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SPANISH NATIONAL YOUTH GUARANTEE IMPLEMENTATION PLAN



ESTRATEGIA DE
EMPRESARIADO Y
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I. Introduction

On 28 February 2013 the Council of Ministers of Employment, Social Affairs and Consumption agreed to establish the **Youth Guarantee**, formally adopted by agreement of the Council on 22 April 2013^[1].

In addition, on 7 and 8 February 2013, in recognition of the particularly difficult situation of young people in certain regions, the European Council proposed a **Youth Employment Initiative** for the regions of Europe in which the rate of youth unemployment is higher 25%.

The purpose of the **Youth Guarantee** is to guarantee that *all young people aged under 25 receive a good offer of employment, further education, apprenticeship or training within four months after they complete their formal education or find themselves unemployed*. Application can be gradual for countries with greater budgetary constraints and a greater number of unemployed people not in training and a higher rate of youth unemployment.

Subsequently, the European Council indicated that Member States having access to the Youth Employment Initiative funds should submit a **National Youth Guarantee Implementation Plan** before the end of 2013.

In response to this mandate, the Plan described here establishes the framework for implementing the Youth Guarantee in Spain.

II. Context and Approach

Background

The National Implementation Plan follows the guidelines given in the Council Recommendation on the Youth Guarantee which include respect for gender considerations and the diversity of the young people covered by the Guarantee as well as adaptation to national, regional and local circumstances.

This Plan is also in line with the **Entrepreneurship and Youth Employment Strategy** 2013-2016 submitted last February, which is an essential tool for promoting youth employment and entrepreneurship as part of the Government's global strategy for progressing towards economic recovery.

The Entrepreneurship and Youth Employment Strategy is a project that results from a process of dialogue and participation with Social Agents. It covers 100 measures aiming to facilitate access to the labour market for young people through employment or self-employment. The 15 emergency measures which are expected to have an impact in the short term, were approved immediately through Royal Decree-Law

^[1] Council Recommendation of 22 April 2013 on establishment of the Youth Guarantee (2013/C 120/01).

4/2013 of 22 February on Measures to Support Entrepreneurs and Promote Growth and Job Creation.

The Entrepreneurship and Youth Employment Strategy also provides for measures that are important elements in the implementation of the Youth Guarantee so it is the framework for this Plan focusing on some of the elements of work with young people.

In addition, the drafting of this document takes into account the new financial framework 2014-2020 for European Union Structural and Investment Funds. This framework, in which the evaluation of outcomes will be a key element, alters substantial aspects of the programming and management procedures in order to guarantee that funds are concentrated on the top priorities, one of which is youth employment. These funds will go together with those of the Youth Employment Initiative.

This Initiative provides Spain with a total of 1.887 million Euros in current prices to refund expenditure on direct action for young people who are unemployed and are not in training:

- 943.5 million Euros from the specific budgetary line for youth employment.
- 943.5 million Euros from the specific European Social Fund investment.

This Plan therefore aims to optimise the resources which, by virtue of the Youth Employment Initiative and European funds in general, especially those from the European Social Fund, are available for Spain and amount to one of the key financial levers for promoting the Guarantee.

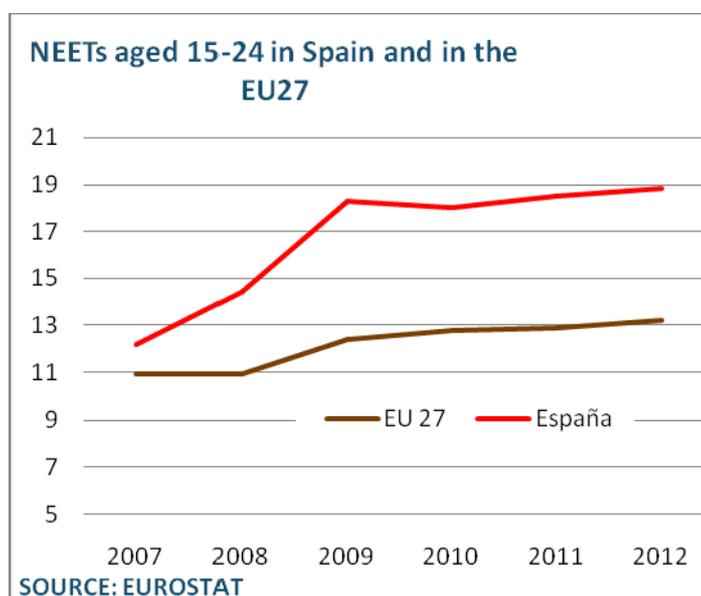
In addition, it is based on the preliminary work done in this connection on a European level. It takes into account the evaluation of the European Public Employment Services regarding recommendations for establishing the Youth Guarantee as well as the sharing of experiences in services for young people promoted by the European Commission.

Young people neither in education nor employment

Young people aged under 25 form one of the population groups that have been most affected by the process of job destruction that began in 2007. In 2012, out of a total of 4,156,100 young people aged between 16 and 24 in Spain, 945,000 were unemployed and 858,000 were not in education, employment or training, the so-called “NEETs”. This category covers inactive young people but most of them are young people who are actively searching for employment.

These figures illustrate the serious employment situation for young people in Spain which might lead to disconnection from the labour market and long-term exclusion.

Spain has one of the highest rates of young people aged under 25 not in education, employment or training (“NEETs”)¹ in the European Union, five points above the average and only surpassed by Bulgaria, Italy and Greece.

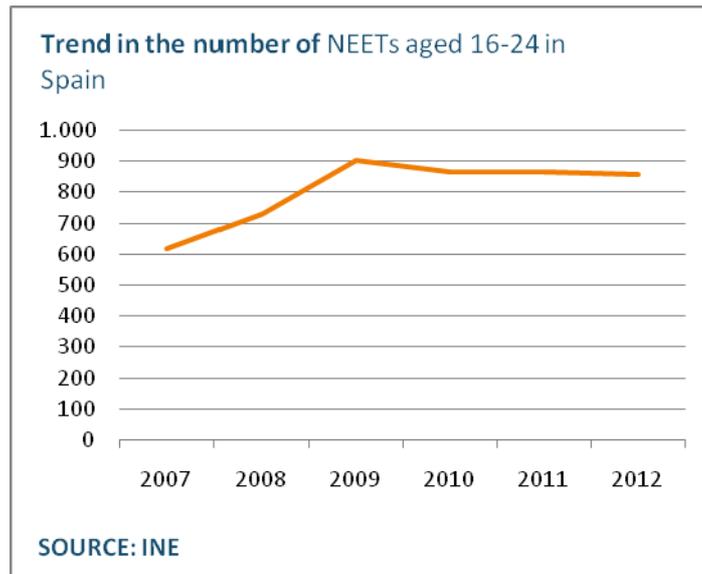


In general, all the European Union countries have seen rising figures, with the exception of Germany or Austria where the rate has dropped over the last year. The rising trend has been more marked in Spain (from 12.2% in 2007 to 18.8% in 2012) than in Europe, where it increased by just 2 percentage points.

In absolute terms², the figure has risen from 620,000 young people in this situation in 2007 to almost 860,000 in 2012. There was 45% growth between 2007 and 2009, when the maximum figure was reached (903,300). Since then, it has dropped by 5%.

¹ The NEET rate, according to the Eurostat methodology, is calculated on the basis of all young people within a certain age group rather than just those in the labour force (as with the EPA youth unemployment rate). Moreover, in order for a young person to be considered NEET, there are two requirements which must be simultaneous: they must neither work nor study.

² The Spanish National Statistics Institute (INE) only gives information on the number of young people aged between 16 and 24 who do not study and are not in training in absolute terms. This means that, in order to analyse the NEET rate and make comparisons on a European level, it is necessary to use the Eurostat NEET rate which includes young people aged 15 to 24.



The basic characteristics of this group of young people, taking the data for 2012, are as follows:

- **Unemployment problem:** 72% of NEETs are unemployed, that is, they are actively searching for jobs. In 2007, the proportion was below 50% (47%), which indicates that there is a direct link between the increase in unemployment and the number of NEETs during the crisis. In fact, the number of young people within this category who are still inactive dropped by 25% from 2007 to 2012. The main problem is, therefore, a lack of job opportunities.
- **58% have prior work experience.** 16% are long-term unemployed. This figure is 11 points above that for 2007 when it was just 5%.
- **Almost 80% of unemployed NEETs state that they are registered with a public employment service.** This figure has grown considerably since 2007 when it was just 57%. Data from the Labour Force Survey (EPA) also indicate that 25% of those who are not actively searching for employment are also registered³.
- **74% are aged between 20 and 24.** Their weight in the group as a whole has increased by more than 10 points with the crisis, which is the main reason for the growth in the group in general.

