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Proposal for a

COUNCIL RECOMMENDATION

on individual learning accounts

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EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

• Reasons for and objectives of the proposal

The success of both the digital and green transitions depends on workers with the right skills, and the need to act fast puts high demands on Member States' support systems for continuous learning. Moreover, demographic change in Europe means that we need to activate everyone's full potential, in order to ensure sustainable growth. Lastly, recovering from the socio-economic impact of the COVID-19 pandemic requires a reinforced policy on skills to support successful professional transitions where needed.

Skills development is a fundamental part of the response to these challenges. Skills are a centrepiece of the European way of life as they are a key driver for individuals' success in a fast changing labour market. A strong skill set opens up opportunities, provides a safety net in uncertain times, and promotes inclusion and social advancement. However, across Europe, too few people take part in regular learning once they have completed their initial education. Many find themselves excluded from opportunities to up- or reskill because of their labour force status or personal circumstances, like lack of finances, time or motivation to train. Limited awareness of their own skills needs, limited transparency of training offers, uncertainty about a training programme's quality and recognition, and insufficient tailoring of available offers to individual needs all contribute to low motivation to take up training in a context of limited opportunities for financial support.¹

As a result, today only 1 in 10 adults in Europe undertakes training in a given 4 weeks-period² and less than half of all adults report any formal or non-formal education or training activities over a period of 12 months. Furthermore, those who do undertake education or training are not necessarily those who need it most. For example, permanent employees are more likely than other adults to engage in learning (45% as against 29%); and sectors, occupations and types of employment with higher proportions of lower-qualified workers find themselves at the bottom of the upskilling ranking.³ Overall, women participate slightly more in adult learning than men (38.4% vs 36.4%). However, men are somewhat more likely than women to report learning for job-related reasons.⁴

A skilled workforce is also a key factor for the productivity, sustainability and innovation of businesses of all sizes, notably for small and medium-sized enterprises (SMEs). It enables them to grow and contribute to a successful green and digital transition, thereby creating high-quality jobs. Providing people with the right skills also allows businesses to take advantage of advanced technologies.

¹ See section 2.2 of the Impact Assessment for an analysis of the problem drivers that lead to low and uneven training participation.

² Labour Force Survey 2020, variable [TRNG_LFSE_01](#).

³ [Adult Education Survey 2016](#), ages 25-64, excluding guided on the job training. This is the most recent year for which data on adult learning participation in the last 12 months is available.

⁴ 79% of men's non-formal learning was job-related compared to 71% for women's. No corresponding data are available for formal learning.

However, skills mismatches and gaps on the labour market persist and are growing.⁵ For example, they already constrain the transition to a greener economy, which highlights the importance of skills investment to reach the EU's ambitious European Green Deal objectives, including emission reduction targets.⁶ They also put breaks on the digital transition, with more than 70% of businesses reporting a lack of staff with adequate digital skills as an obstacle to investment.⁷ In particular, SMEs are often at a disadvantage compared to larger companies when it comes to supporting the skills development of their staff. Employees in large companies are more likely to participate in training (55%) than SME employees (42%). SMEs include microenterprises with fewer than 10 employees, who tend to participate in training the least (36%).⁸

The Commission's Communication on a European Skills Agenda⁹ for Sustainable Competitiveness, Social Fairness and Resilience was published in July 2020, at the height of the COVID-19 pandemic. It called for a skills revolution and a paradigm shift on skills policies and announced 12 actions to make this a reality. One of its actions announced an initiative on individual learning accounts which allow people to accumulate and preserve training entitlements to use them for training, guidance or validation.

This paradigm shift on skills policies is also shaping many key Commission initiatives:

- The *European Pillar of Social Rights action plan* included an ambitious headline target on skills: by 2030, 60% of working-age adults in the EU should participate in training each year. EU leaders welcomed this in the Porto Declaration of 8 May 2021 and the European Council conclusions of 25 June 2021¹⁰.
- The *European Green Deal*¹¹ recognises skills as a crucial enabler for the green transition to a modern, resource-efficient, and competitive economy. The Commission Communication of 14 July 2021, "Fit for 55"¹² recognises that the green transition can only succeed if the EU has the skilled workforce it needs in order to stay competitive.
- In her 2021 State of the Union address, President von der Leyen underlined the importance of investing in digital skills and the need to draw EU leaders' attention to

⁵ In the [EIB investment survey](#), the share of EU employers considering difficulties in finding workers with the right skills to be an obstacle to investment increased from 66% in 2016 to 76% in 2019, with only a small reduction to 73% in the COVID-19 year 2020.

⁶ ILO (2019), [Skills for a greener future: A global view based on 32 country studies](#).

⁷ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – 2030 Digital Compass: the European way for the Digital Decade ([COM/2021/118 final](#)).

⁸ [Adult Education Survey 2016](#), ages 25-64, excluding guided on the job training.

⁹ Commission Communication on a European Skills Agenda for Sustainable Competitiveness, Social Fairness and Resilience, ([COM\(2020\) 274 final](#)).

¹⁰ [The Porto declaration - Consilium \(europa.eu\)](#) and [2425-06-21-euco-conclusions-en.pdf \(europa.eu\)](#)

¹¹ Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions - The European Green Deal ([COM/2019/640 final](#)).

¹² Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – Fit for 55: delivering the EU's 2030 Climate Target on the way to climate neutrality ([COM\(2021\) 550 final](#)).

this. *Europe's Digital Decade*¹³ reiterates the objective of a minimum 80% of the EU population with at least basic digital skills and set the target of 20 million employed ICT specialists, with gender convergence, by 2030. The recently adopted proposal on the *Path to the Digital Decade*¹⁴ establishes a framework to take this forward.

- The Commission Communication on *A New Industrial Strategy for Europe*¹⁵ calls for decisive action to make lifelong learning a reality for all and ensure that education and training keep pace and help deliver the twin transitions.
- The *Recovery and Resilience Facility*¹⁶, part of Next Generation EU, and the Multi-annual Financial Framework are providing unprecedented EU funding for Member States to invest in skills. All national Recovery and Resilience Plans adopted by the Commission so far, include measures for adult upskilling and reskilling.

This initiative is necessary because past initiatives have proven insufficient to substantially increase adults' participation in training and close support gaps in access to training. While the situation varies between Member States, all face similar challenges, as reflected in the European Semester analysis and country-specific recommendations.¹⁷

The analysis from the Impact Assessment¹⁸ shows that there are **two broad problem drivers**: individuals receive **insufficient financial support for training, including to overcome barriers to devoting time for training**, and **there is insufficient motivation to take up training**.

The consequences of the problem are manifold, ranging from a higher risk of unemployment and lower wages and lower job satisfaction for the individual, to reduced productivity in companies, in particular SMEs, and consequently lower GDP and less resilience in the economy as a whole.¹⁹

Unless resolute action is taken, adult learning participation is expected to reach only around 49% by 2030, thus falling well short of the 60% target. This is why the Commission is proposing a fresh approach to supporting up- and reskilling in the EU, in line with the Skills Agenda, which places individuals in the driving seat, and equips them with the support and tools they need to engage regularly in learning.

¹³ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the regions; 2030 Digital Compass: the European way for the Digital Decade ([COM\(2021\)118 final](#)).

¹⁴ Path to Digital Decade ([COM\(2021\)574](#)).

¹⁵ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - Updating the 2020 New Industrial Strategy: Building a stronger Single Market for Europe's recovery ([COM\(2021\) 350 final](#)).

¹⁶ [Regulation \(EU\) 2021/241](#) of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility, OJ L 57, 18.2.2021, p. 17–75.

¹⁷ See Impact Assessment Annex 6.3 for details on inequalities in adult learning participation, and Annex 6.4 for an overview of the country-specific recommendations on skills.

