

Public subsidies for the performance of a specific countrywide program to improve employability, skills and access to jobs for young people under thirty

Following the publication on August 29, 2014 of the Decision of August 20, 2014 by the central government's public employment service, this Commentary sets out the main points of the new decision in the field of labor and employment law.

1. Subject-matter and scope of application

The decision gives approval to a public subsidy system for the performance of a specific countrywide program to improve employability, skills and access to jobs for young people under thirty, targeted particularly at the unemployed and at the low skilled, and consisting of training projects that include: i) vocational training initiatives for employment geared towards allowing young people to obtain, and gain access to, professional standard certificates; ii) training initiatives with an undertaking to hire participants; and iii) training initiatives linked to IT, communication and foreign language skills.

The procedure will take the form of a competitive process guided by principles of objectivity, equality, transparency and publicity.

2. Term and filing period for applications

Any projects that receive funding must be carried out between the date the decision to grant the subsidy is notified and October 31, 2015.

Applications must be filed electronically, along with the documents required in the call for applications, on the website of employment training foundation Fundación Tripartita para la Formación en el Empleo (www.fundaciontripartita.org), within 20 days after the Decision came into force.

3. Candidates

The funded initiatives will be targeted at young people under thirty, particularly at the low skilled and the unemployed, who wish to better their professional skills to increase their chances of gaining access to a job or staying on the job market.

For projects targeted at young people who are beneficiaries of the National Youth Guarantee System, the participants must be registered on the National Youth Guarantee System files, but do not have to be registered job seekers. For all other projects, the unemployed participants must be registered job seekers at the public employment services.

These candidates:

- must apply to participate on the form appearing in the call for applications and any candidates who are registered on the National Youth Guarantee System files must apply to participate on the form that will be established by the directorate-general attached to the Ministry of Employment and Social Security that administers the European Social Fund;
- cannot take part in the same training initiative more than once;
- will be selected by the beneficiary entity, by reference to the project's priorities, to the training itineraries, and the needs identified by the public employment services, all guided by principles of equality and objectivity (the beneficiary entity will be responsible for selecting candidates in all cases and for determining that the participants satisfy the access requirements or have the basic skills needed for the training initiative);
- may be entitled, if accepted to take part in the program, to grants and assistance on the terms provided in the legislation, which may encompass payments for attendance, and for travelling, meal and accommodation expenses.

4. Types of projects and training initiatives

The following types of projects will be eligible for subsidies:

- Projects consisting of **training initiatives that include hiring undertakings and cater to the skill needs and/or meet the specific requirements for employment at which the initiatives are aimed.**

These training initiatives will be targeted at the young unemployed, the participants will receive up to 210 hours of training which may be given in face to face or distance learning formats or in a mixture of the two formats, unless the training is geared towards obtaining a professional standard certificate in which case it may be for a longer period.

The main characteristics of the hiring undertaking are as follows:

- The hiring must be done by the companies included in the application for the project, which must have given the relevant hiring undertakings.
- As a general rule, the hiring will take place within three months after the end of the training initiative concerned and, in all cases, within two months after the end of the project's performance period. If the hiring takes place before the training has ended a contract type that includes training must be used.
- At least 30 percent of the participants completing the training in the project must be hired. They will be hired under full-time employment contracts, for at least six months, or under half-day part-time contracts, for at least 12 months, or for the equivalent number of hours in accord with the conditions in the applicable collective labor agreement.
- The companies' hiring undertakings must include the following information: the training needs and jobs to fill, the pre training selection process (if any), profiles of the candidates for hiring, the number of people they undertake to hire, the type and term of the contract they will use to hire them and the number of employees on the hiring company's payroll on the publication date of the call for applications.

- Where a company takes part in more than one project, a worker's contract can only be imputed to one of the projects.
- Projects consisting of **training initiatives oriented towards obtaining professional standard certificates and the key skills to access them.**
- Projects consisting of **initiatives oriented towards obtaining skills in foreign languages and in IT and communication.**

5. Applicant entities and requirements.

The following entities will be eligible to apply for subsidies to fund the performance of the various types of countrywide projects:

- For the performance of projects consisting of training initiatives that include hiring undertakings and cater to the skill needs and/or the specific requirements for employment at which those initiatives are aimed (as provided in article 4.1 of the Decision):
 - Companies with workplaces in more than one autonomous community or city with a Charter of Autonomy.
 - Groups of companies, meaning groups that file joint financial statements, have the same effective management, or are formed by subsidiaries of a same parent company, where they operate in more than one autonomous community or city with a Charter of Autonomy and give hiring undertakings.