By educational level, **10% have higher-level studies and 25% have not completed their compulsory secondary education.** These proportions are very similar to those of 2007.

³ Every year the Spanish National Statistics Institute (INE) checks this declaration with the real registration figures and finds a high degree of consistency.

Adjustment to young people's profiles

The population group described above is very heterogeneous as it covers both young people who dropped out of school and who therefore have no skills nor work experience as well as people with high-level qualifications, extensive skills and work experience but who have been unsuccessful in their job searches.

The Plan therefore contains measures in line with young people's different profiles and targets, in different ways, both registered job-seekers and those who have not chosen that method of activation as well as those who have little connection with the labour market.

A key element in the Youth Guarantee actions will be to achieve good knowledge of the personal characteristics that are relevant for employment, so that young people receive the most appropriate service for their respective profiles.

The Plan has been drawn up taking into account the shared responsibility of young people in achieving successful integration in the labour market as well as the emphasis placed by the Recommendation on measures promoting labour mobility at national and European level.

The huge challenge this represents for the Public Administrations involved in dealing with this group under the conditions given in the Council Recommendation explains why this Plan adopts an approach based on the following guidelines:

- The Council Recommendation establishes an ambitious target in the long term with regard to the attention to be paid by the Public Administrations to young people not in education or employment. The aim is to achieve a structural change in the functioning of the Administrations, extending what are currently the best practices for dealing with young people in Spain and elsewhere.
- The aim of the Guarantee is that attention should be paid to young people as early as possible. This early attention requires a preventive approach for which it is essential to prevent early school drop-outs. This requires close collaboration between the education and employment authorities and measures for taking action before young people complete their studies or drop out.
- Another key objective of early action is to deal with young people requiring attention. The aim is to prevent the unemployment situation from lasting too long as this will reduce their possibilities of successfully re-entering the labour market. There are also actions to correct as early as possible any mismatching between young people's skills and qualifications and the needs of the labour market, in order to reach an appropriate inclusion.
- Basically, the aim is to prevent unemployment as far as possible and, where appropriate, to minimise periods of unemployment. Such targets are desirable under any circumstances but are of special importance for young people.

Such prevention and early action should be based on a global approach covering education, employment and social aspects.

Transformation of employment policies and focus on outcomes

The Plan aims also to be an instrument for change so that policies targeting young people and employment policies in general can be more outcome-based. This is in line with the attention paid by the new framework for programming European Funds and the assessment of outcomes of policies that obtain refunds from European Funds. Evaluation forms a key part of the conception, development and, obviously, evaluation of programmes that use European resources.

In order to progress towards this objective, the Plan includes measures to meet the requirements for evaluation and control of the European Social Fund and the Youth Employment Initiative and, in particular, measures to identify the training or employment situation of young people covered by the Guarantee after six months and one year after receiving attention.

Therefore, following the European recommendation, it promotes collaboration by all stakeholders resulting in joint work with participation by all institutions that can contribute to work with young people. A leading role will be taken by the Public Employment Services, as well as the Education and Vocational Training systems, social services, local administrations and social agents. Also relevant is the participation by private placement agencies, entities in the third sector that have extensive experience in labour market integration and training, private enterprises and business organisations such as chambers of commerce.

The Plan also aims to offer mechanisms to promote collaboration, dialogue and consensus leading to consistent integration of policies targeting successful inclusion of young people in the labour market. All this will be within the framework of the National Employment System and its structures as a whole, as well as measures and actions to implement employment policies, irrespective of a more extensive, integrated approach.

The aim is to bring about a real, tangible change that young people will notice and that will have measurable effects on employability and integration. However, it cannot be considered an action with immediate effects as it involves a process that is conceived on a European level as one of learning over time. The learning will be gradual and based on actions that have proved to be effective and it will be mutual allowing all to learn from the most successful actions. Special attention will be paid to incorporating the results of evaluations.

During the initial stages, therefore, the European Recommendation considers the possibility of gradual implementation for countries having special budgetary difficulties and the highest unemployment rates.

Moreover, it is conceived as a Plan that must evolve and develop especially during the first few months. During the first half of 2014, the General State Administration and the Autonomous Communities must specify the various operational programmes of the

Youth Employment Initiative and the European Social Fund as these instruments will be key for drawing up the financial aspects of this National Implementation Plan.

During the first six months, decisions will be taken on how to establish collaboration with the entities that will have a role in implementation of the Youth Guarantee, especially the Autonomous Communities, as well as the instruments to be used for this. The results of this work will be included where necessary in an updated version of this National Plan.

Process of consultation and participation

The Plan has been enriched with contributions from various interested parties in a process of consultation prior to approval and submission.

Participants in this process included the business organisations CEOE and CEPYME, the trade union organisations UGT and CCOO, and other social partners such as associations representing the Social Economy and self-employed workers, chambers of commerce, associations of young entrepreneurs such as CEAJE, and other entities of interest including the Spanish Young People's Council.

The Autonomous Communities also participated and various technical meetings were held with them through the Sectorial Conference on Employment and Labour Affairs held on 18 December 2013.

III. National definition of the Guarantee

The Council Recommendation⁴ defines the Guarantee as a recommendation to States that they ensure that *within 4 months of leaving school or losing a job, people under 25 should receive a good-quality offer of employment, further education, an apprenticeship or a traineeship.*

It also recommends that, when the Youth Guarantee Scheme is designed, Member States *should bear in mind matters of a general nature such as the fact that young people do not form a homogeneous group coming from similar social environments, as well as the principle of mutual obligation and the need to face the risk of periods of inactivity.*

The Youth Guarantee should be put into practice based on a consistent system of support measures and should take into account national, regional and local circumstances.

One of the central measures of Youth Guarantee Schemes is to adopt approaches based on association so that the public authority in charge of establishing and running the Youth Guarantee Scheme, which should be precisely identified, can promote joint work by the different entities.

⁴ Council Recommendation of 22 April 2013 on establishing the Youth Guarantee (2013/C 120/01)

The territorial organisation of the Spanish State has a high degree of decentralisation of education, training and employment policies so implementation of the Youth Guarantee in Spain will largely be on a regional and local level. However, and in order to guarantee implementation throughout the country, a national coordination mechanism has been set up within the Ministry of Employment and Social Security. The General Administration will also take direct action within its powers in the framework of the National Youth Guarantee Scheme.

The national definition given in this Plan also takes into account the recommendation that the starting point for the Youth Guarantee for young people registered as job-seekers should be when they actually register. And, for those who do not register, a starting point has to be explicitly defined. In both cases, the young people should explicitly express their desire to form part of the new Youth Guarantee Scheme in order to set up the process.

Therefore, for implementation in Spain, the Guarantee is defined as follows:

The Youth Guarantee will adopt an integrated, preventive approach with early action by all institutions that can help improve employability and integration in the labour market for young people so that, after the period of implementation:

- It will be possible to offer young people aged under 25 who are not in employment or training and who apply, by the means provided, for attention under the Youth Guarantee a good quality job offer or a training or educational action, continued vocational training, apprenticeship or traineeship, within four months after the application and, in any case, once the formalities of checking the information provided are complete and, where appropriate, when the applicant's profile is complete.
- There will be complementary measures or programmes of action targeting young people aged below 25 not in employment or training and who are disconnected from the labour market, helping to activate them in collaboration with the entities and agents involved.

For the above purpose, the following concepts are defined:

- **Job offer.** An offer guaranteeing that the young person, in line with their personal characteristics, especially age, training and experience, has the opportunity to acquire useful, sustainable experience of integration in the labour market.

Job offers under this category shall last for at least **six months**. Part-time offers should be for at least 50% of the ordinary working hours.

The job offers considered shall be those that are channelled directly through the public employment services, including those from the EURES system, by private placement agencies that collaborate or directly by private enterprises in whatever terms are established.

- **Training action.** These will be actions that provide young people with training in areas such as languages and information and communication technologies

and involving a minimum training time of 150 hours for people with no training and/or experience and of 90 hours for those who need the training to extend their skills.