¹⁸ See section 2 of the Impact Assessment.

¹⁹ See section 2.3 of the Impact Assessment.

The general objective of the initiative is to support Member States with reforms to enable adults to participate in training in order to increase participation rates and reduce skills gaps. The proposal covers all adults of working age, irrespective of labour force or professional status²⁰. It thus takes a whole new approach to lifelong learning, de-coupling training entitlements from their original funder and giving individuals full ownership over the entitlements. The initiative thereby contributes to the EU's overall objective of promoting a highly competitive social market economy, with a view to full employment and social progress. Scenario analyses suggest that the proposed approach would increase training participation in 2030 to levels above the 60% EU target.²¹

In concrete terms, this proposal recommends that Member States should enable adults to participate in training in order to increase participation rates and reduce skills gaps by:

- (a) supporting all working-age adults to access training, including for professional transitions and irrespective of their labour force or professional status;
- (b) increasing individuals' incentives and motivation to seek training.

To achieve these objectives, this proposed Recommendation invites Member States to set up individual learning accounts. These will embody the right to lifelong learning, through individual learning accounts as a means of enabling individuals to participate in labour-market relevant training, and an enabling framework including guidance and validation opportunities, to support the actual take-up of training. This corresponds to guideline 6 in the 2021 Council Decision on guidelines for the employment policies of the Member States²² ('Employment Guidelines') confirming the 2020 version²³, which stresses access to employment and skills, and calls on Member States to *"strengthen the provisions on individual training entitlements and ensure their transferability during professional transitions"*.

- **Consistency with existing policy provisions in the policy area**

The proposal is consistent with and complements existing EU policy initiatives, most of which focus on the design of adult education and training provision ("supply side"), rather than on making it accessible to adults and encouraging them to use it ("demand side").

Moreover, existing initiatives are often limited in scope, focusing only on certain groups, rather than all working-age adults. For instance, in adopting the 2016 Council Recommendation on Upskilling Pathways²⁴ (the most recent major EU legal act on adult

²⁰ The term "labour force status" includes all people in employment, the unemployed and people outside the labour force. The term "professional status" includes all employed independent of their contractual status, i.e. including the self-employed and other people in atypical forms of work.

²¹ See section 6.1 of the Impact Assessment.

²² [Council Decision \(EU\) 2021/1868](#) on guidelines for the employment policies of the Member States, OJ L 379, 26.10.2021, p. 1–5

²³ [Council Decision \(EU\) 2020/1512 of 13 October 2020 on guidelines for the employment policies of the Member States](#), p.22

²⁴ [Council Recommendation of 19 December 2016 on Upskilling Pathways](#): New Opportunities for Adults. OJ C 484, 24.12.2016, p. 1–6

learning policy), Member States agreed to take a strategic and coordinated approach to providing learning opportunities for the EU's 58 million low-qualified adults.²⁵ The aim is to help them improve their basic skills (i.e. literacy, numeracy, and digital skills), and/or to acquire a broader set of skills by moving on to higher qualifications. The 2019 report on the implementation of the Recommendation shows a range of national policy responses. It also underlines that addressing the challenge of skilling low-qualified people requires a long-term systemic approach, accompanied by appropriate funding, outreach and guidance, which is often not the case. The Recommendation has a narrower target group and scope than this proposal, as it focuses mainly on the low-qualified, and does not recommend financial support for individual learners.

This initiative complements a number of instruments mentioned in the **European Pillar of Social Rights action plan**²⁶ of March 2021, that call on the EU and Member States to upscale skills policies and investment:

- A Commission proposal for a **Council Recommendation on micro-credentials**, a Skills Agenda action and a key instrument for achieving a European Education Area by 2025²⁷, is presented together with this proposal. It aims to help people adapt to the evolving needs of the labour market by promoting the quality, transparency and recognition of short training programmes. Micro-credentials can help ensure that individuals using their individual learning accounts can be confident of training quality and subsequent recognition of their efforts, including by their current and future employers. Jointly, these two initiatives incentivise the uptake of training: by giving adults the means for it, and by ensuring that it will pay off for them.
- The **Pact for Skills**²⁸, launched in November 2020, aims at mobilising private and public stakeholders to take concrete action for the up- and reskilling of people on the labour market, and, where relevant, pool efforts in partnerships. Since then, the Commission has held high-level roundtables with industry representatives, social partners and vocational education and training (VET) providers with a view to launching large-scale partnerships in the 14 industrial ecosystems of the EU Industrial Strategy. As of end November 2021, five such partnerships had been established²⁹, which committed to the up- and reskilling of 1.5 million people in the coming years. The Pact for Skills had so far assembled more than 500 members, including sectoral business organisations, large and small companies, universities, VET providers, social partners, chambers of commerce, regional and local authorities and public and private employment services.
- The adoption of this proposal for a recommendation will facilitate the implementation of the Commission **Recommendation on effective active support**

²⁵ Labour Force Survey 2020, variable [edat_lfs_9901](#).

²⁶ European Pillar of Social Rights Action Plan, ([COM\(2021\) 102 final](#)).

²⁷ Commission Communication on achieving a European Education Area by 2025 ([COM\(2020\)625 final](#)).

²⁸ [Pact for Skills](#).

²⁹ These cover the following industrial ecosystems: automotive; microelectronics; aerospace and defence; shipbuilding; and offshore renewable energy.

to employment (EASE)³⁰, adopted in March 2021. This will help Member States “develop policy packages to facilitate labour market transitions for workers, notably by fostering upskilling and reskilling opportunities and support measures”.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

• Legal basis

The legal basis for the proposed recommendation is Article 292 of the Treaty on the Functioning of the European Union (TFEU) combined with Article 149 TFEU, because the predominant purpose of this initiative is to support Member States in reaching the objectives of employment policy. Article 149 TFEU allows for non-binding measures in the field of employment aimed at providing comparative analysis and advice and promoting innovative approaches. The recommendation will contribute to the implementation of Article 145 TFEU, which requires the Member States and the Union to “*work towards developing a coordinated strategy for employment and particularly for promoting a skilled, trained and adaptable workforce and labour markets responsive to economic change*”.

• Subsidiarity (for non-exclusive competence)

The present proposal is in conformity with the principle of subsidiarity as provided for in Article 5(3) of the Treaty on European Union (TFEU).

While the initiative is expected to support and accelerate national efforts, it will fully respect the principle of subsidiarity, by leaving the Member States to decide on key design parameters, in particular funding sources, level of the training entitlements, priority target groups (i.e. individuals most in need of up- and reskilling) and eligible training opportunities. While Member States can take measures to improve the situation at national level, an EU initiative can support, coordinate and accelerate national efforts by sharing experiences and promoting innovative approaches. It can also help set expectations and create trust among Member States and stakeholders for an increase in public and private investment in skills, signalling that all of them will contribute to, and benefit from, the shared asset of a skilled EU labour force. In the public consultation, 84% of respondents³¹ agreed that the initiative could also lead to a more efficient use of EU funds for skills development.

The initiative can facilitate access to training for the growing number of EU citizens who live in another Member State, thus contributing to labour mobility within the EU and further integration of the single market.³² It can also help to create a level playing field for companies

³⁰ Commission Recommendation of 4.3.2021 on effective active support to employment (EASE) following the COVID-19 crisis, ([COM\(2021\) 1372 final](#)).

³¹ Ranging from 69% for businesses to 93% for NGOs and others. Agreement was 12 ppt higher among respondents from MS with low (89%) compared to high (77%) participation rates.

³² See European Commission (2020), [Annual report on intra-EU labour mobility](#), for trends in EU labour mobility and Dorn and Zweigmüller (2021), [Migration and Labor Market Integration in Europe](#) (Journal of Economic Perspectives) for an argument that missing skills limit intra-EU labour mobility.

in the single market by enhancing the quality and transparency of the training market across the EU.

