



## Context

The digital and green transitions, globalisation and demographic developments are causing rapidly changing and ever-increasing skill requirements, making large-scale upskilling and reskilling of the European workforce a necessity. The importance of this challenge is reflected in the EU setting the target that by 2030, at least 60% of all adults should participate in training every year ([European Pillar of Social Rights Action Plan](#)).

To achieve this ambition, it is necessary to ensure adequate and sustainable funding for training. This calls for strategies and institutional arrangements to mobilise public and private financial resources and support cost-sharing. There is also a need to provide the necessary support and right incentives to companies and individuals to enable and motivate them to provide and take full advantage of learning opportunities.

Training funds – available in some EU countries already for several decades – appear to be an attractive policy option in this respect. They can mobilise substantial and stable funding (mainly via a levy on companies) and help to foster employer-financed training provision and participation in training (by co-financing training and offering other support measures, such as research on skill needs, advisory/consultancy services to plan and implement training, development of pilot/innovative training projects). Typically, set at national or (cross-)sectoral level and managed on a tri-partite or bi-partite basis respectively – with social partners playing a key role – training funds also contribute to strengthening social dialogue and raising awareness of the importance of training.

Training funds are not without weaknesses; there is the administrative burden, challenges in reaching MSMEs, frequent dominance of employers' interests as regards training needs, just to name some. Nevertheless, they could be a powerful policy tool in broadening learning opportunities. Recognising their important role within continuing training systems of countries which have set them up, and their potential to affect training systems positively in countries which do not have them yet, as well as to contribute to the EU debate on skill policies <sup>(1)</sup>, including Council Recommendation on the individual learning accounts (ILAs) and its implementation, Cedefop launched a thematic research study to explore the topic of training funds further.

## Cedefop study on 'Training funds in the EU'

Cedefop's study aims to contribute to a deeper understanding of the role and functioning of training funds in the EU. It will explore strengths and challenges of training funds in eight selected EU Member States (Belgium, Denmark, Ireland, Spain, France, Italy, Cyprus, Netherlands) and discuss potential actions to be taken to improve their operation and performance. The study also aims to identify the conditions for successful/effective development and implementation of training funds and propose relevant guiding principles for policy-makers, social partners and other stakeholders. Finally, the study will explore the potential for establishing new training funds or the possibility of significantly modernising/re-thinking existing ones, with a particular focus on Latvia and Poland.

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<sup>(1)</sup> For example, the [Opinion of the Advisory Committee on Vocational Training on an EU initiative on ILAs and strengthening training provision in Europe](#) and [BusinessEurope position paper on ILAs](#) highlight, among others, 'the widespread practice of training funds across Europe, to which more visibility more, recognition [and support] should be given in EU skills policy debates'.



## Cedefop's (working) definition of a training fund <sup>(2)</sup>

Training funds are institutions (organisational arrangements) aiming at enhancing IVET or CVET in enterprises and mutualising the related costs across enterprises (mutualisation), where employers are mandated (by law or a binding collective agreement) to contribute financially (typically a training levy or a dedicated surplus to the social security contributions) and are eligible for various forms of support for CVET, with collected funds mainly used for the original purpose (closed funding cycle), with business interest organisations having a key influence on the ways the collected means are used for supporting IVET/CVET. Individual employees can be mandated to contribute as well, can be among the beneficiaries and organisations of their interest can be involved in training fund government.

The study includes an additional criterion: support provided for CVET needs to be substantial, when studied against the overall framework of public support. A training fund might use the majority of its funds for IVET but also contributing substantially to CVET.

## Objective of the workshop

The aim of the workshop is to present and discuss the interim findings of Cedefop's study 'Training funds in the EU', particularly:

- a) patterns of implementation of training funds across the EU;
- b) functioning of training funds in selected EU countries;
- c) lessons learned for successful design and implementation of training funds.

Some more specific topics (on operation and performance of training funds) include:

- a) training fund functions/objectives, reasons and necessary conditions for setting up training funds;
- b) the mechanisms for collection and disbursement of funds;
- c) types of activity and groups supported;
- d) governance, particularly the role of social partners and the degree of training fund autonomy vis-a-vis public actors;
- e) training fund strengths and weaknesses, and opportunities for improvement; effectiveness, cost-efficiency and equity issues;

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<sup>(2)</sup> According to the current Cedefop approach, training funds are institutions which collect money – through the so-called training levy – from all enterprises that are under their jurisdiction, and use the collected contributions specifically for training purposes (see Cedefop's definition of training fund). It should be noted, however, that in some countries, there are organisations called 'training funds', which are funded from general taxes or social security contributions (including unemployment insurance) and a discretionary decision on the size of the budget to be allocated to these organisations. These organisations often provide types of activity and support similar to those provided by the funds based on training-specific levies.



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- f) important past and planned reforms of training funds;
  - g) current EU challenges and EU-level policy initiatives affecting the functioning of training funds. The potential future role of training funds and the potential contribution of EU stakeholders in strengthening the existing and establishing new training funds.

The workshop will bring together persons involved in implementation of training funds, researchers, representatives of the Commission and EU social partners, as well as national stakeholders from countries (potentially) interested in establishing new training funds or significantly modernising/re-thinking existing ones.