



CEDEFOP

European Centre for the Development
of Vocational Training

Cedefop work on Financing adult learning/CVET

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50
YEARS
SHAPING LEARNING AND
SKILLS FOR EUROPE

European policy ambition

- Adult learning and CVET – an EU policy priority since 1990s
 - EU benchmark on adult participation in learning (2003; 2009; 2020+)
 - Headline target in the European Pillar of Social Rights Action Plan
 - Draghi report (citation): “So, while we want to match the United States on innovation, we must exceed the US on education and adult learning”
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- All this implies corresponding financing needs

European policy context on financing training/skills

- Financing training is a long-term and persistent topic
- State Aid Regulations and exemptions
- EU funding instruments (esp. ESF+)
- EU Skills Agenda, Action 12 on investment:
 - Fiscal framework
 - Reporting on human capital
 - Statistics on investment in skills
 - Innovative financing instruments
- Individual Learning Accounts (ILA) Recommendation

‘Ensure sufficient and sustainable investments in IVET and CVET based on reliable EU and national level monitoring and evaluation and with support and better coordination of relevant EU financial mechanisms, and national, regional or sectoral funds for training employees.’
Herning Declaration, 2025

Cedefop's long tradition of work on financing

- A long-standing [Financing VET](#) project
- The Financing of Vocational Training in the European Community (1981)
- National reports on VET financing during the 1980s
- Financing CVET [report](#) (1994)
- Second wave of national VET financing [reports](#) (1998-1999)
- Thematic reports on [Sectoral training funds](#) (2008) [Individual learning accounts](#) (2009) [Tax incentives](#) (2009) [Cost-sharing schemes in the newer EU MS](#) (2009) [Loans](#) (2012) [Training leave](#) (2012) [Payback clauses](#) (2012)
- [Governance and financing of apprenticeships](#) (2016) [Financing apprenticeships](#) (2020)
- [Subsidies and other policies to support training provision in MSMEs](#) (2024)
- Cedefop databases on [financing adult learning](#) (2020) and [apprenticeships](#) (2020)

Cost-sharing – collection and allocation mechanisms

Source/stakeholders	Individual	Employer
State (public funding - general taxation, unemployment insurance; levy-based training funds; EU funds)	Grants/vouchers/ILAs (and other subsidies) Tax incentives Loans (interest free loans, loans at reduced interest rates, public loans) Saving schemes (with State subsidies and/or interest subsidies)	Grants/vouchers (and other subsidies) Tax incentives
Social partners (Levy-based training funds, own resources)	Grants/vouchers/ILAs (and other subsidies)	Grants (and other subsidies)

Training leave, payback clauses – regulatory instruments, complementary to financing instruments

Cedefop's database on financing CVET/adult learning (EU27+ UK)