- **Proportionality**

The present proposal is in conformity with the principle of proportionality as provided for in Article 5(4) TFEU.

The proposed actions are proportionate to the pursued objectives given the urgency of the challenge and Member States' expressed ambition of increasing adult learning participation significantly by 2030 above levels that can reasonably be expected to be reached under the baseline scenario, strengthening the provisions on individual training entitlements and ensuring their transferability during professional transitions.

The recommendation to set up personal accounts for training entitlements is proportionate because such accounts allow to de-couple training entitlements from their original funder and give individuals full ownership over the entitlements, which is essential to ensure the transferability of entitlements. Personal accounts also facilitate flexible funding models with cost-sharing across different funders of training entitlements and modulated support by target groups, accommodating a wide range of possible national funding and implementation models. The implementation of the proposed recommendation concerning individual learning accounts and the enabling framework can build on the provisions in the Member States that already exist or are envisaged in the national Recovery and Resilience Plans. It allows for differentiated approaches that reflect Member States' different economic, financial and social situations and diverse education, training and labour market conditions.

Thus, the content of this proposed recommendation does not exceed what is necessary to achieve its objectives.

- **Choice of instrument**

In the light of the objective (supporting reform in the Member States) and the envisaged legal basis, only non-binding instruments are under consideration. A first option is to propose a revision of the Employment Guidelines, so as to support Member States' reforms through the European Semester process and country-specific recommendations. The most recent Guidelines from October 2021³³ confirm the version of 2020, which already asks Member States to “*strengthen the provisions on individual training entitlements and ensure their transferability during professional transitions, including, where appropriate, through individual learning accounts*”. However, as the Employment Guidelines are general by nature, they do not provide further guidance on how to do this.

Another option is a Commission communication or recommendation that could provide Member States with further guidance and inform the implementation of country-specific recommendations. However, it would not have the political ownership of the Member States, and would therefore be insufficient to incentivise the required reforms.

³³ [Council Decision \(EU\) 2020/1512](#) of 13 October 2020 on guidelines for the employment policies of the Member States (OJ L 344/22) and reconfirmed by [Council Decision \(EU\) 2021/1868](#) of 15 October 2021 (OJ L 379/1).

The preferred instrument is a proposal for a Council recommendation. This will provide Member States with commonly agreed recommendations on a concrete tool that can help them to meet the 2030 EU headline target on training participation. It also provides a common framework for action that could serve as a basis for subsequent analysis of reforms and progress. While leaving it up to the Member States to decide on design parameters such as priority target groups, funding or eligible training opportunities, the proposal provides guidance on how to address the challenges identified in the country-specific recommendations under the European Semester which take into account the specific circumstances of each Member State.

In the public consultation, 61%³⁴ of respondents agreed that EU legislation followed by Member States on a voluntary basis such as a Council recommendation would be a suitable means of achieving the objectives of this initiative.

3. RESULTS OF STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

- **Ex-post evaluations/fitness checks of existing legislation**

Not applicable.

- **Stakeholder consultations**

The **Inception Impact Assessment** was available online for public feedback between 23 March and 20 April 2021. A total of 23 responses were received, mostly stressing the importance of designing individual learning accounts in collaboration with social partners, the need to ensure that training is of high quality, that guidance and information are available and that sufficient attention is devoted to vulnerable groups.

The Commission held a **12-week public consultation** between 23 April 2021 and 16 July. It attracted 216 replies from 78 citizens, 26 public authorities, 46 business associations and enterprises, 26 trade unions and 40 NGOs/other respondents. The majority of respondents (35), of which 23 were EU-level organisations, were based in Belgium, followed by Italy (24). In addition, 38 written responses were received.

The **public consultation** confirmed the problem definition and the potential EU added value. There was broad support for policy efforts to facilitate learning amongst adults, but support was less strong for non-job-related training. 84% of the respondents agreed that individual learning accounts could be effective for tackling financial constraints to training participation. 82% of respondents agreed that motivation to participate in training can be increased through individual learning accounts, with similarly high scores for career guidance, opportunities for the validation of informal and non-formal learning, a public registry of quality assured training opportunities, awareness raising campaigns at EU and national levels and a one-stop-shop digital platform. There was a general plea to avoid complexity and bureaucracy, and ensure ease of access for individuals.

³⁴ Ranging from 49% among businesses to 83% among NGOs and other respondents.

Eleven **targeted consultation events** were held with different groups of stakeholders and social partners, including at the highest political level.³⁵ During the dedicated social partner hearing³⁶, social partners expressed their agreement with the general objectives of the initiative, but emphasised that individual learning accounts should be seen as “one tool in the toolbox” for reaching them.

In its Opinion³⁷, the Advisory Committee on Vocational Training (ACVT) agreed that the initiative could improve adults’ motivation and participation in education and training. At the same time, it argues that individual learning accounts should complement rather than replace existing government-funded and/or social partner-driven training provision.

The majority of stakeholders and social partners, and especially those from Member States with well-developed training systems e.g. Nordic countries, stressed the importance of integrating new initiatives with the existing national (or regional) training infrastructure, respecting the collective agreements for training already in place, normally involving employers, trade unions, and governments. There was general agreement that the training focus of a new training entitlement initiative should be labour market oriented and that impacts would be enhanced where training entitlements are coordinated with guidance, quality assured systems and accredited training.

The European Parliament in its opinion on the European Skills Agenda³⁸ highlights the potential of individual learning accounts, a funding mechanism seen as key to help upskilling and reskilling especially for the most vulnerable groups.

The Council Conclusions of 8 June 2020 on reskilling and upskilling³⁹ invite Member States to; “explore possible models for public and private financing of lifelong learning and the development of skills on an individual level”, and invite the Commission to support Member States in these efforts.

In its opinion of 7 July 2021 on adult learning, the European Economic and Social Committee⁴⁰ considers that lifelong learning should become a lifestyle for all and a reality at the workplace, and calls on the Commission and the Member States to achieve and raise the

³⁵ These included a dedicated social partners hearing at a high political level, a consultation of the Employment Committee (EMCO), an exchange of views with members of the European Economic and Social Committee (EESC) and the Committee of the Regions (CoR), an exchange of views with the Advisory Committee for Vocational Training (ACVT) and the Directors General for Vocational Training (DGVT), and targeted consultations with other relevant stakeholder groups including the European Qualifications Framework (EQF) and Europass Advisory Groups and policy networks and the European Network of Public Employment Services.

³⁶ Social Partners hearing of 15 April 2021

³⁷ [ACVT opinion on Individual Learning Accounts](#)

³⁸ [European Parliament resolution of 11 February 2021 on the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions European Skills Agenda for sustainable competitiveness, social fairness and resilience \(2020/2818\(RSP\)\)](#)

³⁹ [Council Conclusions of 8 June 2020 on Reskilling and upskilling as a basis for increasing sustainability and employability, in the context of supporting economic recovery and social cohesion.](#)

⁴⁰ [Opinion of the European Economic and Social Committee of 7 July 2021 on Adult learning.](#)

target of 60% of adult learning participation per year. It recommends Member States to strengthen the policy, governance and funding to adult learning and ensure equal access to lifelong learning for all adults.

A high-level forum on individual learning accounts attracted nearly 800 participants from 48 countries and the validation workshop for the Impact Assessment support study (with around 25 participants, mostly NGOs and public authorities) focused on the problem and impact analysis.

