want to explore. In particular, if all the measures are carried out together, the potential problem could be much reduced.

Market competition

Where private providers are part of the training eco-system, it is important to encourage a high level of competition among training providers. Imperfect competition – either too few providers or imperfect information available to users – tends to allow providers to increase prices. To minimise this risk, policy needs to strike a balance between setting a level quality assurance standard and sufficient providers can reasonably exceed the threshold. To some extent, this may involve trial and error to establish the appropriate balance. Additionally, incentivising new market entrants can also help enhance competition.

Increasing transparency

Complementing the effort to increase market competition, enhancing transparency is key. An online ILA platform that provides comparative information on course content, learning outcomes, certifications, facilities, additional services, and most important of all, user experience ratings can help level prices. This transparency allows consumers to make informed choices, pushing providers to improve quality if they charge higher prices. The providers do not have to charge the same price, but they have to up the quality if a more expensive package is on offer.

Direct oversight on pricing

Implementing stricter oversight and control over pricing by governmental bodies can curb excessive price hikes. In some countries where student loans are implemented for higher education, this method is already used. This may involve setting maximum allowable (or a range of) prices for courses eligible under ILAs, based on standard industry costs. Comparing these prices with those offered by public institutions such as universities, polytechnics, and colleges can be effective, especially when private providers are competing in the provision of a similar course. The ILA online platform could play a crucial role in providing these type of price comparisons too. Artificial intelligence might be able to help, though we have not come across any examples yet.

Performance-based funding

Integrating performance metrics into subsidy allocations can help prevent price inflation. Providers demonstrating effective outcomes and cost management – e.g., during QA audit – might receive higher subsidies or more favourable terms. However, this strategy might increase administrative costs as the ILA management system would need to update subsidy information regularly.

Regular audits and evaluations

As part of the quality assurance exercise, regular audits and evaluations of training providers and their pricing strategies may be carried out. This can provide an opportunity to evaluate the provider's compliance with intended subsidy benefits and check against profiteering. This includes evaluating the quality of training to ensure that price increases are justified by improvements in training quality. In addition, if the QA results covering a range of learning outcomes and feedback information are publicly available as part of the transparency mechanism (e.g., made available on the ILA online portal), this might deter unjustified price hikes via user awareness.

SECTION 5: CONCLUDING REMARKS

In this section, we will conclude by identifying a set of 'take-away' points. These points are intended to serve as practical guidance

to enhance the effectiveness of ILAs and supporting the development of an overall policy design.

Integration with Existing Systems

The Canadian Training Credit (CTC) shows that there are benefits to building on the existing admin systems of ILAs when appropriate, though not necessarily within the tax system. One can think of integrating the ILA scheme with the existing vocational training and education (VET) structure or other forms of learning support. Sometimes, building more and more systems running 'on top' or 'in parallel' may create counter-productive effects.

Eligibility and Inclusivity

Ideally, ILAs should be 'universal', as recommended by the Council Recommendation. However, in scenarios where funding is constrained or the program is in a pilot phase, it's crucial to balance eligibility criteria with inclusivity. The NLC is an example in point where it is a part of a much larger lifelong learning eco-system, covering most employed (except high earners and younger workers in large enterprises) and all unemployed adults. For being in line with the ILA CR, universal access should be combined with strategic addition of top-ups for those who need up- and reskilling the most, in order to optimise inclusivity and the maximum impact of resources.

Quality Assurance and Market Competition

Both case studies stress the need for stringent QA and market oversight to ensure high quality of training offerings. Policymakers are encouraged to implement transparent and competitive marketplaces. As such, the ILA system may need the support of other policies to make this happen, and at the same time strengthen the QA system to tackle new challenges such potential price inflation.

Financial and Structural Support

Lessons from the NLC suggest the necessity of sufficient and sustainable funding, not just for direct training costs but also for supporting structures such as paid training leave and indirect costs, which can significantly affect participation rates and the overall success of ILAs.

Adaptation to Specific Contexts

The different approaches between the NLC and the CTC may suggest that ILA policies must be adaptable to local socio-economic conditions, labour market needs, and educational infrastructures. In the CTC case, the instrument tries to design a federal funding tool that does not affect the provinces' autonomy in education and training. In the case of South Korea, the NLC tries to find a role within the over-arching lifelong learning policy.

Encouraging Lifelong Learning Culture

Both case studies emphasise the importance of fostering a culture of lifelong learning. This requires more than just financial incentives; it necessitates providing sufficient and relevant learning opportunities that appeal to diverse demographic groups, especially mid-career workers and those needing to upskill due to technological advancements. The effectiveness of ILAs could be significantly enhanced by supporting policies that promote a learning culture within society.

These insights collectively offer a wide range of considerations for policymakers to enhance the design and implementation of ILAs, thereby ensuring their effectiveness in promoting lifelong learning and adaptability within the workforce.

REFERENCES

Canada Revenue Agency (CRA). Canada Training Credit – Who can claim. See https://www.canada.ca/en/revenue-agency/services/child-family-benefits/canada-training-credit/who-can-claim.html

Corazza, E. and F, Filippucci (2022). Who Profits from General Training Subsidies? Evidence from a French Individual Learning Account. See https://shs.hal.science/halshs-03519664/document.

European Commission (2021). Commission Staff working document – Impact assessment report – Accompanying the document Proposal for a Council Recommendation on individual learning accounts. Brussels: EU Commission.

Fung, M., Freebody, M., Karmel, A. and Y.Z. Sheng. (2024). Lifelong Learning Entitlements: from design to impact. Unpublish draft. UNESCO background paper.

Kim, Y.S. (2023). The Current and Future State of Lifelong Education in the Republic of Korea. In: Lee, W.O., Brown, P., Goodwin, A.L., Green, A. (eds) International Handbook on Education Development in the Asia-Pacific. Springer, Singapore.

KRIVET. (2019). 내일배움카드 통합 방안 연구 (Research on Integration of My Work Learning Card), Korea Research Institute for Vocational Education and Training.

KRIVET. (2021). Reality and Challenges of the TVET System. Seoul: Korean Institute for Vocational Education and Training.

Ministry of Finance. (2019). Budget 2019: Investing in the Middle Class. Ontario: The Canadian Government.

Ministry of Employment and Labour. (2023). Research on diagnosis and development plan for the National Learning Card. Government of the Republic of Korea.

MOEL. (2022). Open Up a Hopeful Future with the National Learning Card, MOEL News. Fri September16, 2022. The Ministry of Employment and Labour. See https://www.moel.go.kr/english/news/moelNewsDetail.do?idx=3116

OECD. (2020a). 'Case study: Lifelong learning in Korea', in Strengthening the Governance of Skills Systems: Lessons from Six OECD Countries, Paris: OECD Publishing.

OECD. (2020b). Workforce Innovation to Foster Positive Learning Environments in Canada, Getting Skills Right, Paris: OECD Publishing.

OECD. (2021). OECD Skills Strategy Implementation Guidance for Korea: Strengthening the Governance of Adult Learning, OECD Skills Studies, Paris: OECD Publishing.

The Council of European Union. (2022). Council Recommendation on Individual Learning Accounts, Luxembourg: EU.

Walker, J. (2020). 'Comparing adult education systems: Canada and Aotearoa New Zealand'. Zeitschrift Für Weiterbildungsforschung, 43(2), 241–257.

Yoon, S. (2024). Individual Learning Account in Korea. Presentation at the June 20-21 EC Sharing Workshop.