- **Educational action.** Participation in “second opportunity” programmes or in medium or higher-level Vocational Training programmes.
- **Continued vocational training action.** These are actions offered within the framework of vocational training for employment and include training with an employment commitment.
- **Apprenticeship.** A job with a Training and Apprenticeship Contract, as well as in a workshop-school programme (“Escuelas taller”) or a work and training centre (“Casa de Oficios”).
- **On-the-job training.** A job with a work practice contract as regulated by the Workers’ Statute or in a non-labour work experience position in companies as regulated by Royal Decree 1543/2011 of 31 October, which covers non-employment work experience, providing they meet the conditions of the quality framework approved by the European Union.
- **Actions for self-employment and entrepreneurship.** These are actions that guarantee the start of self-employed activity that is sustainable over time, with registration in the Special Regime for Self-Employed Workers of the Social Security
- **Measures or programmes serving young people who have not registered or who have not requested attention.** These are measures or programmes targeting the whole of the young population and providing information on services and the support available under the Youth Guarantee scheme or measures and programmes based on early intervention and activation for young people who are disconnected from the labour market.

IV. Implementation of the Guarantee

Agents involved in implementing the National Youth Guarantee Plan

The following stakeholders will participate in implementation of the National Youth Guarantee Plan:

1. Participants in the process of consultation on the design, implementation and evaluation of the National Youth Guarantee Plan.

1.1. Social partners.

Amongst the most relevant social agents are the entrepreneurs’ organisations CEOE and CEPYME, the trade union organisations UGT and CCOO, the young entrepreneurs’ organisations, the Youth Council and young people’s associations. Others will be the most representative organisations in the social economy, for self-employed workers and in equal opportunities, as well as private bodies in the third sector that participate in management of the European Social Fund.

The role to be played by young people's organisations is especially relevant for including the point of view of young people and for ensuring that the initiative is published and made known, especially among young people who are not registered with the Public Employment Services.

The Ministry of Employment and Social Security *will ensure that social agents at every level participate actively in the design and implementation of policies targeting young people*, as laid down in the Recommendation on the Youth Guarantee.

It will also ensure that *young people's representatives or young people's organisations participate in the design and implementation of the Youth Guarantee system in order to adapt the services offered to the needs of the beneficiaries and to act as multipliers in awareness activities*.

1.2. Public Administrations.

It will also be necessary to involve certain bodies at different levels of the Public Administration whose powers require them to participate to a greater or lesser extent in the National Youth Guarantee Plan.

The relevant agents in this group include the following: National Public Employment Service, the General Directorate that administers the European Social Fund in Spain, the Autonomous Communities, the Spanish Federation of Municipalities and Provinces, the Ministry of Education, Culture and Sport, the Ministry of Finance and Public Administrations, etc.

1.3 Private sector agents.

Participants in the drafting of the Implementation Plan will include relevant agents from the private sector, especially those participating in the Operational Programme for Youth Employment of the European Social Fund 2014-2020.

2. Agents involved directly in implementation of the National Youth Guarantee Plan.

2.1. General State Administration.

The Ministry of Employment and Social Security will be the public authority in charge of establishing the Youth Guarantee Scheme and coordinating associations at every level and in every sector.

A key role in this context will be played by the national coordinator of the Youth Guarantee in Spain: the General Directorate for Self-Employed Workers, the Social Economy and Corporate Social Responsibility, which is responsible for administration of the European Social Fund in Spain and implementation of the Youth Employment Initiative; and the State Public Employment Service, which sets up measures and coordinates the public employment services.

Finally, an especially relevant role will be played by the Ministry of Education, Culture and Sport and the Ministry of Finance and Public Administrations, which will channel participation by local entities.

2.2. Autonomous Communities.

In view of the power structure of the Spanish State, the Autonomous Communities will have a key role to play in the implementation and management of the National Youth Guarantee Plan.

Implementation of the Youth Guarantee will involve the departments or councils that have powers in the following fields:

- Employment, especially through the Regional Public Employment Services.
- Education.
- Social Affairs.
- Youth

2.3. Agents outside the Public Administrations

In addition to the above-mentioned social agents, other participants in implementation of the Youth Guarantee will include any entities, both public and private, that can make useful contributions to fulfilment of the Guarantee, especially by participating in the Operational Programme for Youth Employment of the European Social Fund.

Procedure

The Youth Guarantee Scheme will guarantee that the Youth Guarantee is applied throughout Spain and will ensure that all young people requiring attention receive it under equal conditions.

Attention will be offered to young people who request it, whether registered as job seekers or not. Methods for requesting attention will be offered so that applicants throughout Spain can be correctly identified on an equal basis.

The attention offered and the offers made in the framework of the Guarantee will be linked to the creation of a full profile of the characteristics of the candidate for attention. This profile will indicate clearly the educational or training needs of the person in question and will be the basis for deciding what type of actions, out of all those defined in the catalogue, can be offered to that individual.

The regional administrations will be able to decide whether the profile should be completed with a personal interview by specialist staff in all cases or just some, depending on the basic characteristics in the profile. Such interviews will make it possible to find out more about the situation and characteristics of the young people in order to better define their profile and offer actions to improve their employability.

The managers of the scheme appointed by the regional authorities will be responsible for ensuring that the Guarantee is effective for all applicants.

Nevertheless, priorities may be set on the basis of age, prior labour experience, time unemployed, level of skills and time of the application. Special attention will be paid to young people more in need. For this purpose, work will be done with specific groups of disadvantaged young people and with those who have never worked or have paid Social Security contributions for less than 120 days.

Priority will also be given to young people who have not already received attention from the system. In the case of those who have already received assistance, the outcome of the actions will be analysed and an assessment made of whether it is appropriate or not to offer further actions in order to reach the goals established, especially bearing in mind the principle of shared responsibility. Finally, if there is equality in all the requirements, priority will be given to greater age as such people will be nearing the end of their applicability for attention under the programme.

The procedure for attention will involve two stages:

- An **initial stage** in which the personal characteristics of the applicant that are relevant for attention are identified. This stage will take place within a maximum period of 30 days and will include the following actions:
 - **Registration of the applicant** in the specific computer system of the Youth Guarantee.
 - Determination that the applicant **meets the requirements** for attention under the Youth Guarantee Scheme and identification of the person's main characteristics. If they do not meet the requirements, they will follow the channels determined by the appropriate public administrations.
 - Inclusion in the **list of beneficiaries**: applicants who fall within the group covered by the Youth Guarantee will be included in a list stating the basic features of their profile and, therefore, the priority they receive and the type of offer which is most suitable, including the possibilities of self-employment and entrepreneurship.

The **basic features of the profile** will be the following:

- Background of any former actions.
 - Work experience
 - Qualifications and knowledge of languages.
 - Time of application.
 - Age of applicant.
- **Completion of the profile** with identification of the most appropriate actions by the Public Employment Services in the Autonomous Communities or, as decided by these Communities, by any other institutions such as social services, young people's organisations or third sector entities, etc.

- In addition, priority for attention may be established in addition to that already given (people at risk of social exclusion, disabled persons, lack of family support, etc.)
 - As far as is possible, in the case of young people who have already received attention, the need for actions in addition to those already taken will be evaluated.
- A **second stage** in which attention for applicants under the Guarantee is developed, in line with the priority established and the suitability criteria of the measures included in the **single catalogue**. The maximum length of this stage will be four months after the application, and priority will be given to young people who have no work experience and no skills, as well as long-term unemployed young people. The public administrations may make these periods shorter in their respective areas as the scheme is implemented.



The procedure for managing and applying the Youth Guarantee will be developed following agreement of the Sectorial Conference on Employment and Labour Affairs, at least in regard to the following matters:

- Determination of beneficiaries throughout Spain.
- Creation of a single list.
- Minimum content of candidate profiles.
- Drawing up of the catalogue of measures and actions reflecting minimum intensities.

Funding

The Youth Guarantee Scheme will receive support from the following funds:

European funding

The Recommendation establishing the Youth Guarantee Scheme encourages the Member States *to make full and optimum use of the funding tools of the cohesion policy during the period 2014-2020 in order to support the creation of Youth Guarantee systems*. For this reason, Spain will give maximum priority to the design and implementation of measures to favour employment for young people, including the possibilities of funding from specific hiring subsidies from the European Social Fund.

- **Youth Employment Initiative (YEI):**

According to the European Commission's communication of 4 November 2013 addressed to Ministers of Employment and Social Security and of Finance and Public Administrations, the budget assigned to Spain for the Youth Employment initiative is as follows:

	2014	2015	Total
Allocation in euros 2011	499,481,827 €	381,956,689 €	881,438,516 €
Allocation in current euros	530,054,111 €	413,442,204 €	943,496,315 €

50% of the specific budget allocation from the Youth Employment Initiative for Spain has been regionalised in accordance with the weight of young people aged under 25 who are not in employment, education or training in each Autonomous Community in Spain, and the remaining 50% has been distributed in accordance with the population of young unemployed people aged under 25. In both cases, the statistic for the annual average in 2012 is used, according to the Labour Force Survey performed by the Spanish National Statistics Institute.

