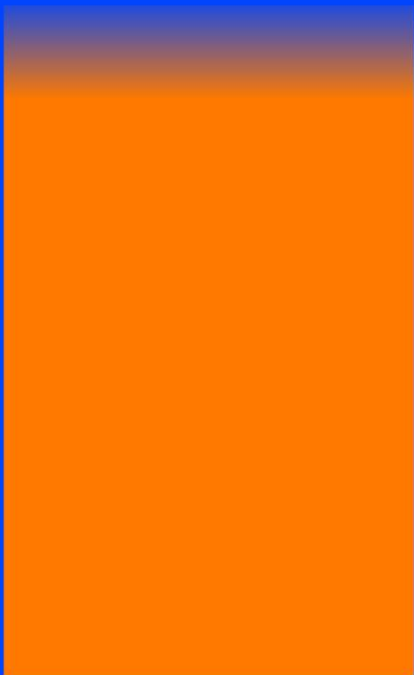




European **Skills** High Level Board



#UnionOfSkills

July 2026

Regional sector ecosystems for upskilling people in work

Skills Partnerships for Adult Reskilling (“SPARKs”)

1. Context

Europe is facing increasing pressure on its global competitiveness in a volatile and evolving geopolitical landscape, in which its strategic autonomy has become a priority. At this critical moment, **acute skills shortages continue to hinder Europe’s growth**. Nearly eight out of ten companies in the EU – large and small - report challenges in finding and retaining talent as a major barrier to growth and investment. Skills shortages occur in strategic industries as well as other sectors, from agriculture and food security to trade and services, including healthcare and education.

In a context of demographic aging, skills shortages are likely to persist and even worsen if not addressed. The working age population of the EU has declined since 2009, from 268 million to 260 million in 2025. Long-term projections suggest further declines by around 1 million every year until 2050. The number of 18 year-olds is also falling dramatically – by 10% over the last 20 years and is projected to fall still further. Europe cannot therefore afford to waste the skills of its people. All skills must be valued and optimised. This includes activating those who are underrepresented in the labour market, as well as facilitating labour mobility.

At the same time, **the unprecedented pace of change** driven by technological change and the green and digital transitions means that skills needs are continually evolving. Furthermore, innovation depends on having the right skills in the right place. Increasingly, large investments will only be successful if they factor in up- and reskilling needs of the workers involved in those projects.

Employers have to continually ensure they have effective human capital approaches capable of ensuring the rapid upskilling and reskilling of workers for current and future business transformations at a time of declining demography. Skills are a key component of quality jobs.

Small and medium-sized enterprises (SMEs) and crafts also depend on having workers with the right skills, which is a persistent issue across all sectors and Member States. The very small size of most SMEs (over 31 million enterprises in the EU have fewer than 10 employees) presents them with additional challenges as they lack dedicated departments, need to ensure business continuity, training for diverse skills profiles and lack resources. All in all, skills shortages lead to increased workload for the SME staff, and reduced opportunities for growth.

Social dialogue plays a crucial role in anticipating future skills needs and in the design, governance, and implementation of skills policies and initiatives.

Ongoing labour market transformations also impact the demand from **education and training systems**. They face the increasing expectation to adapt learning content quickly to the rapidly shifting skills needs and technological innovation. In addition, education and training providers are increasingly requested to cater for the needs of a more diverse group of learners, focusing both on traditional pupils and students, but also on working adults. The importance of learner-centredness, including innovative learning approaches combined with career guidance, is increasing.

Moreover, education and training providers are more often asked to come to more flexibility in education programmes for instance via a wider application of **microcredentials** (for adults). Ensuring the quality of education is crucial. Microcredentials certify the outcomes of short formal, non-formal and informal learning. The broader use of microcredentials will allow for more flexible, pathways to reskilling and upskilling. They can make education and training offers more visible, accessible and better available and – when formally recognised - transferable. The Council Recommendation on a European approach to micro-credentials for lifelong learning and employability from 2022 provides common guiding principles to Member States, but its implementation can be boosted, given the potential of microcredentials to address low adult learning rates.

Furthermore, different VET pathways, such as higher VET and apprenticeships, should be equally considered as pathways for adult learning.

The challenge of low adult learning rates is significant. **Upskilling and reskilling has now become essential for everyone, given that people will spend some 40 years in the labour market.** Yet only 39.5% of adults take part in training every year, far fewer than the 60% EU target for 2030, and the country level targets that Member States have committed to. This can be explained by lack of appropriate incentives or awareness of the need to up and reskill, but also by difficulties to participate in long learning programmes due to competing priorities, perceived unclear immediate benefits and insufficient financing.

The challenge is not only to empower adults to upskill and reskill for today's skills needs, but also to **prepare for future skills shifts**. Skills anticipation – at company, local, regional, national or EU level – is fundamental. However anticipating change is difficult. At national and EU level, clear economic strategy setting helps, for example with 5-10 year horizons for priority sectors, providing businesses and their workforces with greater predictability. Social partners play an important role in this process, helping to understand future skills needs and fostering dialogue between employers and workers. Workers' involvement in anticipating forthcoming organisational changes and

subsequent learning needs can help raise awareness and boost visibility of the benefits of upskilling and reskilling, and thus increase workers' motivation to learn.