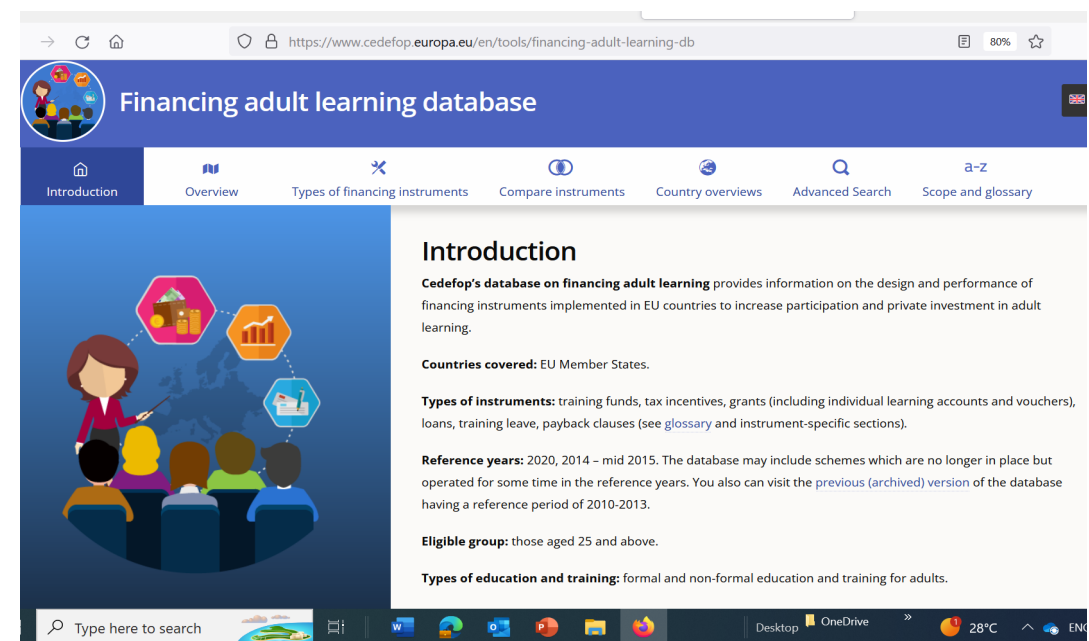
FINANCING INSTRUMENTS

Targeted at individuals

- Grants/vouchers/ILAs
- Tax incentives
- Subsidised loans
- Paid/unpaid training leave

Targeted at companies

- Training funds
- Grants/vouchers
- Tax incentives
- Payback clauses



[https://www.cedefop.europa.eu/en/publications-and-resources/
tools/financing-adult-learning-db](https://www.cedefop.europa.eu/en/publications-and-resources/tools/financing-adult-learning-db)

Recent/on-going analyses

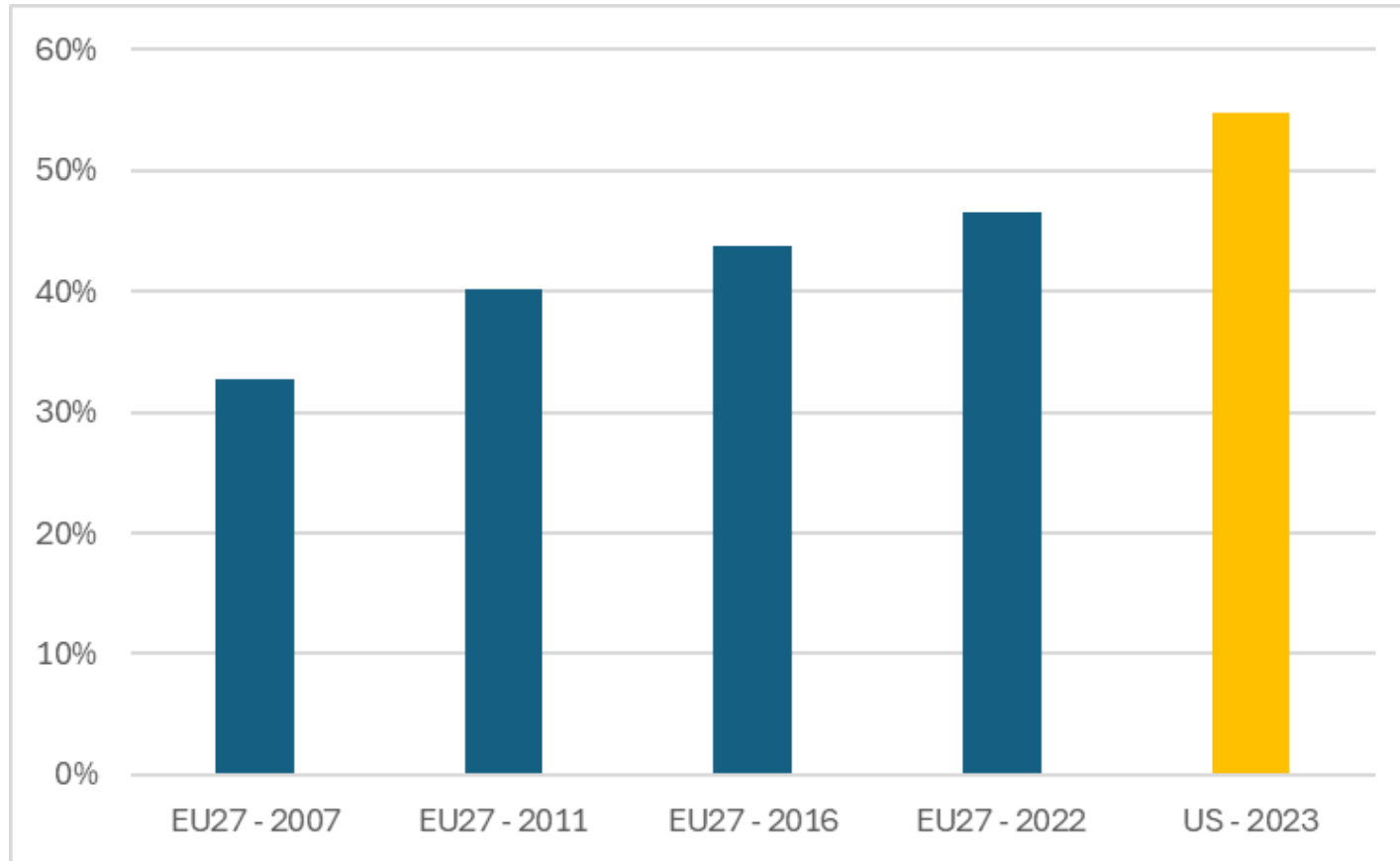
- Study on the potential for ILAs
 - Case-studies for AT, DE, EE, IE, NL
 - [Online workshop](#) to present emerging findings in 2024
- Study on training funds
 - Case-studies for BE, CY, DK, ES, FR, IE, IT, NL, exploratory in LV and PL
 - [Online workshop](#) to present emerging findings in 2024
- ReferNet request on adult learning financing systems (all EU MS + NO and IS)
 - Policy developments, update on ILAs, description of public financing structures
 - Detailed ILA scheme description (only for selected countries with a clearly defined scheme)
- Report on training in enterprises based on [CVTS](#) data

