

Financing adult learning database

Name of the instrument - Local language	Fundación Estatal para la Formación en el Empleo (Fundae)
Name of the instrument - English translation	State Foundation for Training in Employment (Fundae)
Scheme ID	75
Country	 Spain
Reporting year	2020
Type of instrument	Training fund
Sub-type of instrument	National level collection and national level distribution
Type of entry	Single instrument

Short description	<p>All private companies and employees pay a monthly professional training fee to Social Security ('cuota de formación profesional' in Spanish). This fee is calculated as a fixed share of the payroll (0.6 % and 0.1 % for companies and employees respectively). This contribution is channeled to the system of vocational education and training for employment. The system also has other sources of funding, namely the State (General Administration) and the European Social Fund, which may provide resources to autonomous communities to fund some specific programmes which meet the requirements (specifically those supply-driven schemes aimed at the unemployed). In January every year, companies have an 'annual training credit' available, which can be used to cover demand-driven schemes costs by means of discounts in social security contributions, once training actions are finalised and paid by the company. Supply-driven schemes are free for individuals. The most important demand-side schemes managed by Fundae are training delivered/planned by companies ('formación programada por las empresas') and individual training leaves ('permiso individual de formación, PIF'). Fundae also manages important supply-side schemes, such as training for employed workers and the unemployed ('formación de oferta'). Concerning the latter, there are different types of programmes, for which training actions are defined in calls, which could cover several years. Women, older than 45 years of age and non-qualified people are preferential groups.</p>
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Level of operation	National
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Name of a part of the country	Not applicable
Name of the region (for regional instruments)	Not applicable
Name of the sector (for sectoral instruments)	Not applicable
Relevance	Key instrument
Legal basis	Royal Decree 694/2017. The tasks and functions of Fundae are regulated by art.36 of Royal Decree 694/2017, which develops Law 30/2015 for the regulation of the System of the Vocational Education and Training for Employment. Since 2017, after the approval of Royal Decree 694/2017, several ministerial orders have been published, to continue the normative development of the system. However, some aspects have not been explicitly developed in recent norms, and the previous legal framework remains in force. For instance, demand-driven training (training delivered by companies to their employees) and its financing are still regulated by previous legislation, with Royal Decree 395/2007 and Order TAS/2307/2007.
Objective(s) and target(s)	Fundae, the State Foundation for Training in Employment, as the collaborating and technical support entity of the State Public Employment Service concerning the Vocational Education and Training System for Employment, manages funds available for the training of Spanish workers (both employed and unemployed, and both demand-driven and supply-driven schemes). The Fundae Action Plan 2019-2020 includes the following functions and objectives: - To support social dialogue by proposing measures to boost and reactivate Vocational Training for Employment in order to achieve the most advanced levels in the European environment. - To promote, develop and extend training initiatives in the field of state management, in order to achieve higher levels of participation of its beneficiaries, as well as the quality of training actions. - To propose actions that favour the prospection and detection of training needs in the different productive sectors, the improvement and recognition of the acquired competences, the advance and consolidation of the evaluation and information systems, as well as the development of researches that favour learning and access to Training for Employment. - To maintain Fundae as an institutional reference for the Vocational Training for Employment system in Spain, both nationally and internationally, through the development of dissemination actions and strategic collaborations that allow the extension of training within the framework of permanent social dialogue.
Year of implementation	2015
Operation/management	Fundae (State Foundation for Training in Employment) manages the funds allocated to the training programmed by the companies, which can be made effective by means of deductions in their social security contributions. All