Once the above amount has been determined, 50% of the Youth Employment Initiative will be managed directly by the Autonomous Communities, and the rest by the General State Administration.

- **European Social Fund (ESF):**

In compliance with the regulations governing the Youth Employment Initiative, Spain must allocate an amount that is at least equivalent to the funding from the European Social Fund.

Use of the Youth Employment Initiative is subject to two main restrictions:

- The amount from the Youth Employment Initiative and the compulsory minimum allocation from the European Social Fund must be allocated fully to the first two years of the programming period for 2014-2020, that is, it must be fully used between 2014 and 2015.

- The amount resulting from the Initiative and from the compulsory minimum allocation from the European Social Fund must be used exclusively for direct actions with the people targeted by this Initiative.

The following has also been taken into account:

- In view of the special needs of the group targeted by the Youth Employment Initiative, it will be necessary to draw up and take actions throughout the European programming period of 2014-2020 and not just during the first two years.
- In addition, implementation of the Youth Guarantee Scheme will require the creation of a number of structural measures which, since they do not directly address the group covered by the Initiative, cannot be funded by it.

So, in view of these restrictions, an amount larger than the compulsory minimum required by the Youth Employment Initiative will be charged to the European Social Fund. This provision will be used throughout the European programming period of 2014-2020 and during 2014 and 2015 it will finance structural actions that cannot be funded from the Youth Employment Initiative. Between 2016 and 2020 it will finance both structural actions and actions addressing the target population directly.

The following are the figures in current Euros and in terms of aid from the European Social Fund which will contribute to the funding of the Youth Guarantee Scheme through the Operational Programme for Youth Employment:

Compulsory minimum allocation	Additional allocation	Total
1,886,992,630 €	471,748,158 €	2,358,740,788 €

National sources of funding:

Funding from the Youth Employment Initiative is governed by the same rules as the European Social Fund. This means that Spain will receive an advance payment from the Youth Employment Initiative and from the European Social Fund which, for the programming period of 2014-2020, will be as follows:

- In 2014 and 2015 an advance payment of 1% of the amount of aid for the Operational Programme for the whole programming period will be received each year⁵.
- In 2016 an initial advance payment of 1% and an annual advance payment of 2% of the amount of aid for the Operational Programme for the whole programming period will be received.

⁵ For the ESF part which is not linked to the specific allocation from the Youth Employment Initiative, for calculating the amount of the annual pre-funding up to and including 2019, the amount of aid for the whole programming period will exclude the amounts from the performance reserve relating to the programme.

- In 2017 an annual advance payment of 2,625% of the amount of aid for the Operational Programme for the whole programming period will be received.
- In 2018 an advance payment of 2,75% of the amount of aid for the Operational Programme for the whole programming period will be received.
- In 2019, an advance payment of 2,875% of the amount of aid for the Operational Programme for the whole programming period will be received.
- From 2020 to 2023 an advance payment of 3% of the amount of aid for the Operational Programme for the whole programming period will be received.

This system of advance payments will mean that the General State Administration, the Autonomous Communities and the other entities participating in the management of the funds will have to budget for and pay in advance almost all the funds from the Youth Employment Initiative and the European Social Fund to fund the Youth Guarantee Scheme.

The national funding will come from the General State Budget for actions carried out in the framework of the General State Administration and the Autonomous Community budgets for actions carried out within the scope of the Autonomous Communities.

In addition and in line with the European Union Regulations, in the case of both the Youth Employment Initiative and the European Social Fund, national funding may consider contributions from private entities.

In addition, the Strategy for Entrepreneurship and Youth Employment covers other actions that directly support implementation of the National Youth Guarantee Scheme but which are of a type that cannot be co-financed from the European Social Fund. This is the case of the reduction in contributions to the Social Security through Social Security reductions.

Operational Programme for Youth Employment

In order to implement the Youth Employment Initiative (YEI) and set up the Youth Guarantee Schemes, Spain will set up an Operational Programme for Youth Employment within the framework of the architecture and design of the European Social Fund for the programming period of 2014-2020.

This programme will allow us to *implement the Youth Guarantee systems as early as possible* and ensures that they will be *integrated in the programmes co-financed by the EU since the start of the Multi-Annual Financial Framework for 2014-2020*.

The most important aspects of this Operational Programme are the following:

- **Scope:** This is a national programme in which there will be a national part (financed and managed by the General State Administration) and a regional part (financed and managed by the Autonomous Communities). This means that both State and regional bodies will participate.

- **Time frame:** Although the allocation from the Youth Employment Initiative should be concentrated in the first two years (with their corresponding N+3), an Operational Programme is planned to extend throughout the programming period of 2014-2020.
- **Target population:** The target population for actions under the Operational Programme for Youth Employment will be young people aged between 15 and 24 who are not in education, employment or training, irrespective of their level of training.
- **Actions:** These are mostly those covered by the Strategy for Entrepreneurship and Youth Employment and given in the catalogue of actions in this document. For the first time with regard to the European Social Fund in Spain, a common catalogue of actions for all the intermediate bodies participating in this programme will be drawn up.
- **Fund allocation:** The programme is covered by a minimum approximate allocation of 2.359 million current Euros in terms of aid, of which 943.5 million will come from the specific allocation from the Youth Employment Initiative. The total cost of the programme will be 2.824 million current Euros.

Of the allocation for this Operational Programme, 1.887 million in terms of aid will be concentrated and programmed compulsorily in 2014 and 2015 with their corresponding n+3, that is a total cost of 2.053 million Euros.

The rest of the allocation for the Operational Programme will be programmed for complementary actions to set up projects for young people that are not eligible under the Youth Employment Initiative (e.g. teacher training), and to continue the project until 2020.

With respect to the distribution of funding, the Operational Programme will act in the following priority areas:

- **Priority area 1.** Promotion of sustainable, quality employment and of labour mobility.
- **Priority area 5.** Sustainable inclusion in the labour market of young people not in education, employment or training, in particular in the context of the Youth Guarantee.
- There will also be an additional provision for **technical assistance**.

The bodies participating in management of the Operational Programme are the following:

- **Managing Authority:** Administrative Unit for the European Social Fund (Ministry of Employment and Social Security).

- Certification Authority: Administrative Unit of the European Social Fund (Ministry of Employment and Social Security).
- Audit Authority: State Public Accounts Department and Autonomous Community Accounts Departments.
- Intermediate bodies:
 - Intermediate bodies of the General State Administration.
 - Intermediate bodies of the Autonomous Communities.
 - Private intermediate bodies.

Catalogue of measures and initiatives

As explained above, the Strategy for Entrepreneurship and Youth Employment 2013-2016 is aligned with the objectives of the Youth Guarantee in that it covers actions based on the conviction that there is no single solution for all unemployed young people. It is therefore a matter of measures designed to resolve the situation and meet the particular needs of the different profiles of young people whether or not they have training or experience or receive unemployment benefit, etc.

The Strategy includes specific actions for young people aged under 30:

- The group of young people not in education, employment or training can be estimated at **858,000 young people** in 2012, according to the Labour Force Survey (EPA).
- Young people who have no training because they dropped out of school early, often drawn by jobs in sectors that today offer no opportunities. In Spain there are over **450,000 unemployed young people** who, according to the public employment service registers, have not concluded Compulsory Secondary Education.
- Young people who have training but need experience. According to the public employment service registers, today there are **339,635 unemployed young people** with sufficient qualifications for work placement contracts.
- Young people with no work experience. In Spain today **398,547 unemployed young people** are registered as not having had a job or having experience of less than three months, according to the State Public Employment Service and the Social Security.
- Long term unemployed young people, that is, those who have been unemployed for over one year. Today they number over **256,698**, according to the State Public Employment Service and the Social Security.
- Young people who receive unemployment benefit but would like an opportunity. They number **215,505**.

- Young entrepreneurs who do not wish to enter the labour market as employees but want to set up their own project.
- And measures aiming to guarantee fair treatment and equal opportunities for all, irrespective of their personal and/or social circumstances, and to meet their specific needs with special attention on those who are underprivileged and/or at risk of exclusion.



