Spain

The interplay of supply- and demand-side instruments in financing CVT/ adult learning (in particular job-related)

The adult learning system of Spain is heterogeneous reflecting the shared competence for adult learning of the central government and the regional governments of the different Autonomous Communities. In this sense, due to framework laws enacted by the central government assuring formally similar approaches practices and minimum standards across the country, regional governments are able to introduce relatively small variations reflecting local preferences in policy making. This situation is particularly the case for the implementation of supply-side training initiatives for employed workers, whereas the strong demand approaches are solely managed by Fundae (the State Foundation for Training in Employment).

Demand-side instruments in financing CVT/ adult learning (in particular job-related)

- **Key institutions involved and funding sources**

The key institution at national level is the Fundae, which results from the reform of the former Tripartite Foundation. Currently, the management of Fundae is solely in the hands of the Spanish central administration, where leading Spanish trade union and business organisations participate in its board, along with the Spanish Autonomous Communities. Fundae is responsible for promoting and coordinating the implementation of public policies on professional training in the area of employment and labour relations and therefore managing several of the most important training incentives in Spain. Fundae is funded based on mandatory contributions by employers and employees.

- **Instruments targeting individuals**

At national level, Fundae (#75) subsidises training supply for employed workers ("Oferta formativa para trabajadores ocupados" in Spanish), including sectoral and cross-sectoral training programmes for the employed and self-employed. These training activities, organised by recognised educational training providers after successfully bidding for open calls for proposals, result in a "menu" of free training courses where employees can choose from.

Furthermore, a training leave is established, intended at supporting individually chosen training activities carried out by individual employees and responding to their own training needs (#79, #80).

At regional level, adults participating in higher education can access regionally implemented loans (#78). Based on a collective agreement, the Construction sector has its particular Training fund arrangement (#76), which organises also training courses that are offered as a "menu" to interested employers and employees.

In the case of unemployed workers, they have access to supply-side measures, while demand-side instruments play no particular role.

- **Instruments targeting companies**

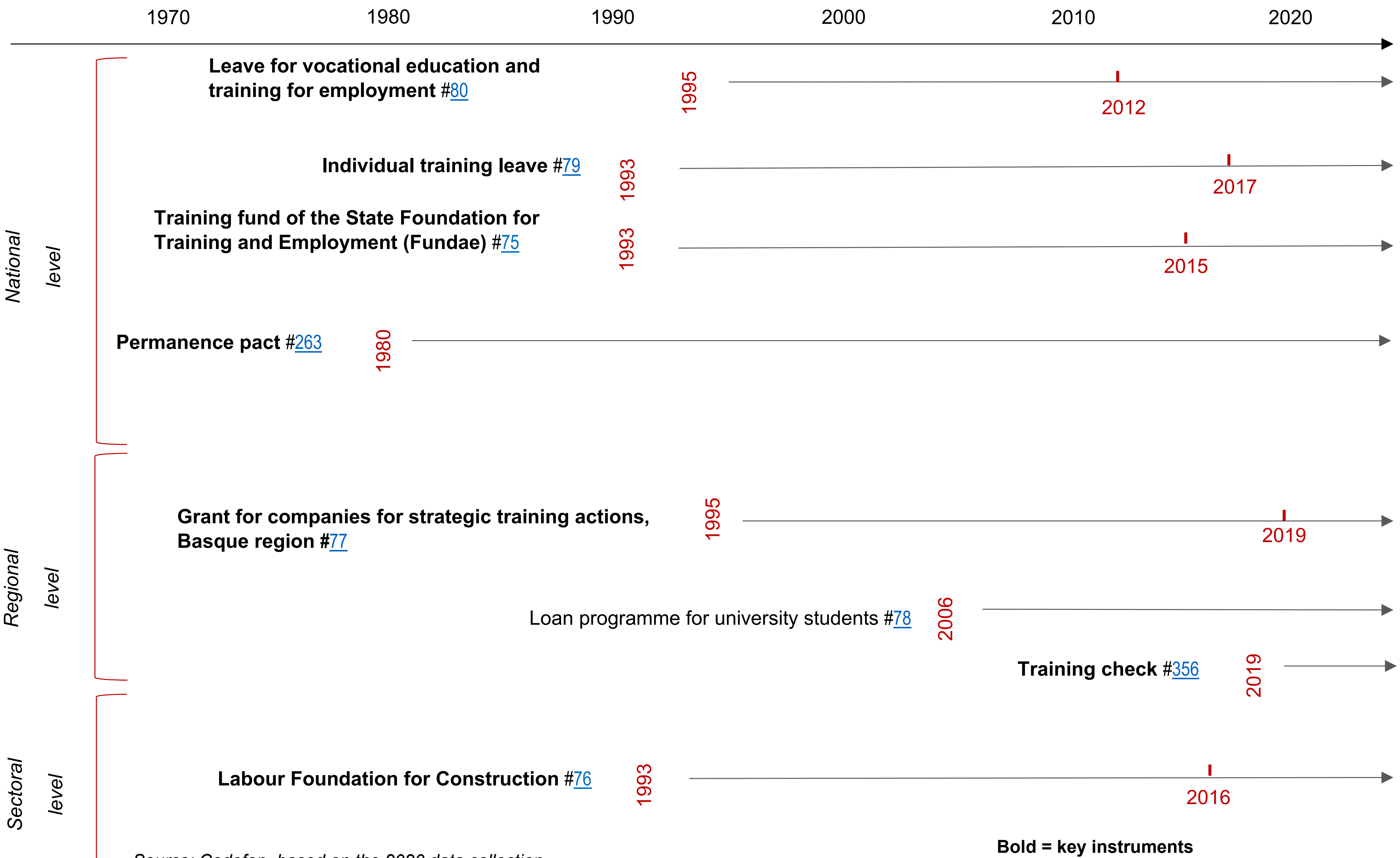
Companies can access financial support for training organised by companies themselves for their employees (#77) ("formación programada por la empresa" in Spanish). These training initiatives seek to respond to the real, immediate and specific training needs of companies for their workers. The existing labour legislation establishes that an employer can agree with their employees for a payback clause (#263) for incurred training costs in case an employee quits within a set period.