	<p>private companies devote a small percentage of their social security contributions to pay for vocational training (a professional training fee known as 'cuota de formación profesional' in Spanish, which equates to 0.7%). This payment entitles them to an 'annual training credit' available (this 'credit' is not a loan, but money already available to pay for subsidised training). This amount of money available for companies can be devoted to pay for training organised by the company ('formación programada por las empresas'), which can be offered directly by the company, or by an external institution; as well as to cover costs linked to individual training leaves ('permiso individual de formación, PIF').</p>
Eligible group(s)	<p>All workers are eligible. That is, all employees, for demand-side training, and all workers (including the employed and the unemployed) on the supply-side training schemes.</p>
Group(s) with preferential treatment	<p>yes</p>
Education and training eligible	<p>The most important services managed by Fundae are training delivered/planned by companies ('formación programada por las empresas') and individual training leaves ('permiso individual de formación, PIF'), on the demand-side training, and training for employed workers and the unemployed ('formación de oferta'), on the supply-side training. Concerning supply-driven schemes, there are different types of programmes. The programming and management of these training actions are defined in each call, which could cover several years.</p>
Source of financing and collection mechanism	<p>Fundae, the State Foundation for Training in Employment, as the collaborating and technical support entity of the State Public Employment Service concerning the Vocational Education and Training System for Employment, coordinates funds available for the training of Spanish workers (both employed and unemployed, and both demand-driven and supply-driven schemes). More precisely, the system of vocational education and training for employment covers: 1. demand-driven schemes addressed at companies (support for training planned and managed by companies, and individual training leaves); 2. supply-driven schemes targeted at individuals (training for the employed workers and unemployed workers). Generally speaking, normally around 80-90% of the total budget available comes from the professional training fee to Social Security ('cuota de formación profesional' in Spanish) paid by companies, whereas the remaining 20-10% comes from the Central Government. Concerning the management of the training actions, in practice, training for the unemployed is primarily managed by the PES and in some cases also directly by autonomous communities, which may get some extra funding from other sources, such as the European Social Fund. Meanwhile, training actions aimed at employed workers (both demand-side and supply-side schemes) are principally managed by Fundae. The total Budget allocated to the Vocational Education and Training System for Employment in 2019 was EUR 2 414 494 180. This total budget came from the professional training fee to Social Security ('cuota de formación profesional' in Spanish) paid by companies</p>

	<p>(EUR 2 101 938 990 , 87.1% of the total) and from the State (EUR 312 555 190, 12.9%). In 2018, figures were the same. In 2017, the total budget was EUR 2 405 804 730. In particular, EUR 2 101 559 690 Euros came from the professional training fee to the Social Security (paid by companies and employees), and EUR 304 245 040 came from State allocations. Additionally, the European Social Fund may allocate resources to autonomous communities to fund some particular training programmes. Meanwhile, it can be said that in 2019, aids for companies had an allocated budget of EUR 661 368 300. These are aids for companies in form of social security deductions (demand-side schemes), to cover costs related to the training delivered/planned by companies, or 'formación programada por las empresas', and individual training leaves, or 'permiso individual de formación'.</p>
<p>Financing formula and allocation mechanisms</p>	<p>All private companies and employees pay every month a professional training fee to Social Security ('cuota de formación profesional' in Spanish). This fee is 0.7 %; 0.6 % paid by the company and 0.1 % by the employee. This contribution is spent in the system of vocational education and training for employment. The system has also other sources of funding: the State (General Administration) and the European Social Fund, which may provide resources to autonomous communities to fund some specific programmes which meet the requirements (specifically those supply-driven schemes aimed at the unemployed). In January every year, companies have an 'annual training credit' available (this 'credit' is not a loan, but money already available to pay for subsidised training). This 'credit' can be used to cover demand-driven schemes costs, by means of discounts in social security contributions, once training actions are finalised and paid by the company. Supply-driven schemes are free for individuals.</p>
<p>Eligible costs</p>	<p>With regard to demand-side schemes, Fundae manages training delivered/planned by companies ('formación programada por las empresas') and individual training leaves ('permiso individual de formación, PIF'). Concerning training delivered by companies, total costs of the training (direct costs derived from the training action, indirect costs, training organisation costs, salary costs) can be co-funded. Concerning individual training leaves, only salary costs (equivalent to the time that the worker is not effectively working) can be covered.</p>
<p>Volumes of funding</p>	<p>The total Budget allocated to the Vocational Education and Training System for Employment in 2019 was EUR 2 414 494 180. This total budget came from the professional training fee to Social Security ('cuota de formación profesional' in Spanish) paid by companies (EUR 2 101 938 990, 87.1% of the total) and from the State (EUR 312 555 190, 12.9%). In 2018, figures were the same. In 2017, the total budget was EUR 2 405 804 730. In particular, EUR 2 101 559 690 came for the professional training fee paid by companies, and EUR 304 245 040 came from State allocations. This budget is principally divided into 2 main lines of funding (unemployed and occupied). In 2019, budget allocated to training for the unemployed was EUR 1 209 765 490, and for the training for the occupied was EUR 1 147 150 280.</p>