This is how, especially for implementation of the Youth Guarantee, the actions covered in the Strategy are considered, as well as others to be set up specifically for young people aged under 25. This catalogue of actions will be common for all the intermediate bodies participating in implementation of the scheme and comprises four main lines of action:

1. To improve mediation.

- **Actions involving vocational guidance, labour information and assistance in job seeking:** Support for young people in job seeking or while setting up an entrepreneurial activity should be a priority for all agents involved in the design of policies to promote their inclusion in the world of work.

Personalised attention, access to information and advice at the start of or as a complement to training programmes, knowledge of labour rights and the efficiency of public employment services can become key elements for helping young people to find or keep a job.

The Ministry of Employment and the Autonomous Communities will implement specialised programmes for information, guidance and support for young people, within the Sectorial Conference on Employment and Labour Affairs.

The aim is, basically, *to ensure that all young people are fully informed about the services and the support available, strengthening cooperation among employment services, suppliers of vocational guidance, education and training*

centres and youth support services, as laid down in the Recommendation on the Youth Guarantee.

In addition, the activity of public employment services for unemployed persons wishing to set up a self-employed activity will be promoted and extended with the participation of the organisations that represent self-employed workers.

The adoption of agreements with the social agents will be promoted for activities aiming to inform and train entrepreneurs and workers' legal representatives on the different types of contract that are legally allowed. This will meet the aim of *promoting associations between employers and labour market agents (employment services, various levels of the administration, trade unions and services for young people), in order to promote job opportunities, apprenticeships and work experience for young people.*

- **Modernisation of Public Employment Services:** The setting up of the National Youth Guarantee Scheme will begin with the actions needed to adapt the public employment services to the specific requirements of the Guarantee. Amongst other actions, attention for young people in the framework of the Youth Guarantee will be provided by dedicated staff who shall, amongst other activities, be responsible for:
 - Profiling.
 - Handling the data bases and the information system.
 - Specialist labour guidance for young people covered by the Youth Guarantee.

The costs of modernising and adapting the public employment services to the Youth Guarantee Scheme can be covered with reimbursable expenses from the European Social Fund, including the 1% advance payments for 2014 and 2015, and will receive priority in the performance indicator's monitoring system which determines the distribution of funds to the Autonomous Communities in the Sectorial Conference on Employment. This modernisation and adaptation will include retraining of staff to be specifically in charge of dealing with young people.

The Annual Employment Policy Plan for 2014 (PAPE) will place priority on the modernisation and adaptation of the public employment services to the Youth Guarantee Scheme. This will focus on re-training for professionals, special offices and adaptation of the information systems.

In addition, as laid down in the recommendation on the Youth Guarantee, *mutual learning activities will be promoted on a national, regional and local scale amongst all the parties participating in the fight against youth unemployment in order to improve the design and outcome of future Youth Guarantee schemes.*

- **Single Employment and Self-Employment Portal:** This portal will house full information of use to young people and will make tools available to them that can help in job seeking or at the start of an entrepreneurial activity.

In this way, on a single website and with the collaboration of the Autonomous Communities and the Social Agents, it will be possible to see any job vacancies in the public data bases as well as any private ones added, thus guaranteeing that all offers comply with legal requirements.

Information will also be given on the main sources of jobs for young people who are studying, thus helping them choose between different possible pathways.

This Portal will aim to be compatible with the most usual channels for finding information (social networks, blogs, fora, etc.) as well as with the computerised tool for accessing the Youth Guarantee Scheme.

The Portal must be constantly updated, must be known by all guidance services and must be subject to constant evaluation by users.

- **Actions with placement agencies:** The legislation today allows temporary employment agencies to act as placement agencies. It is essentially a matter of setting in motion whatever mechanism is available to reduce the time spent unemployed and facilitate the transition into a job.

In order to achieve coordinated implementation of the new system of public-private collaboration, the regulation on public sector contracts has been changed to allow for Framework Agreements to be reached in the area of the National Employment System.

The Framework Agreement proposes, during a period of two years (which can be extended for a further two years), that a number of agencies be pre-selected with which contracts can be signed by the various Public Employment Services), on the basis of common conditions but in line with their specific needs (for different geographical areas or different groups of people).

It also establishes a flexible system for remuneration of private agencies in which the focus is on outcomes. It covers payment for a filled vacancy lasting a minimum of six months, establishing differences between different groups of people, such as young people covered by the Youth Guarantee, on the basis of characteristics determining their employability, such as their age, the time they have been unemployed or their personal circumstances.

The Framework Agreement, in which the main concerns expressed by the sector have been considered, has extensive support from the Autonomous Communities, having been presented at the Sectorial Conference on Employment and Labour Affairs on 11 April 2013. The Communities discussed the agreement and fourteen of them joined it.

After the necessary Agreement of the Government and the formalities, the Agreement should be ready in early 2014. From then on, the new design will be

available for public-private collaboration in the provision of agency services and should have a very positive effect on improving mediation for young people, these being one of the top-priority groups.

- **Mobility programmes:** The Ministry of Employment and the Autonomous Communities will encourage the creation of national and European mobility programmes for young beneficiaries of the Youth Guarantee, taking up the synergies created among the instruments existing within the framework of the European Union.

This will comply with the Recommendation to promote worker mobility, by informing young people of job offers, traineeships and apprenticeships as well as any support available in different areas, regions and countries, for example through services and systems such as EURES, which encourage mobility and work within the EU; they also ensure that young people who find work in another area or another Member State receive the support needed to adapt to new surroundings.

- **Education-employment mediation programmes:** These programmes will work on information and advice for young people aged from 15 to 24.

2. To improve employability.

As laid down in the Council Recommendation on the Youth Guarantee, the aim is to improve skills and competencies and thus to correct any imbalance and meet the needs for labour in services, especially in sectors within the green economy, the ICTs and health care.

- **Second chance programmes:** The objective is to train young people who dropped out of school at an early age to enter the labour market but who now cannot find job opportunities.

As laid down in the Recommendation on the Youth Guarantee, the aim is to offer young school drop-outs and young people with limited education possible channels for returning to education and training or second-chance educational programmes that will provide them with learning environments that meet their specific needs and allow them to obtain a qualification.

Considering that employability and training are closely related, specific second-chance programmes will be promoted in collaboration with the Autonomous Communities:

- A specific programme and financial aid for unskilled, unemployed young people so that they can voluntarily resume a process of training.

This type of aid will be adapted to the family income and will be linked to getting a degree and a commitment to activity or active job seeking through the public employment services when the programme comes to an end, in line with whatever procedure is decided on.

Once students have obtained their compulsory secondary education certificate (ESO) students should be eligible, if they so wish, for intermediate-level Vocational Training or, if they want to work, they should be able to enter the labour market by participating in labour integration programmes.

- Access to compulsory secondary education qualifications. The rules for obtaining the compulsory secondary education certificates for those aged over 18 and Bachillerato certificates for those aged over 20 will be changed, and the tests will be adapted to the different age groups. Access to the new cycle of Basic Vocational Training will also be taken into account.
 - New training actions leading to Proficiency Certificates at level 1 will be made available for young people aged under 25 who do not have the compulsory secondary education certificate.
 - In parallel, all actions at school level aiming to prevent school drop-outs will be strengthened. In order to increase the rate of students who obtain the compulsory secondary education qualification, alternative pathways and additional support will be provided for students needing them, as well as individualised attention and tests for early detection of learning difficulties.
- **Training with an employment commitment:** The Ministry of Employment and Social Security and the Autonomous Communities will step up training programmes with an employment commitment, especially for young people.

At least 30% of the young people who participate in this type of training should have gained employment in a maximum period of three months once their training is over in the form of a part-time or full-time contract lasting at least six months.

Young people who have not completed the training action may join a firm under a type of contract that includes training.

The possibility will be studied of opening up this type of programme to self-employment and entrepreneurship by registering a percentage of beneficiaries of the training in the Special Social Security Regime for Self-Employed Workers for at least six months.

- **Training, especially in languages and information and communications technology:** The Ministry of Employment and Social security and the Autonomous Communities will promote their training programmes, especially for young people covered by the Youth Guarantee, and especially training in languages and in technological tools.
 - The training in languages and ICTs that is already available in preparation for employment and in official language schools will be expanded and adapted to the needs of young people.

- As part of the training for employment there will also be training in entrepreneurship, with the aim of making young people aware of opportunities and the prospects of self-employed work.