- **Collection and use of expertise**

The evidence base to underpin the initiative includes:

- an external study to support the Impact Assessment;
 - relevant data from EU-level surveys, e.g. the Labour Force Survey, the Adult Education Survey, the Continuing Vocational Training Survey, relevant surveys run by Eurofound and Cedefop, on adult learning participation and provision, and on barriers and incentives;
 - relevant literature covering evaluations of international experiences;
 - several inter-linked outputs from the independent adult learning expert network: country reports on the available financial incentive schemes, an analysis of available statistical evidence, and an analysis of the environment for providing individuals with direct financial incentives for training;
 - evidence from consultations on the Skills Agenda and European Pillar of Social Rights action plan and outcomes of high level roundtable meetings on the Pact for Skills.⁴¹
- **Impact Assessment**

The Commission carried out an Impact Assessment of policy options. This work was supported by structured consultation within the Commission via an Inter-Service Steering Group.⁴² The Impact Assessment was discussed with the Regulatory Scrutiny Board (RSB) on 29 September 2021. On 1 October 2021, the RSB issued a positive opinion with reservations, which have been addressed by adding clarifications to the scope of the initiative, the baseline scenario, the description of expected impacts and the choice of the preferred option.⁴³

The policy options differed in terms of the delivery mode of training entitlements (training vouchers or personal accounts), the size of the target group and individuals' freedom to choose training opportunities. The preferred policy option is to provide all working-age adults with training entitlements in the form of personal accounts, while modulating amounts according to support needs and allowing individuals to choose freely among training opportunities of which the quality, labour market relevance and recognition is assured by their inclusion in a public registry. This option is most effective in achieving the objectives of the

⁴¹ [Pact for Skills](#).

⁴² Including DG CNECT, EAC, ECFIN, ESTAT, GROW, JRC, JUST, LS, REFORM and SG.

⁴³ See Annex 1 of the Impact Assessment.

initiative as it comprehensively reduces support gaps and fragmentation while tailoring training to individual needs.⁴⁴

In the light of the objectives of the initiative, the legal basis and the principle of subsidiarity, the preferred legislative instrument is a proposal for a Council Recommendation. This instrument makes it possible to recommend a combination of individual training entitlements and enabling framework conditions, while allowing Member States to implement the measures in line with national circumstances.

Benefits of the preferred option: Scenario analyses suggest that implementation of the preferred option could increase training participation in 2030 to levels above the 60% EU target, and reduce participation gaps across Member States. The main expected impacts are higher wages for individuals, higher productivity for enterprises, and higher GDP and social cohesion.

Costs of the preferred option: Scenario analyses estimate a direct annual cost of training entitlements of around EUR 17.6 to 24.5 billion.⁴⁵ Additional costs result from greater uptake of paid training leave and set-up and administrative costs, but these are expected to be limited given the significant relevant infrastructure that already exists in many Member States. If the initiative is implemented well, cost-benefit calculations suggest that the above-mentioned benefits significantly outweigh the costs.

Effect on companies (including SMEs): Companies are expected to benefit from a more skilled and productive labour force and reduced skills gaps, with particular benefits for SMEs whose employees currently participate less in training.

Impact on national budgets and administrations: The funding arrangements are left to the Member States. Cost-benefit calculations suggest that the benefits significantly outweigh the costs, so that suitable funding and cost-sharing arrangements can promote sustainable public finances.

- **Regulatory fitness and simplification**

Not applicable.

- **Fundamental rights**

Under Article 14(1) of the Charter of Fundamental Rights of the EU “everyone has the right to education and to have access to vocational and continuing training”: this is also reflected in principles 1, 4 and 5 of the European Pillar of Social Rights. The initiative is expected to have a positive impact on fundamental rights by bridging gaps in the access to continuous training. This impact is rather strong, as the initiative covers all working-age adults, while also providing specific support for people most in need of up- and reskilling.

⁴⁴ See Sections 2.2 and 7 of the Impact Assessment for a more detailed discussion of how the policy measures recommended in this proposal address the identified barriers to participation.

⁴⁵ These estimates are taken from the scenario analyses presented in Section 6.1 of the impact assessment. They are based on training entitlement worth 30 hours for all working-age adults and 50 hours for individuals most in need of up- and reskilling. The monetary costs per beneficiary depend on Member States’ training costs, with an estimated EU average of EUR 381 for 30 hours and EUR 631 for 50 hours of training.

4. BUDGETARY IMPLICATIONS

This initiative does not require additional resources from the EU budget. The implications for national budgets will depend on the funding model selected by the Member State in question.

5. OTHER ELEMENTS

- **Implementation plans and monitoring, evaluation and reporting arrangements**

This proposed Recommendation invites Member States to work jointly with the Commission on its implementation. It recommends that Member States implement its principles as soon as possible and submit a plan setting out measures to be taken at national level. The progress made in implementing the plans should be discussed in the context of the multilateral surveillance of the European Semester in the Employment Committee, focusing on the instruments put in place by Member States as well as outcomes (such as training participation and subsequent labour market outcomes).

The Commission aims to establish jointly with the Employment Committee a monitoring framework with agreed common quantitative and qualitative indicators, as a basis for assessing the implementation of this Recommendation and for its review. In order to streamline Member States' reporting obligations, this framework would, as far as possible, use information already collected through other monitoring frameworks and avoid duplications of monitoring and reporting (e.g. for the Recovery and Resilience Facility, the European Social Fund Plus and the strategic framework for European cooperation in education and training towards the European Education Area).

The Commission aims to assess and evaluate progress in the implementation of the proposed Recommendation, in cooperation with the Member States and after consulting the stakeholders concerned, and report to the Council no sooner than 5 years from the date of its adoption.

- **Explanatory documents (for directives)**

Not applicable.

- **Detailed explanation of the specific provisions of the proposal**

(Paragraphs 1-2) The innovative aspect of this proposal is that it **puts the individual directly at the centre of skills development**. It recommends that Member States develop policies and instruments to support all working-age adults to access training, including for professional transitions, irrespective of their labour force or professional status, as well as to increase individuals' incentives and motivation to seek training. Individual learning accounts and an enabling framework, including guidance and validation opportunities, can promote the effective take-up of this training.

(Paragraph 3) The **target group** for the initiative is all working-age adults legally residing in a Member State, independently of their educational attainment level and current labour force status or type of employment, hence including the employed, self-employed, and others in atypical forms of work, the unemployed and people outside the labour force. The proposal

therefore recommends establishing an individual learning account for every working-age adult in the Member State where he or she is legally residing.

However, for EU frontier workers and self-employed who are EU citizens and who work in a Member State other than the State where they reside an exception is warranted. As individual learning accounts are primarily aimed at developing labour market-relevant skills, the place of residence would not be a suitable criterion to determine in which Member State the individual learning account should be set up for this group. Therefore, the proposal recommends the place of (self-) employment as the criterion determining where the individual learning account should be set up for frontier workers. This treatment would be in line with the principle of non-discrimination of nationals as regards the access to social advantages established in Article 7(2) of Regulation 492/2011⁴⁶.

(Paragraphs 5-7) The proposal recommends that Member States take a **universal approach** by setting up an individual learning account for every individual covered by the scope of this initiative and ensuring the adequate annual provision of individual training entitlements. At the same time, it calls on Member States to **modulate funding according to individuals' needs**. This “universal but differentiated” approach was supported by stakeholders in the public consultation. The proposal recommends granting additional training entitlements for individuals most in need of up- and reskilling. Depending on the national context, these could be individuals in specific employment situations (e.g. atypical forms of work), according to their labour force status (employed, unemployed or outside the labour force), working for firms in sectors significantly affected by the digital or green transition), or specific types of company (e.g. micro-enterprises, SMEs, or those with specific skills needs (such as low-qualified individuals), or in specific age groups or vulnerable groups. The groups receiving additional training entitlements may change as the labour market evolves.

(Paragraphs 8-9) Individual learning accounts support the idea of **cost-sharing**, as they allow contributions from different sources, such as public authorities and employers, to be bundled and managed in a single account. This facilitates the modulation of support by need of up- and reskilling (e.g. with Public Employment Services funding additional individual training entitlements for the unemployed), and top-ups by employers for their employees, either voluntary or as an outcome of collective bargaining agreements.