Situational analysis

- Participation in adult learning
 - The role of financing
 - Financing volumes, their composition and estimation
 - Public financing
 - Public financing policies
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- On-going work with multiple gaps and unknowns remaining

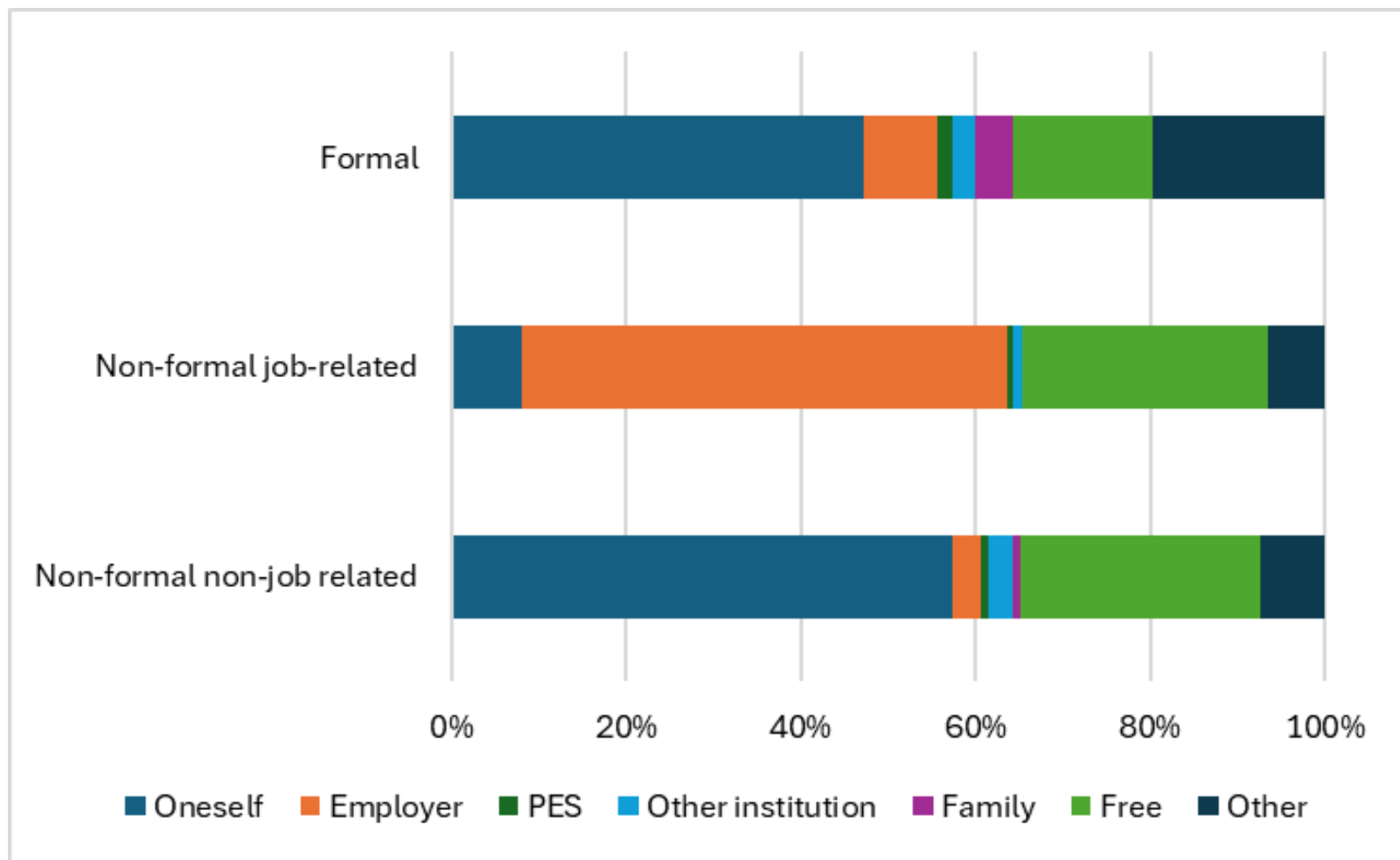
Adult learning participation – EU v/s US