The Recommendation encourages Member States *to ensure that efforts to improve skills and competences include ICT or digital skills; and raise the category of vocational knowledge and skills by guaranteeing that syllabuses and ICT certificates meet standards and can stand up to international comparison.*

- **Traineeships:** Young interns in companies can be partly financed as traineeships according to Royal Decree 1543/2011, of 31 October. In order to receive the incentive, the grant cannot be less than 1.2 times the Public Index of Multiple Purpose Income (IPREM).

Such traineeships are designed for young people who, because of their lack of work experience, are not very employable. They last for three to nine months and take place in firms under the management and supervision of a tutor.

They are designed for young people aged from 18 to 25 who hold a university qualification, Vocational Training qualification or a proficiency certificate.

When traineeships are for young people aged under 25, the firm signs an agreement with the trainee following the format set by the public employment services.

- **Promotion of Dual Vocational Training through Contracts for Training and Apprenticeships:** The purpose is to promote vocational training for workers by offering a combination of paid work in a company alternating with training received in the framework of the vocational training system or education system..

This can be offered to workers aged over 16 and under 25 who do not have the professional skills recognised by the vocational training system or the education system that are needed for obtaining the work placement contract. Until the unemployment rate is below 15%, traineeship and apprenticeship contracts may be signed with young people aged under 30 who have no professional skills.

The training activity involved in the Traineeship and Apprenticeship Contract will be whatever is necessary for obtaining a Vocational Training certificate at the intermediate or higher level or a certificate of proficiency.

Actual working hours, which must be compatible with the time needed for training, cannot be in excess of 75% the first year, or 85% the second and third years, of the maximum working hours stipulated in the collective agreement or, if there is no such agreement, the maximum legal working hours.

The minimum duration of contracts will be one year, with a maximum of three years. However, a collective agreement may establish a different duration for

such contracts, based on companies' organisational or production needs, although the minimum duration may not be less than six months and the maximum duration no longer than three years.

Payment for workers under such a contract will be set in proportion to the actual working hours, in line with the terms of the collective agreement. Under no circumstances shall remuneration be lower than the minimum wage in proportion to the actual working hours.

Companies and self-employed entrepreneurs signing traineeship and apprenticeship contracts shall be entitled, throughout the contract validity and including any extension to it, to a 100% reduction in the employer's contribution to the Social Security for common contingencies and for accidents at work and occupational diseases, unemployment, the wage guarantee fund and vocational training if the contract is drawn up by companies employing less than 250 people, or a 75% reduction if the contracting company has a staff in excess of 250 people.

Moreover, in Traineeship and Apprenticeship Contracts signed or extended according to the terms of the above paragraph, the workers' contributions to the Social Security will be reduced by 100% throughout the validity of the contract, including any extension.

Companies that convert Traineeship and Apprenticeship Contracts into open-ended contracts when they reach the end of their duration or their extension and whenever they were signed, will be entitled to a reduction in the employer's contribution to the Social Security of 1,500 Euros / year, for three years. In the case of women, this reduction will be 1,800 Euros / year.

A new feature that aims to help make the Youth Guarantee effective is that **the Ministry of Employment and Social Security may finance up to 100% of the total cost of the training activity involved in the Traineeship and Apprenticeship Contract for the first year** when companies enter into such contracts with young people aged under 25 who are not in employment, education or training.

- **Promotion of Vocational Training through schools.** Access to Vocational Training in VT Dual Projects will be offered by the education authorities within schools.

Dual Vocational Training in the education system is the set of training actions and initiatives that, on the basis of shared responsibility with businesses, aim to provide vocational qualification by bringing together the teaching and learning processes of education centres and work centres.

It aims to facilitate labour integration, strengthen links and shared responsibility with the business fabric, promote links between teachers and companies and obtain qualitative and quantitative data allowing for decisions on the organisation and offers of Vocational Training.

Dual Vocational Training projects will be based on agreements between schools with appropriate production surroundings and collaborating entities. At present pilot projects are under way involving 770 companies and 211 schools.

These projects include a minimum of 33% of training hours with participation by the company and a duration of as much as three years. They are organised in line with the provisions of Royal Decree 1529/2012 of 8 November which establishes the Traineeship and Apprenticeship Contract and the bases for Dual Vocational Training.

The students may receive funding from companies, institutions, foundations, etc. and/or from the Public Administration.

- **Training leading to Professional Certificates (Certificados de Profesionalidad):** These certificates give official accreditation of professional skills that allow for a relevant labour activity.

During the period of action covered by the Entrepreneurship and Youth Employment Strategy, the Ministry of Employment and Social Security will encourage the Public Employment Services to offer new, additional training actions leading to Certificates of Proficiency or proficiency certificate modules for young people aged under 25, for which announcements of vocational training will be made.

- **Evaluation and accreditation of vocational skills acquired during work experience and through informal training channels:** This is one of the tools for people who dropped out of school without acquiring skills, allowing them to resume their education by acknowledging their training.

The Government will continue to encourage the Autonomous Communities to make regular announcements to meet needs for accreditation in different production sectors or in the provision of services.

Such programmes will comply with the Recommendation dated 20 December 2012 on validation of non-formal and informal learning.

- **Workshop School programme (“Escuelas taller”):** Workshop schools are temporary projects in which learning and training alternate with production in activities related to the restoration or promotion of the artistic, historical, cultural or natural heritage and any other activity of public or social utility allowing for integration based on professionalization and the acquisition of experience on the part of participants.

The selection of student workers must be preceded by the formalisation of the call for proposals of activity or employment by the appropriate Employment Office. Candidates must comply, at least, with the following requirements:

- Be aged under 25.

- Be unemployed, registered with public employment services and available for employment.
- Fulfil the requirements for a Traineeship and Apprenticeship Contract.

Throughout the training process, student workers will receive guidance, advice, professional information and entrepreneurial training for which the work and training centres must have appropriate staff and methods.

At the end of the projects, the promoter entities will provide technical assistance to the workers participating both for job seeking and for setting up self-employed activity.

- **Work and Training Centre programmes (“Casas de oficios”):** These are temporary projects in which learning and training alternate with productive work in activities relating to maintenance and care of urban or rural areas or the environment, to improving living conditions for towns and cities through the provision of social and community services as well as any other activity of public or social utility that allows for integration through professionalization and acquisition of experience for participants.

Student workers must fulfil at least the following requirements:

- Be aged under 25.
- Be unemployed, registered with the public employment services and available for employment.
- Meet the requirements for entering into a training and apprenticeship contract.

During the training process, the student workers will receive guidance, advice, professional information and entrepreneurial training, for which the work and training centres must have appropriate staff and methods.

At the end of the projects, the promoter entities will provide technical assistance to the workers participating, both for job seeking and for setting up a self-employed activity.

In the work and training centre programmes, priority must be given to projects relating to emerging sectors and activities in which unmet needs exist (environment, services to society, new technologies, etc.).

3. To promote hiring.

- **Social contributions: reductions and bonuses in Social Security contributions of up to 100%.**

The Recommendation on the Youth Guarantee encourages the Member States *to reduce non-wage labour costs in order to increase prospects for the hiring of young people.*

It also encourages them *to use specific, well-designed wage subsidies and subsidies for hiring to encourage employers to create new chances for young people in, for example, apprenticeships or traineeships or placements, in particular for those who are furthest from the labour market, and in line with the regulations on State aid.*

To date, the Entrepreneurship and Youth Employment Strategy has introduced a number of incentives for encouraging the hiring of young people, in particular people coming from sectors that have been especially badly hit by the economic crisis and who need retraining, or lack experience or training.

Act 11/2013 of 26 July provides for the following incentives to encourage the hiring of young people aged under 30 (35 in the case of persons with disabilities), until the unemployment rate drops below 15%:

- **Incentives for part-time employment with training:** Reduction of up to 100% of the employer's Social Security contribution for common contingencies for a maximum of 12 months. Companies with more than 250 workers will receive a 75% reduction, and the rest will receive 100%.

The beneficiaries are young unemployed persons aged under 30 who have had no previous employment, have work experience of less than three months or come from another sector (vocational re-training) and who work while receiving training.

Beneficiaries may also be young people aged under 30 who have been unemployed for over 12 months and who work while receiving the training described above.

- **Incentives for hiring for micro - enterprises and self-employed workers:** 100% reduction in the employer's Social Security contribution for common contingencies during the first year of the contract of the first young worker taken on under this formula after entry into force of this regulation.

The beneficiaries are all unemployed young people aged under 30.

- **“First job” programme:** This is a type of temporary contract in which the worker has no experience for which there are incentives for converting it into an open-ended contract.

