

## Financing adult learning database

<b>Name of the instrument - Local language</b>	Contribution à la formation professionnelle continue
<b>Name of the instrument - English translation</b>	Contribution to the continuing vocational training
<b>Scheme ID</b>	86
<b>Country</b>	 France
<b>Reporting year</b>	2020
<b>Type of instrument</b>	Training fund
<b>Sub-type of instrument</b>	National level collection and sectoral level distribution
<b>Type of entry</b>	Single instrument

<b>Short description</b>	<p>All employers have to contribute to training funds (managed by social partners) by paying a single annual contribution, which is later channeled to OPCOs (Opérateurs de Compétences, state-approved bodies responsible for supporting vocational training). The level of the contribution to the fund (levy on companies, calculated as a percentage of payroll) depends on the size of the company. From 2016 onwards, companies with less than 11 employees contribute 0.55% of their gross annual wages and companies with 11 or more employees contribute 1%. The collected funds are used to cover companies' and individuals' education and training costs through different grants established (e.g. individual learning account, professional training contract, professionalisation period or individual training leave). The management is in the hands of OPCOs. Currently, there are 11 OPCOs covering different sectors. At the time of data collection, the system was undergoing changes - it is planned that the contributions will be collected by URSSAF from 2022 onwards.</p>
--------------------------	---

<b>Level of operation</b>	National
	Sectoral
<b>Name of a part of the country</b>	Not applicable
<b>Name of the region (for regional instruments)</b>	Not applicable

<b>Relevance</b>	Key instrument
<b>Legal basis</b>	Law No 71-575, 16 July 1971; Law No 2014-288, 5 March 2014; ANI 14 December 2013 [1] Loi n° 2014-288 du 5 mars 2014 relative à la formation professionnelle, à l'emploi et à la démocratie sociale; [1] Loi n° 71-575 du 16 juillet 1971 portant organisation de la formation professionnelle continue dans le cadre de l'éducation permanente; [3] Accord national interprofessionnel du 14 décembre 2013 relatif à la formation professionnelle; (4) Loi n° 2018-771 du 5 septembre 2018 appelée Loi "Avenir professionnel"
<b>Objective(s) and target(s)</b>	The main objective of the training contribution is to enable employees to upgrade skills and to develop new skills. The first legal Act regarding the vocational training fund was established respectively the 9th July 1970 (National inter-professional agreement) and the 16th July 1971 (Law, named Delors Law). Facing the 1968 crisis, and following the Grenelle Agreement, social partners introduced vocational training in the collective bargaining. By the two legal Acts, vocational training enters the Labour Code and the individual training leave is created. More accurately, employers must contribute to the training fund by the way of a compulsory contribution. Thereafter, a number of reforms have been implemented, without changing the main design of the first legal Act. In 2018, the Law for the Freedom to Choose a Vocational Future edicted two new objectives: provide citizens with new rights in order to empower people along their working life; reinforce the investment of the companies in the vocational training of their employees.
<b>Year of implementation</b>	1971
<b>Year of latest amendment</b>	2019
<b>Operation/management</b>	Companies have to invest a certain amount in training. This contribution has to be paid to the French URSSAF (Unions de Recouvrement des Cotisations de Sécurité Sociale et d'Allocations Familiales, meaning the Organisations for the payment of social security and family benefit contributions) which is a network of private organisations, created in 1960, whose main task is to collect the employee and employer social security contributions. From 2020, the French URSSAF has to transfer the collected funds to France Competences which will allocate funds to OPCOs (OPCOs can be organised by sector or be intersectoral, and are created through collective agreements, the State giving its authorisation to operate). Each OPCO defines its own specific priorities.
<b>Eligible group(s)</b>	Eligible groups include company workers and unemployed people.
<b>Group(s) with preferential treatment</b>	Yes
<b>Education and training eligible</b>	The training fund supports the vocational training system both for employees and job seekers. More precisely, the training fund supports : - Alternating training schemes