Notes: data includes guided on-the-job training (GOJT); EU average excluding GOJT was 39.5% in 2022. US data excludes non-formal non-job-related training. AES 2007 wave was a pilot project. EU and US data are not fully comparable due to different survey vehicles.

Source: Cedefop calculations based on AES (for the EU) and PIAAC (for the US)

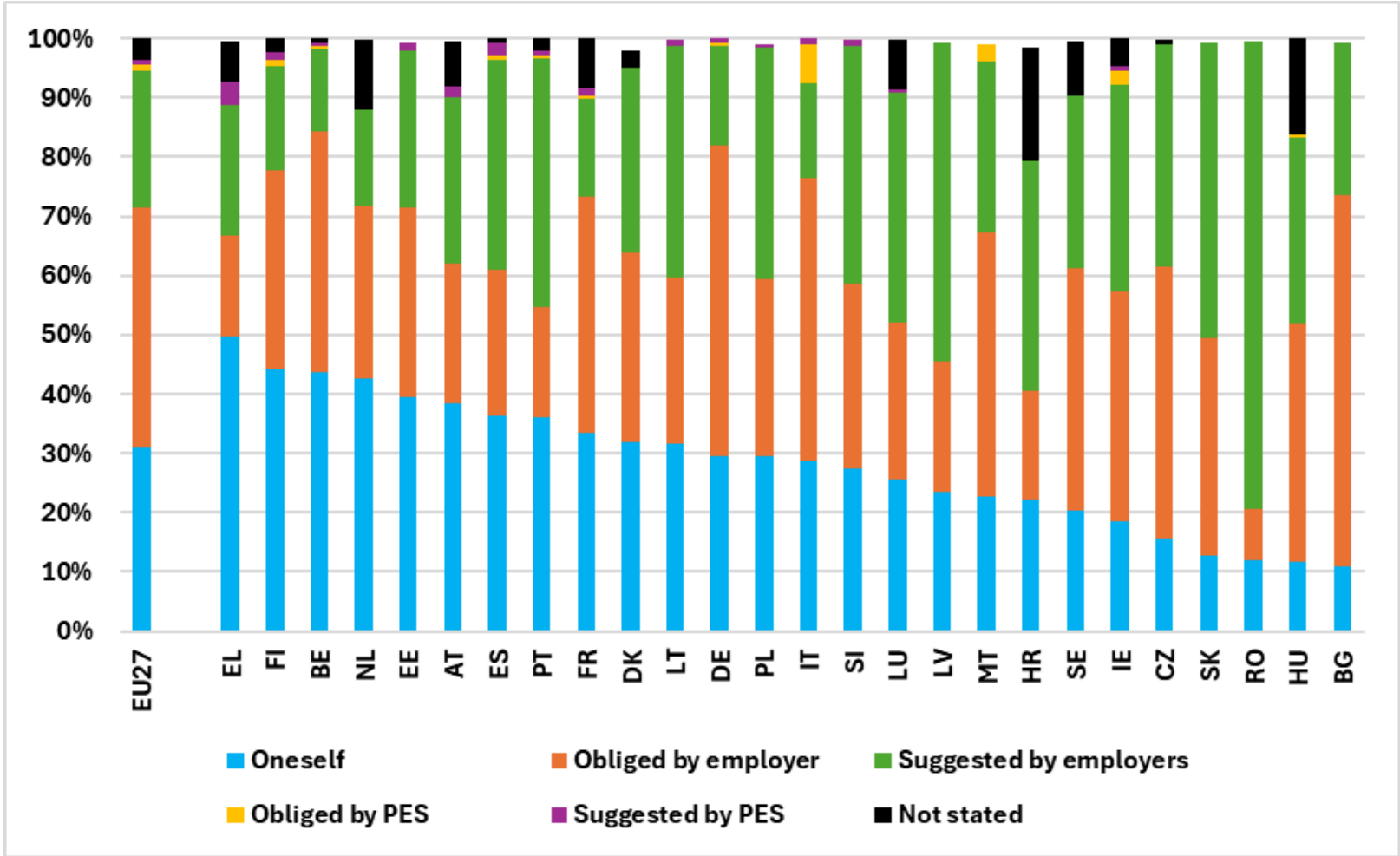
Who pays for AL? Only direct costs, % of learning activities