Table 1. Overview of demand-side financing instruments in Spain by 2020

Level of implementation	Importance of the level of implementation	Overall importance of the instrument	Demand-side instruments targeting individuals		Demand-side instruments targeting companies	
National level	High	Key instruments	Training leave	Individual training leave #79 Leave for vocational education and training for employment #80	Training funds	State Foundation for Training in Employment (Fundae) #75
		Further instruments			Payback clause	Permanence pact #263
Regional level	High	Key instruments				
		Further instruments	Grants for individuals	Training check #356	Grants for companies	Financial support for the implementation of strategic training actions carried out by companies in the Autonomous Community of the Basque Country #77
			Loans	Programme of loans for university students #78		
Sectoral level	Moderate	Key instruments				
		Further instruments			Training funds	Labour Foundation for Construction #76

- **Evolution of demand-side instruments over time**

Figure 1. Overview on the evolution of demand-side instruments in Spain until 2020



Source: Cedefop, based on the 2020 data collection

- **Statistics on volumes of funding and beneficiaries**

Table 2. Statistical data on volumes of funding and beneficiaries

ID	Name of the instrument	Year of reference	Volume of funding (EUR)	Year of reference	Beneficiaries (individuals)	Year of reference	Beneficiaries (companies)
75	State Foundation for Training in Employment (Fundae)	2019	2 414 494 180	2019	4 625 362[e]	2019	339 846
76	Labour Foundation for Construction	2019	73 531 160	2019	94 858	2019	9 177
77	Financial support for the implementation of strategic training actions carried out by companies in the Autonomous Community of the Basque Country	2019	3 200 000	2018	9 930	2019	238
356	Training check	2019	2 970 080	2019	1 000[e]	-	-
78	Programme of loans for university students	2017	3 092 392	2018	1 974[e]	-	-
79	Individual training leave	Not available	Not available	2019	5 461	-	-
80	Leave for vocational education and training for employment	Not available	Not available	2019	948 200	-	-

Source: Cedefop, based on the 2020 data collection ([e] = estimate)