Companies that convert such contracts into open-ended contracts will be entitled to a subsidy bonus in the employer's Social Security contribution of 500 Euros a year for three years and 700 Euros if the person employed is a woman.

The beneficiaries are job-seekers aged under 30 with work experience of less than three months.

- **Incentives for work placement contracts:** When the work placement contract is for young people aged under 30, the employer is entitled to a 50% reduction in the Social Security contribution for common contingencies.

Incentives will also be given when traineeships are converted into work placement contracts.

- **Generations Contract:** This is an incentive for open-ended employment that encourages young self-employed people to take on an unemployed person aged over 45 who can offer the experience needed by the company.

This is an open-ended full-time or part-time contract with a 100% reduction in the employer's Social Security contribution for common contingencies during the first year of the contract.

- **Social Economy enterprises:** In parallel with existing measures to capitalise the unemployment benefit, there will also be incentives for taking on young unemployed persons aged under 30 in cooperatives and worker-owned limited companies as worker partners in the form of a subsidy in the employer's Social Security contribution of 800 euros per year for a total of three years.

In addition, a subsidy of 1,650 Euros is established for companies taking on young people at risk of social exclusion.

Under the Youth Guarantee, the above incentives will be extended to companies taking on a young person aged under 25 not in employment, education or training providing they meet the requirements, even though some of them were drawn up exclusively for the hiring of young people under certain conditions (long-term unemployed, without previous experience, etc.).

Incentives will also be expanded for the hiring of young people aged under 25 by cooperatives and worker-owned limited companies as worker partners, as well as for contracts drawn up by companies for young people aged under 25 who are at risk of social exclusion and are beneficiaries of the Guarantee.

In addition, this incentive may also be applied by all companies taking on a young person aged under 25 not in education, employment or training and coming from a social business or a special employment centre.

- **Employment aid for hiring young people for a period in excess of six months.**

In addition to the above incentives, the Autonomous Communities may establish employment financial aid for companies that take on young people aged under 25 not in education, employment or training. Such aid will have the following characteristics:

- Aid equivalent to 50% of the minimum wage for a maximum of 1 year.

- For entitlement to this aid, the young person must remain in the company for over six months.
- Companies receiving this aid must guarantee net employment in order to avoid the substitution effect and must apply for the aid prior to hiring.

In addition, the Ministry of Employment may establish such aid for Social Economy enterprises operating in several Autonomous Communities.

- **Other incentives for hiring.**

The appropriate Public Administrations will also set up measures for training and employment for young researchers and for supporting high value-added projects that can be applied in practice in universities, public research bodies and corporate R&D+I departments.

4. To promote entrepreneurship.

The Entrepreneurship and Youth Employment Strategy includes a number of incentives for entrepreneurship by young people:

- **Flat Rate for self-employed workers:** Young entrepreneurs registering with the Special Regime for Self-Employed Workers (RETA) will be able to pay a minimum contribution for common contingencies for the first few months so that they can set up their self-employed activity.

During the first six months after registration, an 80% reduction on the contribution that results from applying the minimum contribution rate at any time under this Regime to the minimum base. This means that new self-employed workers under 30 years of age will be entitled to pay during the first six months an approximate contribution of 50 Euros.

Subsequently and during the next six months, a further 50% reduction will be applied to the minimum base.

After the first year of registration under the RETA, men aged under 30 and women aged under 35 will enjoy a continued reduction and bonus in their contributions of 30% during the following 18 months.

In the case of young people aged under 35 with a certified disability of 33% or more, the 80% reduction will be applied during the first 12 months after registration and, subsequently, the 50% bonus will be maintained for up to five years.

- **Making unemployment benefit compatible with the start of entrepreneurial activity:** As an alternative to capitalizing the unemployment benefit and in order to guarantee a minimum income for unemployed persons starting out on an entrepreneurial activity and to facilitate the starting up of the project, for a maximum of nine months, unemployment benefit can be compatible with

registration in the Special Regime for Self-Employed Workers of the Social Security (RETA). The benefit will continue to be paid until it terminates even if the worker leaves the RETA.

- **Capitalisation of unemployment benefit:** The possibility of capitalising the unemployment benefit (single payment) to start up an entrepreneurial activity is extended in the following ways:
 - It is now possible for those receiving unemployment benefit to capitalise up to 100% of the benefit in order to contribute to the share capital of any type of newly-created mercantile company, provided that there is an open-ended relation with the company.
 - It is also now possible for capitalisation of unemployment benefit to be used to purchase specific advisory, training and information services and to cover the costs of setting up a new company.
- **Second Chance:** In order to offer a greater safety net for self-employed workers and to provide a second chance if the project turns out to be not feasible, it is now possible for those who are entitled to unemployment benefit to receive it once again after they leave the RETA provided they have been under this Regime for less than five years.

This is an alternative measure for those who prefer not to capitalise their unemployment benefit or make it compatible with starting up a self-employed activity, but to start out with a safety net for the future.

- **Promotion of an entrepreneurial culture:** The Youth Guarantee Recommendation encourages schools (primary and secondary), Vocational Training centres and employment services *to promote and provide young people with constant guidance on entrepreneurship and self-employed work, and even to offer courses on entrepreneurship.*

The Entrepreneurship and Youth Employment Strategy includes the promotion of a culture of entrepreneurship from an early age.

These measures are regulated in the Organic Law for Improving the Quality of Education (LOMCE) which extends curriculum development to include content on entrepreneurship.

The preamble of the Law states that *“this reform is based on evolution towards a system that can lead students towards the most suitable pathways for their capacities, so that they can achieve their aspirations and follow paths that will facilitate their employability and encourage entrepreneurship through the possibility, for students and their parents or legal tutors, to choose the best options for personal and professional development (...). The main objectives pursued by the reform are to reduce the rate of school drop-outs, to improve educational outcomes in line with international criteria (...), to improve employability and to encourage entrepreneurship in students”.*

- **Reference Offices:** The Strategy covers the creation of reference offices in the Public Employment Services specialising in advice and support for new entrepreneurs.

It also aims to facilitate entrepreneurship among university and Vocational Training students through incentives that help them make their training compatible with self-employed work. In these offices, special attention will be paid to the young people aged under 25 covered by the Guarantee. The Recommendation of the Youth Guarantee proposes that there should be more services supporting the creation of enterprises, especially closer cooperation between employment services, entities supporting enterprises and suppliers of (micro)finance.

In the case of young beneficiaries of the Youth Guarantee, incentives for entrepreneurship will be extended, for example, through aid for self-employment. The Ministry of Employment and Social Security, in coordination with the Autonomous Communities, will be able to establish aid to cover the initial expenses of young people who are starting out on a self-employed activity.

Additional measures will include the following:

- Business incubators, mostly through participation by entities participating in management of the European Social Fund.
- Measures to promote self-employment and collective entrepreneurship in the framework of the Social Economy through subsidies and direct aid.
- Advisory services for self-employment and business creation and training for entrepreneurship.
- Funding tools: micro - credits in the framework of the European Social Fund programming period for 2014-2020.

Special attention will be paid to access to training programmes and employment for young people with a disability and/or at risk of social exclusion, either through ordinary employment or sheltered employment (special employment centres and social businesses).

To improve mediation

- Vocational guidance actions, labour information and support in job-seeking.
- Modernisation of Public Employment Services.
- Single Portal on Employment and Self-Employment.
- Actions with placement agencies.
- Mobility programmes
- Programme for mediation between education and employment.

To improve employability

- Second opportunity programmes.
- Training with a hiring commitment.
- Training in languages and ICTs
- Work experience in companies.
- Promotion of Dual Vocational Training.
- Training leading to certificates of proficiency
- Evaluation and accreditation of vocational skills.
- Programme for Workshop Schools and work and training centres.

To promote hiring

- Reductions and bonuses in SS contributions of up to 100% for people aged under 30.
- Specific reduction in SS contributions for NEETS aged under 25
- Specific reduction in SS contributions for young people at risk of exclusion and/or with a disability.
- Aid for employment of NEETS for a period of over six months.
- Training and promotion of employment for young researchers.

To promote entrepreneurship

- Flat Rate for self-employed workers.
- Aid for self-employment for NEETS.
- Making unemployment benefit compatible with the start of an entrepreneurial activity.
- Capitalisation of the unemployment benefit.
- Second Opportunity for entrepreneurs.
- Promotion of a culture of entrepreneurship.
- Advice and guidance through reference offices.