Notes: only exclusive sources of financing are presented as individual categories, whereas all combinations are included in the category “other”. For example, for Formal education, the biggest combination is oneself + family, representing around 8% of all formal learning activities and is part of “other”. At the same time, other combinations are much less prevalent.

Source: Cedefop calculations, Eurostat special data extraction from AES, 25-64, 2022

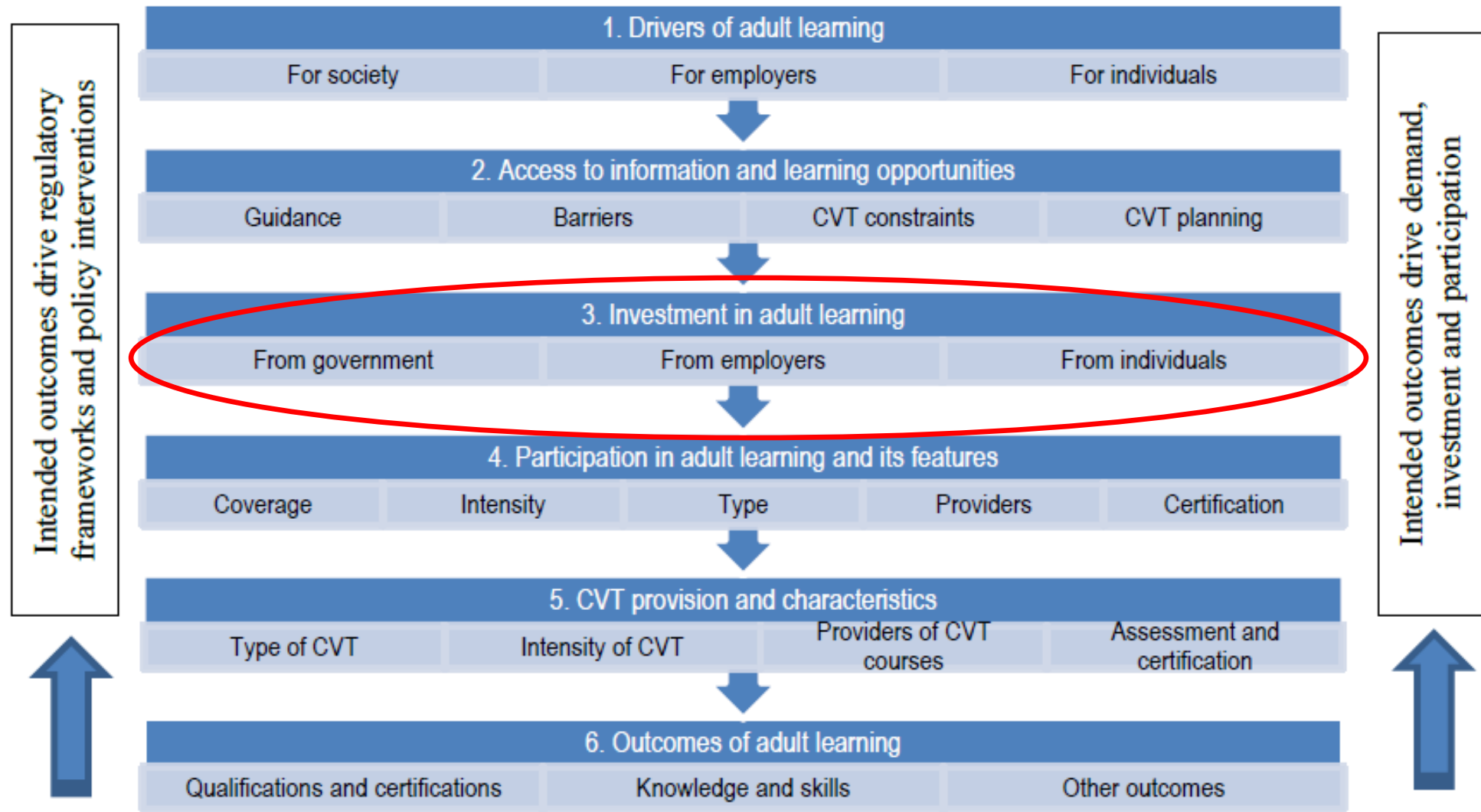
Who initiates job-related training? % of learning activities



Notes: only non-formal activities. Obligatory training may also include mandatory health and safety training as well as mandatory occupational re-training, but further disaggregation of this data currently is not possible. Data for CY is excluded due to quality issues.

Source: Cedefop calculations, Eurostat special data extraction from AES, 25-64, 2022