(Paragraph 10) The **accumulation of individual training entitlements over a set period** in a personal account allows individuals to store entitlements independently of their labour force or professional status, to embark on longer or more costly training, train for transitions between jobs or to respond to emerging skill needs during crisis periods and in the context of the green and digital transitions. Member States can set rules on ceilings for such accumulation or on the expiry of entitlements, in order to encourage individuals to make use of them.

(Paragraph 11) The proposal recommends that individuals receive training entitlements in their place of legal residence, except for frontier workers and self-employed persons who

⁴⁶ Regulation (EU) No 492/2011 of the European Parliament and of the Council of 5 April 2011 on freedom of movement for workers within the Union (OJ L 141, 27.5.2011, p. 1–12)

work in a Member State other than the State where they reside and who should be covered in the Member State where they work. As entitlements fall outside the scope of the common rules on protecting the social security rights of those moving within the EU⁴⁷, it recommends that Member States allow people to preserve their individual learning account and accumulated training entitlements during periods spent living in a different Member State. This allows people to spend them on their return or on distance learning offers in line with the rules in place for individual learning accounts in their home Member State. At the same time, the people would be entitled to a new individual learning account in the Member State they are now residing in. This facilitates cross-border mobility and underlines the principle that, once conferred, training entitlements belong to individuals. The transferability of training entitlements between Member States will be explored further, when national individual learning accounts have been established and will be covered in the evaluation of the implementation of this Recommendation. The EU can facilitate discussion on the transferability of individual training entitlements between Member States.

(Paragraphs 12-20) It is essential to establish an **enabling framework** to facilitate the uptake of training, career guidance and validation opportunities. It is proposed that this should include career guidance and validation opportunities, a public national registry and a single national digital portal supporting individual learning accounts by allowing for secure electronic authentication and connection to the registry. The framework will play a crucial role in motivating people to decide to take up training, as it will provide a selection of trustworthy, quality assured training opportunities, together with career guidance and validation options. The cooperation of **employers**, in particular **micro-enterprises and SMEs**, will also be crucial for the successful creation of the framework.

(Paragraph 12) The consultations identified **career guidance services** as the most important element of an enabling framework. Although such services are available in most Member States, their outreach is often limited. To guide individuals to the training opportunities that best address their needs, it is recommended that Member States improve access to in-person career guidance for all adults, as well as access to guidance services by digital means (in particular through a user-friendly registry of recognised opportunities).

Validation of prior learning allows individuals to prove that they have acquired certain skills. The recent evaluation of the Council Recommendation on the validation of non-formal and informal learning⁴⁸ points to substantial progress, but also identifies persisting challenges and proposed responses. In particular, it is necessary to ensure the provision of support for individuals, closer coordination with guidance services and effective tailoring of validation initiatives for disadvantaged and vulnerable groups. The proposal seeks to address remaining validation challenges by recommending that Member States ensure that individual learning accounts can be used to access validation opportunities and that such opportunities, including in person or online skills assessment, are available and accessible. It thereby complements the

⁴⁷ Training entitlements fall outside of the scope of [Regulation \(EC\) No 883/2004 of the European Parliament and of the Council of 29 April 2004 on the coordination of social security systems \(OJ L 166, 30.04.2004, p. 1-123\)](#).

⁴⁸ European Commission (2020), [Study supporting the evaluation of the Council Recommendation of 20 December 2012 on the validation of non-formal and informal learning](#).

proposal on a European approach to micro-credentials, which can also facilitate validation and recognition of training outcomes.

(Paragraph 13-17) A **public national registry** of quality assured and recognised training, career guidance and validation offers can increase people's motivation to take up training by presenting the available opportunities in an easily accessible way and reducing uncertainty as to the quality and recognition of training outcomes. Similar registries already exist or are under development in at least 12 Member States. The proposal recommends that all Member States establish such a registry and keep it up-to-date, along with a sustainable governance model with transparent rules for the inclusion of new training offers. Only training, career guidance and validation offers included in the registry should be eligible for funding from individual training entitlements. Also career guidance services and validation opportunities provided by Member States free of charge for individuals should be included in this registry. Criteria for including opportunities in the registries should be formulated at Member State level, based on transparent quality requirements and in cooperation with social partners and relevant stakeholders, drawing on skills intelligence and European competence frameworks.⁴⁹ Short training courses included in the registry should be developed in line with the European approach to micro-credentials in order to promote transparency about quality and recognition of training outcomes. Member States are encouraged to open up the national registry in a transparent way to training opportunities offered by providers in other countries, providing they are of trustworthy quality. As the consultations confirmed, social partners and relevant stakeholders are able and willing to add value to the governance of such registries.

(Paragraph 18) The proposal recommends that Member States set up and maintain a **single national digital portal**, easily accessible via mobile devices (e.g. through a digital app), to increase transparency on available training and support opportunities at national level and to allow users to access their individual accounts, review their available individual training entitlements and consult the national registry.

(Paragraph 19-20) **Paid training leave** allows workers to keep their salary or a replacement income during periods of training ranging from a few days to several months. Such provisions already exist in 24 Member States, of which 12 are signatories of the International Labour Organisation (ILO) Paid Educational Leave Convention.⁵⁰ However, access to paid training leave is often restricted by particular features of the employment relationship. Restrictive eligibility criteria and a lack of information by potential beneficiaries mean that fewer than 1% of the employed population tend to make use of the existing provisions.⁵¹ Member States are therefore also invited to adopt universally available paid training leave provisions or review existing provisions to ensure they cover all employed individuals, and include financial support for employers whose employees make use of paid training leave (in

⁴⁹ For example, European competence frameworks on digital competence (DigiComp), on personal, social and learning to learn competences (LifeComp), on entrepreneurial competences (EntreComp) and on sustainability competences (GreenComp).

⁵⁰ As of 1st of February 2020, according to a preliminary version of the updated "[Financing Adult Learning](#)" database by Cedefop (update forthcoming) presented in Annex 8.2. The last ratification of the ILO's [Paid Educational Leave Convention](#) by a Member State took place in 1993.

⁵¹ Cedefop (2012), [Training leave. Policies and practice in Europe](#).

particular SMEs, that face greater challenges). The proposal recommends strengthening the links between paid training leave provisions and other available support measures while leaving the detailed arrangements to the Member States.

(Paragraph 21) The proposal also recommends that Member States organise wide **outreach activities and awareness-raising** campaigns, in particular among those furthest away from the labour market. These are key to ensuring a higher rate of adult participation in learning opportunities, notably among groups with low awareness of up- and reskilling needs and opportunities. Cooperation between public authorities, social partners, civil society organisations and other stakeholders can increase the effectiveness of such activities.

(Paragraph 22) In order to support the implementation of this initiative, it is recommended that Member States put in place **monitoring arrangements to ensure the continuous improvement** of the individual learning accounts and enabling framework. Subsequent adjustments to achieve the objectives of this Recommendation in the most efficient way could concern the amount of individual training entitlements, the definition of individuals most in need of up- and reskilling or the user-friendly integration of the various elements of the enabling framework.

(Paragraph 23-26) Arrangements for ensuring the adequate and sustainable **funding** of individual learning accounts are to be determined at national level, in line with national circumstances and with particular attention to SMEs. While the responsibility on the implementation of the Recommendation remains with the Member State, the proposal recommends facilitating the combination of different public and private funding sources, which may for instance include voluntary top-ups by employers. Member States may also benefit from support from various EU funds, in particular the cohesion policy funds, including the European Social Fund Plus⁵², the European Regional Development Fund⁵³ and the Just Transition Fund⁵⁴, as well as the Recovery and Resilience Facility⁵⁵ under Next Generation EU, if they have included relevant reforms and investments in their Recovery and Resilience Plans. The Technical Support Instrument can provide tailor-made expertise to design and implement reforms supporting the establishment of individual learning accounts and their enabling framework.