	<p>There is a third line 'others', with EUR 57 578 410. In 2018, training for the occupied had EUR 1 147 150 280 allocated, training for the unemployed, EUR 1 209 765 490, and 'others', EUR 57 578 410. In 2017, training for the occupied had EUR 1 064 105 860 allocated, training for the unemployed, EUR 1 157 863 760 , and 'others', EUR 183 835 110. In 2019, as part of the training for the occupied (EUR 1 147 150 280), aids for companies (in form of social security deductions, to cover costs related to the training delivered/planned by companies, or 'formación programada por las empresas', and individual training leaves, or 'permiso individual de formación') had an allocated budget of EUR 661 368 300. In 2018, these actions planned in companies had an allocated budget of EUR 661 368 300, the same as in 2019. In 2017, these actions planned in companies had an allocated budget of EUR 632 888 320.</p>
<p>Beneficiaries/take up</p>	<p>Fundae's work covers demand-driven schemes and supply-driven schemes (training for the employed workers and unemployed persons). On the demand-side training, Fundae manages training delivered/planned by companies ('formación programada por las empresas') and individual training leaves ('permiso individual de formación, PIF'). The total number of individual beneficiaries is based on estimations. Fundae provides separate numbers for participants in training delivered by companies and individual training leaves, and for the estimations presented next, both figures have been summed up (although someone who has enjoyed a PIF and also attended company training would be counted twice): 2017: 4 023 061 2018: 4 418 965 2019: 4 625 362 On the other hand, concerning supply-driven schemes, there are different types of programmes, aimed at employed workers or to unemployed workers). The programming and management of these training actions are defined in each yearly call, which could lead to actions implemented throughout several years. According to the Fundae Annual Report 2019, the planning for 2019 consists of 713 programmes, with 858 079 participants expected. With regard to 2018, the Annual Report indicates that there were 606 930 participants subscribed, and 305 plans approved.</p>
<p>Organisation responsible for monitoring/evaluation</p>	<p>Fundae, the State Foundation for Training in Employment, is the collaborating and technical support entity of the State Public Employment Service in the field of vocational training for employment. Its work is evaluated by external evaluators hired ad-hoc periodically for evaluating different activities and programmes. To ensure that training initiatives meet their objective, the legal framework in force provides for monitoring, including checking requirements and formalities or evaluating the results of the training. To this end, each year the Spanish Public Employment Service prepares monitoring and control plans for the different training initiatives and proposes objectives and joint actions with the Labour and Social Security Inspectorate. At the same time, Fundae periodically and systematically carries out evaluations of the results and quality of the initiatives of the Vocational Training for Employment System that it manages.</p>
<p>Monitoring/evaluation</p>	<p>Implementation report for the annual plan for the</p>

reports available	<p>evaluation of the quality, impact, effectiveness and efficiency of the entire system of vocational training for employment in the labour sphere- 2017-2018 In Spanish: https://www.sistemanacionalempleo.es/pdf/Resumen_ejecutivo_PAE_2017-201... In English: https://www.sistemanacionalempleo.es/pdf/Abstract_PAE_2017-2018_Ingles_... Most important section: Block 4: Evaluation of training scheduled by companies and individual training leaves 2017-2018 (Fundae)</p>
Most relevant webpage - in English	Not available
Most relevant webpage - local language	<p>Fundae website: https://www.fundae.es/formacion/iniciativas</p>
Recent changes	<p>No recent amendment since its creation in 2015</p> <p>Recent changes in response to COVID-19</p> <p>No changes</p>
Sources	<p>Fundae website www.fundae.es</p> <p>Annual Report 2019 ('Memoria de Actividades') https://www.fundae.es/docs/default-source/default-document-library/memo...</p>