Delivering on upskilling and reskilling is a shared responsibility across public and private actors. To tackle the pace and scale of change, *high impact regional skills ecosystem partnerships* are needed that can bring learning much closer to workplace realities, local labour markets and technological transformation. These partnerships bring together all relevant partners: education and training providers, businesses/employers, regional authorities, development agencies, technology transfer organisations, business support services, etc. Collectively they can support the more efficient and demand-driven upskilling and reskilling of working adults by being closer to local labour market realities and industrial development.

Within these, the explicit inclusion of **teachers and trainers** is important, as it will enhance teacher professionalisation, enhance the development of programmes for hybrid teachers, industry placements for teachers and communities of practice. Also the inclusion of researchers is indispensable, for evidence informed innovation.

Setting up regional skills ecosystem partnerships will allow **businesses** to benefit from training content aligned better (and timely) with their corporate needs and to gain valuable access to knowledge, innovation and research. Such partnerships establish the necessary ecosystems to share learnings between different education and training pathways, for example allowing schools and businesses to work together to respond to sector and region specific labour market needs while providing learning experience for learners. In addition, **SMEs** gain access to pooled resources - state-of-art equipment and latest technologies and workplace-based upskilling that they could not organise alone.

Working age adults benefit from more relevant and accessible training, through work-based learning (e.g. apprenticeships for adults or traineeships) and innovative learning approaches (e.g. interdisciplinary approaches, community learning spaces). Career guidance, interactive support (also via AI agents) or an accessible overview of relevant training (also via national registries of learning opportunities) can support a better match between training content and individual training needs. This increases motivation to learn.

There are examples of existing skills ecosystems at regional, sectoral, national and EU level that boost upskilling and reskilling with innovative approaches. At EU level, action can help map and connect strong skills ecosystems and the sectors they serve across Member States. For example, Centres of Vocational Excellence can act as connectors that link national and regional vocational training centres working on the same strategic sectors. The Pact for Skills includes Large-Scale Partnerships in different industrial ecosystems and regional partnerships, helping to connect actors in different EU countries to learn from good practice in other Member States, collaborate and scale up action faster.

Partnerships can also help implement innovative learning programmes that focus on real-world business challenges, such as the living labs, bootcamps and hackathons, as for instance also organised by the E³UDRES² European University Alliance. Existing upskilling and reskilling initiatives and programmes, such as Individual Learning Accounts and sectoral training funds, can also help develop learning conducive workplaces and innovative community learning spaces.

2. Board conclusions

In order to create new strategic approaches and cooperation for skills, the Board has concluded that **high impact regional and sectoral skills ecosystems that boost upskilling and reskilling, innovation and applied research are key (“SPARKs” – Skills Partnerships for Adult Reskilling)**.

SPARKs are not starting from scratch. Excellent models already exist across Member States, regions and sectors. SPARKs are a call for strengthened action to roll out successful regional and sectoral partnership models urgently across Europe.

It is important to establish such ecosystems in EU strategic sectors with a long-term vision and priorities based on real economic strengths and societal challenges, guided by skills intelligence data, industrial and innovation policy, regional development and investment programmes. For SPARKs to be successful, all relevant stakeholders need to be part of the ecosystem, including namely businesses, education and training providers (including teachers and their unions), trade unions, employer organisations, research/innovation institutions and technology transfer organisations, regional authorities, business support services, etc.

The development, scale up and connection of such ecosystems can be supported with:

- Incentives such as platforms for structured exchange and cooperation framework, appropriate funding mechanisms catering for the needs of specific stakeholders, infrastructure, professionalisation and institutional embedding.
- Sustainable financing models are also key, with public funding able to unlock and boost private and regional co-investment.
- Tailored guidance and build on available initiatives to specifically support SMEs, also making use of established social dialogue structures.
- The integration of small partnerships into high-impact regional and sectoral skills ecosystems.
- Support to interconnect regional and sectoral skills ecosystems and cross-border cooperation, including by making use of available EU tools and initiatives.

The Board has concluded that an enabling framework that is learner-centred and promotes accessible flexible labour market relevant learning opportunities tailored to working-age adults is key. This can be supported with:

- Adapted policy and funding frameworks that enable education and training providers to be more agile in up and reskilling adult workforce, in cooperation with businesses, including through innovative methods, learning conducive workplaces and innovative community learning spaces.
- Further development and uptake of microcredentials for more flexible upskilling and reskilling by ensuring their funding and recognition.
- Social partner involvement in anticipating forthcoming organisational changes and subsequent learning needs.
- Investment in modern Public Employment Services to support employers and individuals with guidance and job-matching services and training.

Agile skills **ecosystems** can be adjusted to different sectoral needs and national, regional and local circumstances. They can evolve in line with changes in the labour market and be developed in all Member States, across sectors and cross-border at EU level. Clear aims on the impacts to be achieved are important. Aspects such as number of trained people, involved stakeholders or training provided can demonstrate their results and foster increased engagement. In terms of impact, regional and sectoral skills ecosystems set up in line with the above listed elements could contribute to common skills objectives that are monitored via the European Semester. This includes adult learning, up- and reskilling and addressing shortages.

The Board recommends the Commission to consider SPARKs for upcoming initiatives and in the context of its work on the European Semester.