



CEDEFOP
European Centre
for the Development
of Vocational Training



Financing adult learning The role of public funding

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Parallel working session: Funding and Governance

Successful implementation of a novel-type, full-scale ILAs in line with the Council Recommendation will require mobilising substantial and stable funding in the long run. The funding needs to be earmarked not only for a (demand-side) funding instrument, but also for strengthening the 'enabling framework' - career guidance and validation, paid training leave, national registry of quality training and other areas (e.g. professionalisation of teaching staff) requiring improvement to ensure ILA effectiveness.

To provide adequate level of funding for ILA, it will be necessary to secure stable (additional) funding streams. These are needed to guarantee the funding for an established individual entitlement even during economic crises or during the phases where higher than expected numbers of adults decide to use their entitlements. The stable source of funding will also be essential where accumulation of yearly entitlements over longer stretches of time will be allowed for, as this may include strongly growing proportions of entitlements used over time.

The workshop will review different potential sources of funding for ILAs. It will also discuss methods and relevant factors for estimating the likely size of the budget of a fully operational ILA system. To this end, a basic approach for ILA budget projection will be outlined, also, to the extent possible, taking into account the main ILA features such as the level of individual entitlement, eligible group, education and training supported. This will be complemented by a reflection on financial implications of different specific ILA designs, i.e. how elements such as accumulation, co-payment, occasional top-ups, may determine the level of funding required.

The discussion will centre around, building on the experience of full-fledged ILA schemes in France and Singapore as well as the on-going pilots in the EU, on the overall costs involved as well as factors that may affect them, the importance of ensuring efficient pricing (i.e. avoiding price inflation), the potential sources of funding as well as governance arrangements.

The piloting exercise of ILA in Cyprus will provide illustrative example of how national financial resources can be combined with the EU funds to finance ILAs. Emphasis will be given to the source of national funding, namely the Human Resource Development Training Fund operating at national level, the main income of which comes from a training levy based on company payroll. The tripartite governance of the authority responsible for the use of the collected funds and the method for determining the level of funding devoted to ILAs (piloting) will also be explained. During the small-group discussions, the participants are expected to reflect on:

- What is the expected size of the annual cost of fully operational ILA in their country
- How this cost compares to the current levels of public expenditure on adult learning
- What are the potential sources of funding that could be set-up to finance ILA