

# Best practice cases of financing trainings

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**Best practice** - method that produces results that are superior to those achieved by other means or a method that has become a standard way of doing things

The aim on the presentation to discuss the motivational aspects of the following funding sources to cover costs of energy efficiency related training

- \* Public/ESF funding – employed/unemployed workforce
- \* Employer contribution through tax system
- \* Employee direct contribution

# Public funding - central and regional government budget, usually complemented by funds from community budget of EU

Indicated as a best practice case by:

## **Estonia**

State order for continuous vocational training programs (un-employed, disadvantaged, employed). State tenders for retraining un-employed .

**Greece** – framework of ESPA - Under this framework IME GSEVEE has designed and implemented training courses in cooperation with social associations in the sub-work “Preparation of pilot programmes of technical training in small enterprises by developing training plans, contents and materials”.

NSRF financing

**Hungary** – ESF + state co-financing funding, where the goal was to improve the competences of groups, which were almost entirely excluded from or disadvantaged in the labour market

**Italy** - Training for the unemployed and young people in search of employment is borne by public funds (Regional resources + EU funds). The new legislation called the "Jobs Act" provides for the worker who loses income support measures work (training dowry the employee can use in accredited training centers).

# Public funding - central and regional government budget, usually complemented by funds from community budget of EU

## Ireland

Back to Education Allowance BTEA (full time courses) and Springboard (part-time courses), allows unemployed person to retain their welfare payments while attending courses towards the next qualification level, mainly at NFQ levels 6-9, recognition of prior learning (RPL) encouraged;

Further Education and Training (FET) Courses (ESF cofinancing 50%), Short modular courses (ex. 6 -24 weeks) mainly in ETB Training Centres. Courses which can lead to Further Education and Training Awards Council (FETAC) awards at levels 3, 4, 5 and 6 and/or to industry recognised accreditation.

Education, Training and Development Option - permits participants to retain their welfare benefit payments whilst attending short courses

Apprenticeships - Employers/State cofinanced (On the job training – employers pay wages, Off the job training – State pays) Demand subject to vagaries of economy, high efficiency of producing well skilled workers.

# Motivational aspects of public funding sources to cover costs of energy efficiency related training

## State / regions / provinces

- Main method to actively and quickly influence the supply of skilled workforce
- Possibility to address needs regionally
- Cost-effective for financer (unit price based state orders or large tenders, projects with large number of participants )
- Addresses retraining of unemployed

## Training institutions

- Motivated partners in the system
- Enshures possibility to work with themes and target groups that are difficult to address market based

## Employers or professional associations of employers

- Indirect costs are expected to be covered by employers /employees
- Within the frame given by state associations have possibility to prioritize choice of fields and content
- Possibility to influence up-skilling and cross-craft skills

# Employer contribution through tax system

- \* **Italy – Inter-professional funds** financed by the companies with a percentage of 0.30 on the mass of salaries: through Fondimpresa, Foncoop, Fondirigent, i Fondartigianato continuing education activities of industrial enterprises, cooperatives, artisan is financed. In construction sector Formedil building schools provide training and co-finance the programs supported by regional, national and European funds.
- \* **Greece - LAEK** 0.24% of employer contributions for workers, the company uses the employer's contribution paid to its employees each year to account for employment and vocational training or the unabsorbed amount of own resources of the previous year. Also members of the Greek Association of Accredited Certification and Inspection Bodies organize training courses to support the certification of engineers and technicians on selected energy topics (insulation, photovoltaics, etc) mainly with LAEK financing.

# Employer contribution through tax system

\* **Hungary** - vocational training contribution is 1.5 % of the health insurance and labor market contribution base. The costs of training their own employees, however, may be accounted for by businesses with vocational training contribution payment obligation which provide contractual practical training for at least 45 students per month.

# Motivational aspects of employer financed funding sources to cover costs of energy efficiency related training

## State / regions / provinces

- Brings additional resources to up-skilling
- Affecting the choice of training themes through setting compulsory trainings

## Training institutions

- Employer is very motivated to work on upbringing the training content
- In-house trainings with larger companies
- Pressure to reduce training costs
- Strong focus on compulsory trainings (both positive and negative aspect)

## Employers or professional associations of employers

- Good focus between employer needs and training content
- More influence on the training choices of the employee



# Direct contribution of employees

Indicated as a best practice case by:

## **Hungary**

Individual contribution The second most important entities in financing participation in adult education are individuals (24 % in 2011, 28 % in 2012, 26 % in 2013). The number of training courses initiated and launched by individuals, the costs of which are also covered by the participants, is significantly high. A majority of individuals are not prompted to participate in these training courses out of direct necessity; they recognize their long-term interests, and use their own private financial resources to join adult education. For such persons the knowledge acquired during the training courses will yield financial benefits in their career paths in the future.



**Thank you for your attention**

## More information...

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