(Paragraph 27) As explained above, **EU support** will focus on harnessing the unprecedented EU funding available to Member States for skills development from Next Generation EU and the multi-annual financial framework. The EU will also support skills development through relevant initiatives such as the Pact for Skills, the Blueprint for Sectoral Cooperation on Skills, the Digital Skills and Jobs Coalition, the Electronic Platform for Adult Learning in

⁵² [Regulation \(EU\) 2021/1057](#) of the European Parliament and of the Council of 24 June 2021 establishing the European Social Fund Plus (ESF+) and repealing Regulation (EU) No 1296/2013, OJ L 231, 30.6.2021, p. 21-59.

⁵³ [Regulation \(EU\) 2021/1058](#) of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund, OJ L 231, 30.6.2021, p. 60-93.

⁵⁴ Regulation (EU) 2021/1056 of the European Parliament and of the Council of 24 June 2021 establishing the Just Transition Fund, OJ L 231, 30.6.2021, p. 1-20.

⁵⁵ [Regulation \(EU\) 2021/241](#) of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility, OJ L 57, 18.2.2021, p. 17-75.

Europe (EPALE) and other suitable measures of Erasmus+, and co-operation projects among social partners at EU level. It can also support mutual learning and the exchange of good practices in the implementation of the Recommendation. Further work on the Europass platform should focus on ensuring interoperability, i.e. connecting with single national digital portals for individual learning accounts.

(Paragraph 28-30) **Reporting and evaluation** will be based on monitoring in the multilateral surveillance run in the Employment Committee as part of the European Semester cycle, based on an agreed monitoring framework and monitoring arrangements. It is recommended that Member States prepare an implementation plan within 12 months of the adoption of the Recommendation. A first evaluation is suggested no sooner than 5 years after adoption.

Proposal for a

COUNCIL RECOMMENDATION

On individual learning accounts

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 292, in conjunction with Article 149 thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) A skilled workforce is crucial to strengthening the EU's sustainable competitiveness, supporting a job-rich recovery from the COVID-19 pandemic and ensuring socially fair digital and green transitions. As labour markets evolve, people need to keep pace by upgrading their skills. New and better skills open up more opportunities and equip people to play an active role in managing transitions in the labour market and fully participate in society, against the backdrop of demographic change. Moreover, adult upskilling can be a powerful tool in promoting social fairness and inclusion for a just transition.
- (2) Article 14(1) of the Charter of Fundamental Rights of the EU states that everyone has the right to education and access to vocational and continuing training. The first principle of the European Pillar of Social Rights⁵⁶ states that 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 successfully manage transitions in the labour market. Principle four touches on active support for employment, to uphold everyone's right to timely and tailor-made assistance to improve their employment or self-employment prospects. Principle five on secure and adaptable employment emphasises that, regardless of the type and duration of the employment relationship, workers should enjoy fair and equal treatment with respect to working conditions, access to social protection and training.
- (3) On 25 June 2021, the European Council welcomed the EU headline targets of the European Pillar of Social Rights action plan, in line with the Porto Declaration⁵⁷, thereby supporting the ambition of ensuring that, by 2030, at least 60% of all adults participate in training every year. However, participation in adult learning in the EU has stagnated over the last decade; and 21 Member States fell short of the 2020 EU-level target. For many adults, such

⁵⁶ [European Pillar of Social rights.](#)

⁵⁷ [European Council Conclusions](#), 24-25 June 2021. This follows up on the [Porto Declaration](#) of 8 May 2021.

as those in atypical forms of work, employees of small and medium-sized enterprises (SMEs), the unemployed, the inactive and the low-qualified, skills development opportunities are too often out of reach.

- (4) The European Skills Agenda⁵⁸, adopted in July 2020, calls for a skills revolution to turn the ecological and digital transitions into opportunities for a prompt and fair recovery. Inter alia, it announces that the Commission will explore individual learning accounts as a tool to support the up- and reskilling of working-age adults, complementing other actions targeting employers and education and training providers.
- (5) Skills for the green transition and the up- and reskilling of the workforce will be needed in the context of the shift to a modern, resource-efficient and competitive economy, as laid out under the European Green Deal⁵⁹ for climate neutrality by 2050. The Commission Communication “Fit for 55”⁶⁰ recognises that the green transition can only succeed if the EU has the skilled workforce it needs to stay competitive and points to the flagship actions of the Skills Agenda to equip people with the skills that are needed for the green and digital transitions.
- (6) Europe’s Digital Decade⁶¹ reiterates the objective of ensuring that at least 80% of the EU population have at least basic digital skills by 2030, and sets the target of 20 million employed ICT specialists, with gender convergence, by 2030. The Commission proposal on the Path to the Digital Decade⁶² suggests establishing a framework to take this forward. The Digital Education Action Plan 2021-2027⁶³ emphasises that technological means should be used to ease accessibility and strengthen flexibility of learning opportunities, including up- and reskilling.
- (7) The Commission Communication on A New Industrial Strategy for Europe⁶⁴ calls for decisive action to make lifelong learning a reality for all and ensure that education and training keep pace with and help deliver the twin transitions.
- (8) The Council Conclusions of 8 June 2020⁶⁵ invite Member States to, “explore possible models for public and private financing of lifelong learning and the

⁵⁸ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - European Skills Agenda for sustainable competitiveness, social fairness and resilience ([COM\(2021\)274 final](#)).

⁵⁹ Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions - The European Green Deal ([COM/2019/640 final](#)).

⁶⁰ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – Fit for 55: delivering the EU's 2030 Climate Target on the way to climate neutrality ([COM\(2021\) 550 final](#)).

⁶¹ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the regions; 2030 Digital Compass: the European way for the Digital Decade ([COM \(2021\)118 final](#)).

⁶² Proposal for a Decision of the European Parliament and of the Council establishing the 2030 Policy Programme “Path to the Digital Decade” ([COM\(2021\)574](#)).

⁶³ [Communication from the Commission](#) to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the Digital Education Action Plan (COM/2018/022 final)

⁶⁴ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - Updating the 2020 New Industrial Strategy: Building a stronger Single Market for Europe’s recovery ([COM\(2021\) 350 final](#)).

development of skills on an individual level”, and call on the Commission to support Member States in these efforts.

- (9) Insufficient financial support for individuals is one of the main barriers influencing participation in learning. Overall public and private investments are insufficient. Most job-related training in the EU is employer-sponsored. However, many companies, in particular SMEs, do not provide or fund training for their staff, and individuals in atypical work have less or no access to employer-sponsored training. Such inequalities undermine individuals’ welfare and health, reduce economic competitiveness, result in missed opportunities and barriers to innovation and risk leaving people behind in the transition to more sustainable economic activities.
- (10) Besides direct costs, time constraints are an important factor preventing adults from seeking training. Most Member States are signatories of the International Labour Organisation (ILO) Paid Educational Leave Convention and have transposed it into national law. However, awareness and take-up of training leave are low in many Member States, and provisions often do not cover atypical workers or do not allow adults to seek education and training during periods of unemployment or low economic activity.
- (11) Many adults, especially among the low-qualified and those furthest away from the labour market, are not motivated to take up training. They may not be aware of their own skills needs, may not know whether support and training are available, are of good quality and recognised in the labour market. Furthermore, people may not be motivated to engage in training that has been chosen without consulting them and is not tailored to their needs.
- (12) A fresh approach is needed for up- and reskilling in the EU. It should complement existing instruments and follow up on political commitments by putting individuals in the driving seat and equipping them with the support and tools they need to upskill or reskill, at all skill levels.
- (13) In its August 2021⁶⁶ Opinion on the EU initiative on individual learning accounts and strengthening training provision in Europe, the Advisory Committee on Vocational Training argues that such an initiative should improve adults’ engagement, motivation and participation in education and training. The main challenge is to improve the matching of skills and jobs and to ensure access to diversified quality training options through more relevant and better targeted provision.
- (14) The problems outlined above can be addressed by providing people with direct financial support through training entitlements in individual learning accounts, and establishing a broad enabling framework granting them access to training opportunities, information, guidance, paid training leave and recognition of training outcomes.
- (15) An adequate training entitlement should be defined at national level, in line with people’s training needs; for example allowing for recognised training activities worth 30 hours per year for all individuals, and rising to 50 hours for

⁶⁵ [Council Conclusions of 8 June 2020](#) on reskilling and upskilling as a basis for increasing sustainability and employability, in the context of supporting economic recovery and social cohesion.