It also needs to be noted that:

- A company can only file one application and cannot participate in any of the other projects set out in article 4.1. If it is taking part in any of them, the application filed by that company or entity will be denied.
 - The person hired as a result of those undertakings cannot be hired to perform work at companies other than those that have signed the hiring undertakings submitted in the application.
 - The submitted hiring undertakings cannot under any circumstances imply the hiring of a number of employees greater than 30% of the existing employees at the company at the time the call for applications is published.
 - They must also commit to hiring employees in more than one autonomous community or city with a Charter of Autonomy. While these projects are being performed, after the decision to grant the subsidy, the companies may be replaced if, for supervening reasons, they cannot keep the hiring undertaking and the hiring undertakings concerned are taken on by other companies in the same group. Besides this, other group companies can be added if they meet the requirements and terms and conditions of the call for applications, and add new hiring undertakings.
- Projects consisting of training initiatives oriented towards obtaining professional standards and key skills for gaining access to those certificates, and any training initiatives oriented to obtaining skills in foreign languages, IT and communication (as provided in articles 4.2 and 4.3 of the Decision) must be performed by public or private training centers and entities that are either certified or registered on the register of training centers and entities kept by the central government's public employment service.

Further requirements are laid down for the applicant entities, which generally must:

- warrant that they have the necessary human and material resources to carry out the activity for which the subsidy is sought;
- have carried out on a regular basis the tasks involved in performing, or, at least, programming and coordinating, training activities in the 12 months preceding the publication of the call for applications concerned, and evidence that in that period they have kept at least two employees on the payroll on average;
- take out the mandatory accident insurance policy for any participants in face to face training activities and in the practical training module at workplaces.

6. Assessment, monitoring and inspection of training programs, and supporting qualification for subsidies

The beneficiary entities of the subsidies will be subject to an assessment, monitoring and inspection system for training initiatives consisting of the following:

- To assess the quality of the training initiatives, the beneficiary entities will have to complete the quality assessment questionnaires for training initiatives that will be published by the central government's public employment service and the outcomes will be notified to employment training foundation Fundación Tripartita para la Formación en el Empleo.
- Monitoring and inspection actions involving:
 - Real-time determination of the correct execution of the training process in relation to elements such as: premises, teaching staff, timetables, compliance with the program, among others.
 - Documentary evidence of compliance by the training centers with their obligations in relation to the training project.
 - Internal inspection visits at the offices where the training project is organized or managed regarding compliance with the formalities and notifications required by the granting authority.
 - Any further actions required in instructions given by phone, by sending circulars or by any other means.
- The Decision also sets out a system for supporting qualification for the granted subsidies which must be filed by the beneficiary within three months after the end of the subsidized project, for which the related powers will be held by employment training foundation Fundación Tripartita para la Formación en el Empleo.

That support will consist of evidencing satisfaction of the imposed conditions and achievement of the objectives set in the decision to grant the subsidy, by submitting a supporting account to employment training foundation Fundación Tripartita para la Formación en el Empleo and filing the following documents:

- Activity report supporting satisfaction of the conditions imposed in the decision to the subsidy, setting out the activities performed and the outcomes obtained.

- Economic report supporting the cost of the subsidized initiatives and activities.
- Any breach of the requirements established in the call for applications and other applicable laws, or of any conditions that may have been established in the decision to grant the subsidy, will give rise, following the appropriate refund procedure commenced by the authorities, to the obligation to refund all or part of the subsidy received plus late-payment interest, which will be the responsibility of the central government's public employment service.

7. Subsidy amounts

The subsidy amount will be determined by the maximum economic modules established in the legislation.

8. Entry into force

The Decision's Final Provision sets out that the subsidy system will come into force generally on the day following its publication in the Official State Gazette, and therefore this took place on August 30, 2014.

You can read the decision here:

<http://www.boe.es/boe/dias/2014/08/29/pdfs/BOE-A-2014-8979.pdf>