The place of financing within the overall AL/C-VET systems

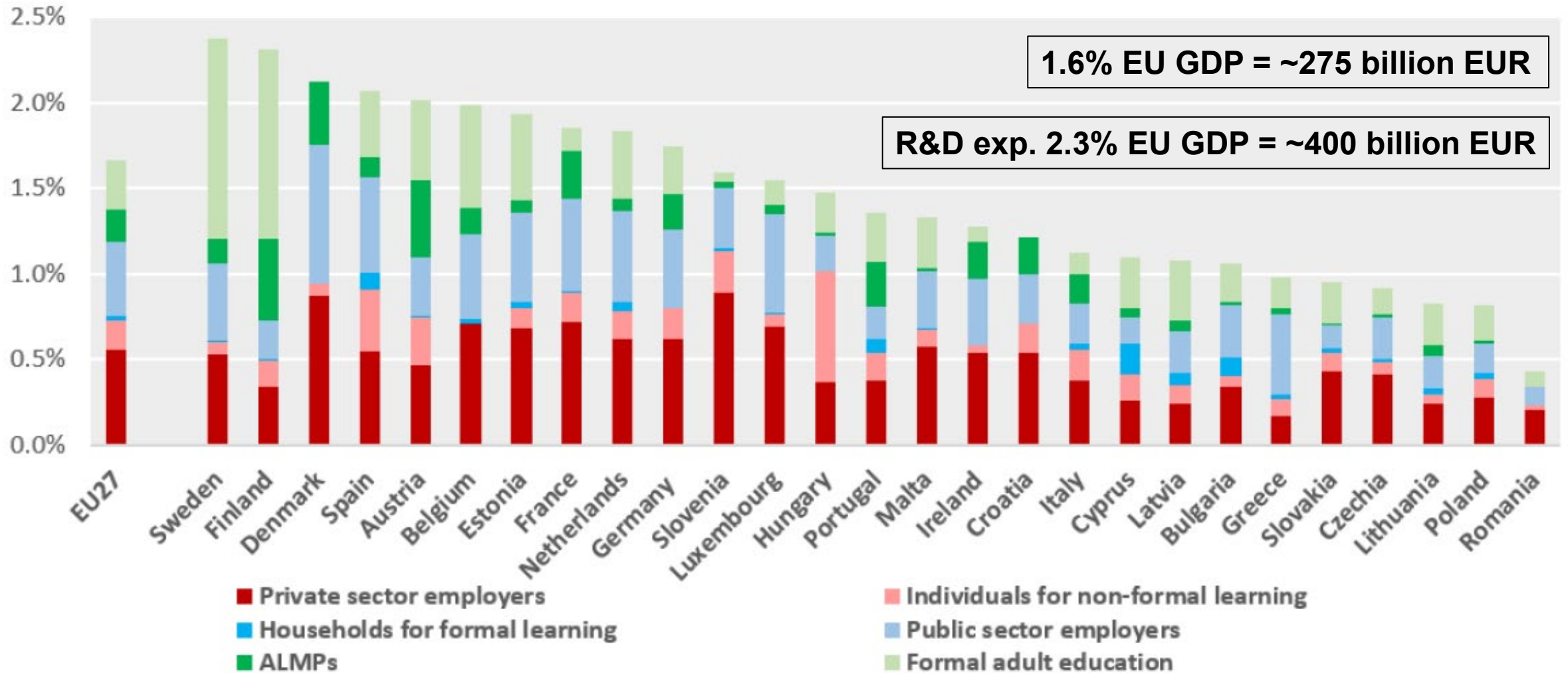


Source: [Updated framework for monitoring adult learning \(Sekmokas et al., 2024\)](#)