	(apprenticeship contract and professionalization contract) - The individual learning account (CPF) - Schemes for skill development of companies less than 50 employees - The Professional development counseling (CEP Conseil en évolution professionnelle) - Vocational training of the unemployed
<b>Source of financing and collection mechanism</b>	Levy on companies. All the companies of the private sector must contribute to the training fund. The State, regional and local authorities, government organisations are exempted from the tax. From 2016 onwards, companies with less than 11 employees contribute 0.55% of their gross annual wages and companies with 11 or more employees contribute 1%. Temporary work agencies less than 11 employees should pay 0.55% as other companies; however, temporary work agencies with 11 or more employees should contribute to 1.3% of their gross annual wage.
<b>Financing formula and allocation mechanisms</b>	From 2018, the contribution to vocational training fund has 5 components: i) the levy tax including tax for the development of vocational training (1%) and tax for apprenticeship development (0.68%); ii) a specific tax for individual learning account of employees in short duration contract : 1% of the gross annual wage of short term contracts; iii) an extra-legal vocational training tax negotiated for each sectoral agreement and collected by the OPCO; iv) an extra-legal apprenticeship training tax for companies more than 250 employees; v) a voluntary contribution of companies to its OPCO to finance other vocational training actions
<b>Eligible costs</b>	Eligible costs include training costs related to different items, particularly tuition fees and other training-related costs (travel, subsistence costs, etc)
<b>Volumes of funding</b>	Approximately EUR 7 700 000 000 in 2019, EUR 7 000 000 000 in 2017
<b>Beneficiaries/take up</b>	in 2018, the OPCA (substituted by OPCO) has supported vocational training of : - 411 000 employees corresponding to 8.7 million hours of training in companies 50 to 300 employees. These vocational training actions were included in the skill development Plan of the companies. - 532 456 employees corresponding to 12.1 million hours of training in companies 11 to 49 employees. These vocational training actions were included in the skill development Plan of the companies. - 700 368 employees corresponding to 24 million hours of training in companies less than 11 employees. These vocational training actions were included in the skill development Plan of the companies.
<b>Organisation responsible for monitoring/evaluation</b>	France Compétences
<b>Most relevant webpage - in English</b>	Not available
<b>Most relevant webpage - local language</b>	<a href="https://www.centre-info.fr/site-droit-formation/actualites-droit/colle...">https://www.centre-info.fr/site-droit-formation/actualites-droit/colle...</a>

<p><b>Recent changes</b></p>	<p>05-09-2019. The Law for the freedom to Choose a Vocational Future has : - significantly changed the vocational training financial system - changed the nature of the contribution of the companies. From 1971, companies had the choice to train or pay the tax, favoring training offered by the large companies. From 2018, companies are obliged to pay a contribution to the training fund, whether they train or not their employees. By obliging companies to pay the vocational training contribution, the State seeks to improve the participation of adults in vocational training actions.</p> <p>Recent changes in response to COVID-19</p> <p>The Ministry of Labour has announced new schemes to foster vocational training during the lockdown period. The State covers pedagogical costs for employees on short-time working</p>
<p><b>Sources</b></p>	<p><a href="https://www.performance-publique.budget.gouv.fr/sites/performance_public...">https://www.performance-publique.budget.gouv.fr/sites/performance_public...</a></p> <p><a href="http://clariforma.com/la-reforme-du-financement-de-la-formation-profess...">http://clariforma.com/la-reforme-du-financement-de-la-formation-profess...</a></p> <p><a href="https://dares.travail-emploi.gouv.fr/mot/depenses-pour-la-formation-pro...">https://dares.travail-emploi.gouv.fr/mot/depenses-pour-la-formation-pro...</a></p> <p><a href="https://www.insee.fr/fr/statistiques/3526086">https://www.insee.fr/fr/statistiques/3526086</a></p>