⁶⁶ [ACVT opinion on Individual Learning Accounts](#).

individuals most in need. Modulating funding according to the needs can increase the efficiency of the initiative. Member States may establish additional training entitlements for individuals most in need, depending on the national context and the changing labour market. For instance, Member States could top up individual learning accounts in strategic sectors⁶⁷, to support the green and digital transitions. In addition to financial entitlements, the relevance, usefulness and recognition of training are key factors affecting take-up. Social partners and relevant stakeholders should be consulted on these issues.

- (16) Individual learning accounts should allow people to accumulate and use training entitlements over a set period, so that they can take up longer or more costly training or train during economic downturns in response to emerging skills needs. Individuals should be able to store their individual training entitlements independently of their labour force or professional status and across career changes. Member States should establish rules for the expiry of entitlements that give learners an incentive to make full use of them.
- (17) Individuals should be allowed to use their individual training entitlements even from abroad, if accessing recognised and quality assured training from the national registry of their learning account. The transferability of entitlements between Member States is a desired feature in the longer term, which needs further exploration.
- (18) To help individuals identify a suitable training pathway and thus increase their motivation to learn, as well as access career guidance and validation opportunities, up-to-date public registries of recognised training should be made available through dedicated single national digital portals accessible to all, including people with disabilities, and be appropriately interconnected with the Europass platform.
- (19) It should be possible to use individual learning accounts to access validation, including skills assessment opportunities. The recent evaluation of the Council Recommendation on the validation of non-formal and informal learning⁶⁸ points to substantial progress, but also identifies persisting challenges and proposed responses. In particular, it is necessary to provide individuals with tailored support, and ensure closer coordination with guidance services and effective tailoring of validation initiatives for disadvantaged and vulnerable groups. Member States should encourage the provision of micro-credentials where relevant, based on identified needs, and in line with the European approach to micro-credentials.
- (20) This Recommendation supports the implementation of paid training leave. The proper provision of paid training leave, in line with the ILO Paid Educational

⁶⁷ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - Updating the 2020 New Industrial Strategy: Building a stronger Single Market for Europe's recovery ([COM\(2021\) 350 final](#)) identifies 14 industrial ecosystems for dedicated support, including on skills development of their current and future workforce.

⁶⁸ European Commission (2020), [Study supporting the evaluation of the Council Recommendation of 20 December 2012 on the validation of non-formal and informal learning](#).

Leave Convention⁶⁹ (as ratified by 12 Member States), would allow workers to keep their salary or a replacement income during periods of training ranging from a few days to several months. Member States should be encouraged to enter into dialogue with social partners on arrangements to allow employees to participate in training during working hours using their individual learning accounts. In this regard, the specific situation of SMEs and in particular micro-enterprises should be taken into account.

- (21) Wider outreach and awareness raising activities and campaigns are key to ensuring high rates of adult participation in learning opportunities, in particular among groups with low awareness of up- and reskilling, such as those furthest from the labour market. Cooperation between public authorities, social partners, civil society organisations and other stakeholders, based on the common understanding that up- and reskilling are a means of investment, can increase the effectiveness of outreach and awareness raising activities. Attention for accessibility should facilitate the participation of adults with disabilities.
- (22) Monitoring arrangements and continuous improvement of the individual learning accounts and the enabling framework are key to support implementation. Subsequent adjustments could concern the amount of individual training entitlements, the priority groups or the user-friendly integration of the various elements of the enabling framework.
- (23) Adequate funding is a key feature of successful schemes for individual learning accounts. Individual learning accounts should facilitate cost-sharing between different funding sources, such as public authorities and employers, by allowing different funders to contribute to the account. A combination of public and private funding sources should ensure the sustainability of the initiative in the Member States, which is fundamental for its success. This facilitates the modulation of support and top-ups by employers for their employees, either voluntary or as an outcome of collective bargaining agreements.
- (24) EU funds such as the European Social Fund Plus⁷⁰, the European Regional Development Fund, the Just Transition Fund, and, where relevant, the Recovery and Resilience Facility under Next Generation EU⁷¹ and tailor-made expertise through the Technical Support Instrument can support the establishment of individual learning accounts and their enabling framework. Mutual learning, facilitated by the Commission, can also support the process.
- (25) This Recommendation should be without prejudice to the exclusive competence of the Member States with regard to the organisation and content of their adult learning/training systems. It should not prevent them from

⁶⁹ As of 1st of February 2020, according to a preliminary version of the updated [“Financing Adult Learning”](#) database by Cedefop (update forthcoming) presented in Annex 8.2. The last ratification of the ILO’s [Paid Educational Leave Convention](#) by a Member State took place in 1993.

⁷⁰ [Regulation \(EU\) 2021/1057](#) of the European Parliament and of the Council of 24 June 2021 establishing the European Social Fund Plus (ESF+) and repealing Regulation (EU) No 1296/2013, OJ L 231, 30.6.2021, p. 21-59.

⁷¹ [Next Generation EU](#) is based on harnessing the full potential of the Union budget, helping rebuild a greener, more digital and more resilient Europe.

maintaining or establishing more advanced provisions on adult learning/training than those recommended here.

- (26) Member States should involve social partners and stakeholders, including civil society organisations, in the design of reforms. This Recommendation should not limit the autonomy of the social partners where they are responsible for setting up and managing training schemes.
- (27) The measures outlined in this Recommendation should not replace training provision by employers, by public and private employment services, public support for education and training institutions or other types of support.

HAS ADOPTED THIS RECOMMENDATION:

Objectives

- 1. This Recommendation aims to support Member States' reforms to enable more adults to engage in training in order to increase participation rates and reduce skills gaps. It thereby contributes to the EU's objective of promoting a highly competitive social market economy, aiming at full employment and social progress. Specifically, it aims to:
 - (a) support all working-age adults to access training, including for professional transitions and irrespective of their labour force or professional status;
 - (b) increase individuals' incentives and motivation to seek training.
- 2. To this end, it is recommended that Member States establish individual learning accounts as a means of enabling individuals to participate in labour-market relevant training, and an enabling framework, including guidance and validation opportunities, to promote the effective take-up of this training.

Scope

- 3. This Recommendation covers working-age adults legally residing in a Member State, independently of their educational attainment level and current labour force or professional status. Member States should establish an individual learning account for each person belonging to this group.

By way of derogation, frontier workers and self-employed persons who work in a Member State other than the State where they reside should be covered in the Member State where they work.

Definitions

- 4. For the purposes of this Recommendation, the following definitions apply:
 - (a) 'individual training 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.

- (b) ‘individual learning account’ is a delivery mode of individual training entitlements. It is a personal account that allows individuals to accumulate and preserve their entitlements over time, in order to use them 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.
- (c) ‘transferability’ of individual training entitlements means that, once conferred, such entitlements remain in the possession of the individual concerned, including during transitions between jobs, from job to learning, from employment to unemployment, and between activity and inactivity.
- (d) ‘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 paid training leave.

