



# ILA Funding and Governance Scene setting

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# Setting the Scene

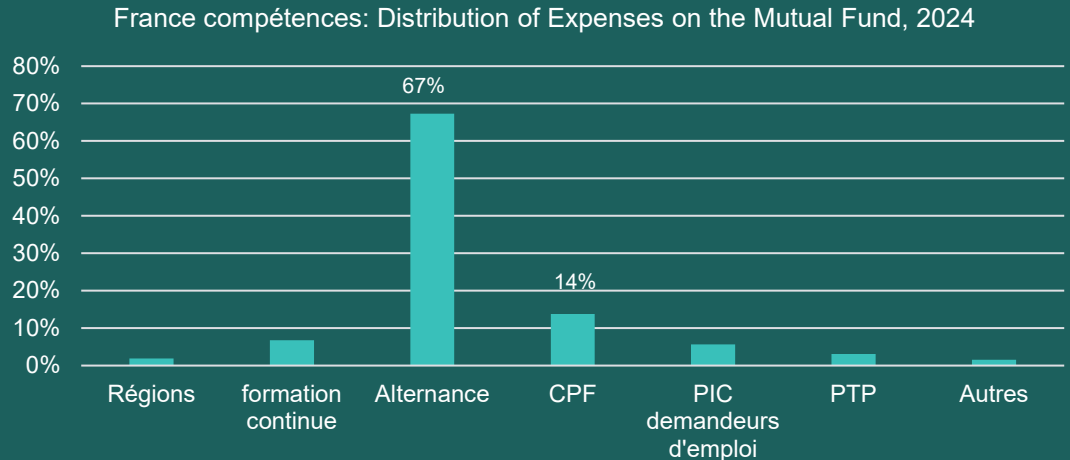
- The ILA budget
  - 'Mature' ILAs
    - France and Singapore
  - 'New' ILAs
    - The foundational elements of budget estimation in their most elementary form
    - Factors that can affect the estimation
- The importance of ensuring efficient pricing
- The potential sources of funding
- The governance for ILAs

# French *Compte Personnel de Formation* (CPF) (1)

- *France Competences* is responsible for centralising the training fund and distributing some of the fund to CPF.
- At the end of each year, the *France Compétence* Board of Directors votes on a forecast budget for the following year.
- The forecast is calculated from the consumption recorded over the current year, adjusted for expected changes (e.g., courses, co-payment, etc).
- The financing of *Caisse des Dépôts et Consignations* (CDC) is also included in this forecast.

## French *Compte Personnel de Formation* (CPF) (2)

- In 2024, of the total training fund (€13.6 billion)<sup>1</sup>, 14% was allocated to CPF use (€1.9 billion). Around 38.9 million working adults (aged 16 to retirement) were entitled in 2024, which gives an estimate of €48.84 per eligible CPF user.



<sup>1</sup> CDC presentation at ILA MLP workshop May 2025

# Singapore SkillsFuture Credit (SFC)

- The SFC spend is embedded within the Skills Development Fund (SDF) account and its 'disbursements' on training activities.
- Total training disbursements in 2024 were S\$470.771 million. We estimate that 10% of that figure is attributed to SFC (i.e., S\$47.1 million). With 3.1 million eligible users (aged 25+), the SFC per user spend is S\$15.2 ( $\approx$  €10.48).

	Singapore (SFC 2024, est.)	France (CPF 2024)
Total ILA-type spend	$\approx$ €32.5 million	€1.9 billion
Eligible users	$\approx$ 3.1 million	38.9 million
Per eligible user	$\approx$ €10.48*	€48.84

\* The Singapore SFC overlaps with courses that are already heavily subsidised (up to 90%; free for the unemployed). This leads to the much lower spend per million users, compared to CPF in France

# An Example for a New ILA

- Assumptions – no differential entitlement, accumulation, etc.
  - 1 million working adults (N)
  - The per ILA entitlement – €500 (E)
  - First operational period – 5 years
  - Budget =  $N \times E$
- The extent of ILA utilisation (U)
  - Budget =  $N \times E \times U$
  - How do we know U?

# Factors That Affects the ILA Utilisation (1)

- Estimate U (i.e., the 'take-up rate') ... an example question in a survey:

"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) – high probability
- Somewhat likely to use (0.5) – moderate probability
- Unlikely to use (0.2) – low probability
- Definitely will not use (0.0) – null probability

## Factors That Affects the ILA Utilisation (2)

- Demand-side factors
  - e.g., age, gender, education, occupation, income, family, locality, labour market conditions, culture
- Supply-side factors
  - Provision (courses & location), support, information & promotion, ease-of-use
- System factors
  - Level of entitlement, accumulation & top-up, enabling framework, co-payment, recognition & portability, credibility & quality, extent of existing subsidies, emphasis of scheme

# Co-Payment, Prices & Price Inflation

- Co-payment
  - Purposes – commitment to learning, supporting the ILA budget
  - Steering labour supply towards highly demanded skills
- Prices & price inflation
  - Prices – generally variable
  - They can be influenced by the level of entitlement and top-ups, etc.
  - Monitoring and QA are important

# Co-Payment of the French CPF

- The compulsory co-payment for the *Compte Personnel de Formation* (CPF) was introduced on May 2, 2024.<sup>1</sup>
- The initial mandatory co-payment was fixed at €100 (2024)
  - Annual adjustment against inflation – €102.23 (2025)
  - The co-payment is payable regardless of the level of funds in the CPF account and the prices of the course.
- Exemptions – job-seekers, employers already co-funding the course, occupations at risk, mandatory training

<sup>1</sup> <https://of.moncompteformation.gouv.fr/actualites/participation-financiere-obligatoire-ce-qui-change-pour-vos-stagiaires>

# Co-Payment of the Korean National Learning Card

	Employment Rate of the Training Field					K-digital, national strategic training
	Over 70%	60-70%	50-60%	40-50%	Below 40%	
Income tax credit recipients	7.5%	12.5%	17.5%	22.5%	27.5%	0%
Low-income group type I	15%	25%	30%	40%	50%	
General trainees			35%	45%	55%	
Low-income group type II	0%				20%	

# Potential Sources of Long-term Funding

- Three major sources of funding used (so far):
  - Levies, direct state funds, co-funding
  - Rare (not in CR) – endowment fund, savings-based incentives
- Strategy to arrive at a negotiated combination – e.g., initial small redirection of national training fund towards ILA to secure 'buy-in', plus reviews to ensure stakeholders are satisfied.

# ILA Governance in CR

- The Council Recommendation on Individual Learning Accounts (2022):<sup>2</sup>
  - Needs an effective governance mechanism, but does not prescribe a single model
  - Multi-faceted architecture that aligns strategic objectives, administrative roles, technical platforms, effective ILA outreach and policy responsiveness.

<sup>2</sup> The Council of European Union. (2022). Council Recommendation on Individual Learning Accounts, Luxembourg: EU.

# ILA Governance in ILA Ecosystem

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.



# Q&A

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