Accounting adult learning expenditure – data availability

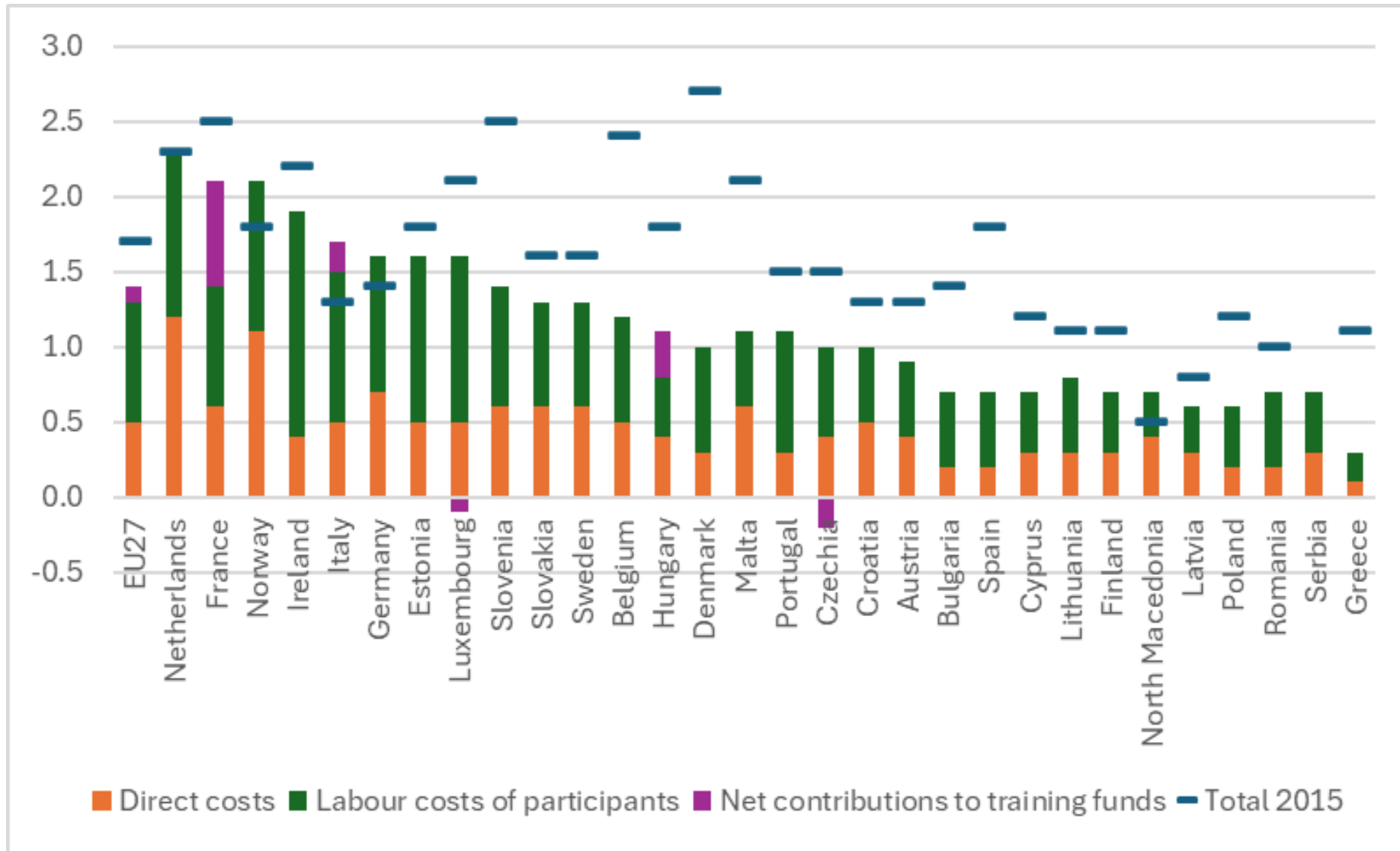
- Four major types of actors/sources of financing: private employers; public employers; individuals and public general interest expenditure
- Three major types of expenditure: direct costs, opportunity costs, public and international subsidies (incl. EU subsidies)
- Good data on private employers (see Cedefop studies based on CVTS)
- Public employers – only estimations are possible
- Households – focus on direct costs, fragmented, best for non-formal
- Public – focus on direct costs, fragmented, best for formal
- Overall – no aggregated accounting either at EU or national level
- But ongoing work at international level – [UNECE guide](#); [update of the SNA](#).

Investment in AL as % of GDP (estimates based on 2015 data)



Source: [Workforce skills and innovation diffusion: trends and policy implications \(Sekmokas et al., 2020\)](#)

Sneak preview: enterprise training expenditure, % of labour costs, CVTS, 2020



Source:
Cedefop,
Continuing
vocational
training in
enterprises
in the EU
(forthcoming)

Key pathways of public investment in adult learning

- Public provision (direct financing) – partial analyses available from European Commission, Cedefop and Eurydice
- Incentives for employers – researched extensively by Cedefop
- Incentives for individuals – researched extensively by Cedefop
- Regulatory instruments (training funds; training leave; payback clauses) – researched extensively by Cedefop
- Training of public sector employees – less well researched
- Market incentives (preferential tax regimes like VAT) – less well researched

Source: Cedefop and ReferNet

An overview of regulatory and financing framework for AL

	Public provision	Support to employers	Support to individuals
EU legislation	Macro-economic coordination, debt and deficit rules, Semester		
	Public procurement	State aid & GBER, Pact for skills, Blueprints	ILA Recommendation
EU financing	ESF, ERDF, JTF (44 billion Eur for skills during 2021-2027 MFF*), RRF, InvestEU, Erasmus+...		
National legislation	Education & LMP legislation, training leave, training levies (can cover only employers or also employees)		
National financing	Direct financing, public procurement	Tax incentives, loans, grants	Tax incentives, loans grants, vouchers, ILAs

Sources: Cedefop and [*An in-depth overview of the EU cohesion funds' investments in skills](#) (EC, 2024)

Key information gaps addressed by ReferNet

- A more unified view across the different financing pathways
- Arrangements for training of public sector employees
- Preferential tax regimes (i.e. VAT)
- National monitoring and reporting efforts

Source: Cedefop and ReferNet

Thank you

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