The individual learning account

5. Member States should set up an individual learning account for every individual covered by the scope of this initiative after having consulted social partners and relevant stakeholders;
6. Member States should ensure adequate annual provision for every individual learning account that can be accumulated and used over a set period, to allow for more substantial training;
7. Member States should provide additional individual training entitlements to the accounts of individuals which are most in need of up- and reskilling, based on national or sectoral needs, the individual’s labour force or contract status or qualification level, and any other relevant circumstances and according to clear and transparent criteria, after having consulted social partners and relevant stakeholders;
8. Member States should invite employers to provide additional individual training entitlements to the individual learning accounts of their workers and other people working in their industrial value chain, in particular those working in SMEs;
9. Member States should invite public and private employment services to provide additional individual training entitlements to the individual learning accounts of individuals most in need of up- and reskilling;
10. Member States should set the conditions under which individual training entitlements can be accumulated and stored, with a view to striking a balance between allowing individuals to accumulate their entitlements to finance longer training courses and encouraging them to make regular use of their entitlements throughout their working lives;
11. Member States should ensure that individual training entitlements accumulated in an account in a Member State are stored or can be used for eligible training, career guidance and validation opportunities in that Member State, even during periods in which the individual is living in another Member State.

The enabling framework

It is recommended that Member States embed individual learning accounts in an enabling framework that includes:

– **Career guidance and validation**

12. Member States should ensure that career guidance services and validation opportunities⁷², including skills assessment opportunities, in person or online, are available and accessible to every owner of an individual learning account, free of charge or by using their individual training entitlements.

– **A national registry of eligible quality training, career guidance and validation opportunities**

13. Member States should establish and keep updated a public registry of training, career guidance and validation opportunities that are eligible for funding from individual training entitlements, compatible with the European learning model. Also career guidance services and validation opportunities provided by Member States free of charge for individuals should be included in this registry;
14. Member States should establish and publish clear rules for the inclusion in the registry of various forms of labour-market relevant training, career guidance and validation opportunities, based on transparent quality requirements and skills intelligence and in cooperation with social partners and relevant stakeholders. They should review these regularly to ensure responsiveness to labour market needs;
15. Member States should encourage providers of formal and non-formal learning opportunities to develop and widen their offer on the basis of identified needs, including where relevant by providing micro-credentials following the EU approach⁷³ and through the use of EU and national competence frameworks;
16. Member States should invite social partners and relevant stakeholders to participate in the process of defining the eligibility criteria for the training included in the registry;
17. Member States should open up their national registry in a transparent way to training opportunities offered by providers in other countries.

– **Single national digital portal supporting individual learning accounts**

18. Member States should allow and support individuals to access their individual learning account and navigate the registry easily through secure electronic authentication on an accessible⁷⁴ single national digital portal⁷⁵ that can be easily accessed from mobile devices and should be interconnected with the Europass platform.

⁷² In line with the Council Recommendation of 20 December 2012 on the validation of non-formal and informal learning, OJ C 398, 22.12.2012, p. 1–5 2012.

⁷³ In line with the Council Recommendation on micro-credentials for lifelong learning and employability

⁷⁴ In line with the accessibility requirements of Directive (EU) 2019/882 of the European Parliament and of the Council of 17 April 2019 on the accessibility requirements for products and services OJ L 151, 7.6.2019, p. 70–115.

⁷⁵ Portals should be established in line with the principles of the Commission Communication on a European Interoperability Framework, [COM\(2017\) 134 final](#).

– **Paid training leave**

19. Member States should enter into dialogue with social partners on arrangements to allow employees to participate in training during working hours using their individual learning accounts;
20. Member States should introduce paid training leave provisions or review the adequacy of existing provisions, in line with the ILO Paid Educational Leave Convention, considering:
 - (a) their coverage of all types of employment relationship, and the self-employed;
 - (b) financial and non-financial support for employers (in particular SMEs) whose employees make use of paid training leave;
 - (c) the need to ensure the effective implementation of such provisions.

Outreach and awareness raising

21. Member States should jointly with social partners, civil society organisations, regional and local organisations and other relevant actors, undertake wide outreach and awareness raising activities and campaigns, tailored to the needs of potential beneficiaries of the scheme for individual learning accounts, in particular those most in need of up- and reskilling as defined at national level, to inform and motivate eligible individuals on their rights and benefits with regard to individual learning accounts and the enabling framework. Awareness-raising activities should also address in particular workers in SMEs.

Monitoring and continuous improvement

22. Member States should systematically monitor and evaluate the operation of the individual learning accounts and enabling framework and make adjustments as needed to achieve the objective of this Recommendation in the most efficient way, for instance as regards the amount of training entitlements, the definition of individuals most in need of up- and reskilling and the user-friendly integration of the various elements of the enabling framework. Social partners and relevant stakeholders should be consulted in this process.

Funding

23. Member States should ensure the adequate and sustainable funding of individual learning accounts, taking account of national circumstances, with particular attention to SMEs;
24. Member States should facilitate the combination of different public and private funding sources to contribute to the individual training entitlements including as an outcome of bargaining by social partners;

25. Member States should ensure adequate and sustainable funding for the enabling framework and the outreach and awareness-raising activities referred to above;
26. Member States should make the maximum and most efficient use of EU funds and instruments, in particular the European Social Fund Plus, the European Regional Development Fund and the Just Transition Fund, the Recovery and Resilience Facility and the Technical Support Instrument to:
 - (a) set up national individual learning accounts, embedded in an enabling framework, including by developing a single national digital portal for the individual learning accounts and related recognised services, and creating national registries of recognised training;
 - (b) provide additional individual training entitlements to the accounts of those most in need of up- and reskilling, reflecting EU priorities including for the green and digital transitions;
 - (c) set up and provide career guidance and validation opportunities;
 - (d) organise outreach and awareness-raising activities.

Union support

27. The Council welcomes the Commission's intention to support the implementation of this Recommendation, using the expertise of the European Centre for the Development of Vocational Training (Cedefop), the European Training Foundation (ETF), the European Foundation for the Improvement of Living and Working Conditions (Eurofound) and the European Labour Authority (ELA):
 - (a) by facilitating mutual learning among the Member States to support the design and delivery of appropriate reforms for the implementation of this Recommendation;
 - (b) by expanding the knowledge basis on individual learning accounts and related issues and developing relevant guidance material;
 - (c) by exploring further developments in the Europass platform, in particular to ensure interoperability with the single national digital portals for the individual learning accounts, and by making visible the learning, career guidance and validation opportunities for which the different national individual training entitlements can be used.

Reporting and evaluation

28. Member States should implement the principles set out in this Recommendation as soon as possible and submit to the Commission a plan setting out the corresponding measures to be taken at national level by *(insert date 12 months after adoption by Council)*. Progress in the implementation of the plans should be monitored in the context of the multilateral surveillance in the Employment Committee as part of the European Semester cycle. The monitoring framework shall, where relevant, use the information already collected through other monitoring frameworks and avoid duplications.
29. By *(insert date 12 months after adoption by Council)*, the Commission and the Employment Committee should jointly establish a monitoring framework with agreed common quantitative and qualitative indicators to assess the implementation

of this Recommendation and its outcomes, and monitoring arrangements enabling its review. The Commission should ensure that the monitoring framework uses evidence from the other EU monitoring frameworks, and that it does not create undue administrative burden.

30. The Commission should assess and evaluate progress in the implementation of this Recommendation, in cooperation with the Member States and after consulting social partners and relevant stakeholders, and report to the Council within 5 years from the date of its adoption. While assessing the relevance of the initiative, this evaluation could also address the transferability of individual training entitlements between Member States.

Done at Brussels,

For the Council
The President