Table 3. Short description of the financing instruments

ID	Name	Level of implementation	Importance of the instrument	Short description
(1) Training funds				
75	State Foundation for Training in Employment (Fundae)	National level collection and national level distribution	Key instrument	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.
76	Labour Foundation for Construction	Sectoral level collection and sectoral level distribution	Further instrument	Companies in the construction sector (as defined by NACE Rev. 2) have to pay a compulsory levy calculated as a percentage of payroll. The level of levy determined by the social partners' board members, and it is currently a 0.35% of the Social Insurance contribution bases for the period 2018-2021. These payments make up the budget of the Labour Foundation. The Labour Foundation for Construction develops its activities for sector companies, workers and the unemployed. For each of them, different activities and services are provided. The Foundation provides services for sector-related occupational health and safety (tutorials, OSH-related practical experiences, advisory services), employment promotion (including a job portal, recruitment and placement services, employment guidance or the development of the so-called Construction Professional Card), as well as other information-related services relevant for the sector (including the provision of studies on emerging sector skill needs, training manuals, sector analysis on different domains, etc). 100% of eligible costs can be covered. The idea is to make the Foundation a sectoral knowledge centre for the sector that diffuses this knowledge to the sector. Special treatment is given to some specific groups, particularly to unemployed workers. They can benefit from specific ad-hoc activities, including training-related ones.
(2) Tax incentives for companies				
	No tax incentives for companies are established.			
(3) Tax incentives for individuals				
(4) Grants for companies				
77	Financial support for the implementation of strategic training actions carried out by companies	Regional (Basque Country)	Further instrument	Companies located in the Basque country that have a workforce of 35 or more employees can apply for support for their training actions. Such training actions need to be part of a well-defined company training plan. The grant supports any training aimed at improving skills directly related to the company's productive process. The duration of any supported training activity should have a duration between 6 and 270 training hours per participant and year. The companies must guarantee that the training actions for whose execution the grant is requested have not been already subject to a discount in the FUNDAE national model. The amount of the lump-sum depends on the number of companies applying for the instrument and fulfil the existing criteria. The amount is calculated via several appraisal criteria,

	in the Autonomous Community of the Basque Country			including the size of companies, the strategic nature of the training activities or its degree of innovativeness. Certain types of training fields are also given preference. Eligible cost include fees and other training related costs. Smaller companies are given preference (minimum size 35 workers). Companies can apply for the grant each year.
(5) Grants for individuals				
356	Training check	Regional (Autonomous Community of Madrid)	Further instrument	According to general national legislation, the training check targets the unemployed. The pilot project applied in 2019 targets unemployed persons interested in obtaining a professional certificate (for officially accrediting informal skills) in the professional field 'trade and marketing', and living in the autonomous community of Madrid. It is regional public employment services officers that assess candidates to take part in the training check following their professional path. No preferential treatment is applied for a particular eligible group. National legislation does not specify costs covered. In the pilot project developed by the autonomous community of Madrid in 2019, types of learning content eligible referred to courses aimed at obtaining the professional certificate (for officially accrediting informal skills) in the 'trade and marketing' professional field.
(6) Loans				
78	Programme of loans for university students	Regional	Further instrument	Adults can use this loan scheme which was introduced to support students in initial education to cover tuition fees in full-time higher education. The initiative is aimed at students who apply for studies in universities that adhered to the AGAUR agreement. No preferential treatment is applied. The loans are provided by private retail banks based on funds from the private capital market. The government provides a loan guarantee. There are two types of loans with the maximum amounts: EUR 7 000 (loan to fund fees for university studies) and EUR 30 000 (a loan for post-graduate studies, which may compensate also for living costs). Repayment rates are fixed (monthly rates). The interest rate is regulated by the State.
(7) Training leaves				
79	Individual training leave	National	Key instrument	Employees can participate in vocational education and training while receiving their wages. All employees (in companies that pay the professional training fee to Social Security, 'cuota de formación profesional' in Spanish) are eligible (except for employees in public administration). This short term leave allows an employee to carry out an officially recognised training activity during working time, with no direct cost for the company. The eligible duration of the training leave is 1-25 working days. Employers can deduct the costs related to employees' training leave from their contributions to the social security system. The individual training leave pays for the salary costs of the employee (base salary, seniority and fixed complements) while he/she is attending training. The payment is limited to 200 hours per year and per employee. Only training time devoted to face-to-face learning (classes and tutorials) can be included in these 200 hours. Training programmes eligible must lead to a formal qualification (formal education). Employees can use the training leave once in each calendar year.
80	Leave for vocational education and training for employment	National	Key instrument	This measure is a workers' right included in the Workers' Statute. Employees who have worked for a company for at least one year are entitled to a 20-hour paid leave per year to undertake vocational education and training linked to the activity of the company. Eligible training includes vocational education and training for employment, which must be related to the company's activity. The eligible duration of the training leave is 0-3 working days. Companies pay the salaries of workers while they are in training. Training is organised by the company (either directly delivered or subcontracted). If applying for the schemes proposed by Fundae, companies could deduct training costs from their contribution to the social security system. The measure can be re-used by the same applicant once in each calendar year.
(8) Payback clauses				
263	Permanence pact	National	Further instrument	Following the Spanish Workers' Statute (article 21), employers and employees can agree on a payback clause. Thus, in compensation for employer-provided/financed training, employees and employers may sign a written agreement where the employees commit themselves to stay in the company for an agreed period (but no longer than 2 years). If the employee leaves the company before the agreed time, the employer is entitled to compensation for damages.