V. Monitoring and evaluation

The Recommendation on the Youth Guarantee Scheme encourages Member States to *submit for monitoring and evaluation any actions and programmes under the Youth Guarantee so that more facts-based policies and actions can be drawn up taking into account what works, where it works and why, thus guaranteeing efficient use of resources and positive returns on the investment.* It also aims to gain an updated, overall view of the amount of funding assigned to the establishment and implementation of the Youth Guarantee, in particular in the framework of operational programmes within the cohesion policy.

Information, coordination and monitoring systems

As explained above, attention will be paid to young people requesting attention who meet the requirements, whether registered as job-seekers or not. For this purpose, it will first be necessary to have a method allowing applicants to be identified.

In order to guarantee proper application and coordination among all the partners involved, a computerised information and management system must be set up as well as a single, shared data base allowing the target population to be identified.

This information and monitoring system will allow adoption of the Guarantee throughout Spain under equal conditions and will guarantee that any expenditure is made under the refund conditions, including those of monitoring and evaluation of outcomes, in the framework of management of the European Social Fund.

The requirements of the Youth Guarantee for answerability and monitoring and control of the use of European funds in the new programming period make it essential to have this information system to guarantee that such data are available. The essential characteristics, apart from compliance with the requirements of information and monitoring of European funds, will be the following:

- Integrated nature of information on expenditure and on the people served.
- Traceability of expenditure and of the people served so that their labour or training situation can be identified after a certain time.

This system will be compatible with the Social Security information system and those of the public employment services and education authorities, amongst others, so that it is possible to monitor the labour situation of the young people served

- It will be accessible under certain conditions for collaborating entities for implementation of the Guarantee and for managing the use of funds
- Full accessibility of the system must be guaranteed so that people with disabilities can gain access under equal conditions.

The following partners must have access to the information system:

- The applicants themselves both to register with the scheme and to obtain information on any Youth Guarantee actions that might be useful to them.
- The partners that participate in the implementation of the Youth Guarantee Scheme who must be able to identify the target group for actions.

The information system set up must allow monitoring of any actions and evaluation of outcomes.

Also and in the framework of the information system for managing the Youth Guarantee and the common catalogue of measures, all the agents involved will share a single data base of beneficiaries to ensure that the recommendations are applied in the same way throughout Spain. This data base shall be managed from the single information system.

Evaluation of the Scheme

Regarding evaluation, the programme of work takes into account the European Social Fund evaluation dates as these apply to the Youth Employment Initiative and, therefore, to any measures under the Guarantee that are financed by it. Monitoring indicators have already been defined at European level and these, obviously, will form part of the evaluation.

In addition, the indicators drawn up for the HoPES Network (Public Employment Service Managers) must also be taken into account in this regard.

In this framework, evaluation of the Guarantee will involve participation by the Social Partners through the Council for the National Employment System and the following elements will be involved:

A) Continuous evaluation

Continuous evaluation of the Youth Guarantee Implementation System will be carried out on the basis of regular assessment, at least once a year, of trends in the following indicators:

- **Global indicator:** The global indicator that can best determine if the Youth Guarantee is helping meet the special difficulties faced by young people entering the labour market is the rate of youth unemployment in comparison with the general unemployment rate.

This indicator makes it possible to see if the youth unemployment rate is converging with the general rate. Traditionally in Spain the former is twice the latter. Although the two rates are not the same in any EU countries, in some the ratio is below 1.5, which can be considered the reference point.

- **General indicators:**
 - **NEET rate.** By improving employability and integration into the labour market, the Guarantee aims to reduce this rate in line with the general trend of the economy.

- **Proportion of NEETs who are unemployed.** The situation of inactivity of NEETs disconnects them from the labour market so they are unlikely to enter it. It would therefore be positive if a larger percentage of NEETs were actively seeking a job.
- **Percentage of NEETs who are in long-term unemployment.** This indicator shows to what extent actions to prevent youth unemployment from lasting are successful.
- In addition to the above indicators, the **rate of youth employment** and the ratio of youth unemployment can be monitored.
- The results in employment and continued training or education will be measured in line with the Youth Employment Initiative monitoring indicators that have been defined at European level.
- Monitoring of actions by public employment services will be carried out by applying the relevant indicators included in the Annual Employment Policy Plans (PAPE) and, where relevant, the pertinent indicators drawn up for the European Network of Public Employment Services (HoPES Network).

B) Mid-way evaluation

In 2017, in accordance with the provisions of the European Social Fund, there should be an evaluation half way through the programming period. This will entail an in-depth evaluation of the effectiveness of the various measures offered to young people in the framework of the Youth Guarantee Scheme.

C) Evaluation of pilot projects

The role of pilot projects is to obtain results making it possible to determine if they should be extended or replaced by other more effective programmes.

VI. Work Schedule Programme

The adoption of the measures needed to set up the Youth Guarantee requires coordination and shared work amongst a wide range of institutions in the Public Administration, both the General State Administration and regional, local and private institutions. The Plan is therefore conceived as an open tool, similar to the Entrepreneurship and Youth Employment Strategy, which will be developed and completed in the future.

The Youth Employment Operational Programme, in particular, will be key for defining the measures and instruments that can receive European funding. It will therefore be the instrument for determining, over the next few months, some of the aspects included in the Plan.

Implementation stages

Implementation of the Youth Guarantee will begin in 2014 based on availability of the integrated information and monitoring system and of the common tool for drawing up profiles for attention. During the **first half of 2014** the transformations needed for correct application of the Youth Guarantee throughout Spain will take place, such as development of the administrative procedure for applying the Youth Guarantee, legislative changes needed for applying the measures included in the catalogue, adaptation of the public employment services to the Youth Guarantee Scheme, agreements for sharing information and consulting information systems and the setting up of the information system and the single data base of the Youth Guarantee.

Also, during this initial phase, the Youth Employment Operational Programme will be set up in the framework of the new programming period of the European Social Fund for 2014-2020.

During this first part of the year, priority will be given to young people covered by the Youth Guarantee in the Annual Employment Policy Plan (PAPE) so gradual adoption of the Guarantee will begin. The Administrations will have to have at least one programme for young people aged under 25 comprising specialist attention through a specific office or early action in coordination with the education authorities.

Also during this stage the Administrations will have to have at least one programme for the population aged under 25 that is disconnected from the labour market, comprising either specialist attention to facilitate access to information on the Youth Guarantee Scheme services, or early attention in coordination with the education authorities.

As from the **second half of 2014**, once the necessary tools and systems are in place, the Youth Guarantee will gradually be applied to the young people it covers and who have applied for it, so that by the end of the year, the target group for attention should be reached in line with the timing laid down in the Recommendation. During this first stage of implementation of the Youth Guarantee Scheme, communication and dissemination actions addressing the groups targeted for action will be carried out.

Programme of work

The following elements will form part of the programme of work:

A) Strengthening of inter-administrative coordination regarding the Youth Guarantee:

- Inclusion of the National Youth Guarantee Implementation Plan on the agenda of the forthcoming Sectorial Conferences on Employment and Labour Affairs.
- Creation of a technical group to monitor implementation of the Youth Guarantee Scheme within the Sectorial Conference on Employment and Labour Affairs.
- Call of the Sectorial Conference on Employment to deal with the implementation of the Youth Guarantee in July 2014

- Call of technical meetings with the Autonomous Communities to draw up the European Social Fund Operational Programme on Youth Employment between September 2013 and July 2014.
- Call of the General Council of the National Employment System and of the General Vocational Training Council, with the presence of social partners, Autonomous Communities and relevant ministries to deal with the Youth Guarantee in March 2014.
- Inclusion of the Youth Guarantee on the agenda of the meetings of the Panel of Directors General of the Public Employment Services, as from December 2013.

B) Drafting of the Youth Employment Operational Programme:

- Technical meetings with Autonomous Communities and other intermediate bodies involved as from September 2013.
- First draft of the Operational Programme in February 2014.
- Submission of the Operational Programme in April 2014.

C) Start-up of the Youth Guarantee Scheme.

- Presentation of the Youth Guarantee Implementation Plan in December 2013.
- Priority for beneficiaries of the Youth Guarantee in the Annual Employment Policy Plan (PAPE) as from January 2014.
- Adaptation of Public Employment Services as from January 2014.
- Implementation of the administrative procedure for applying the Youth Guarantee in March 2014.
- Necessary agreements for the exchange of information and consultation on the information systems needed for the Guarantee as from January 2014.
- Start-up of the Information System and Single Data Base for the Youth Guarantee and gradual application of the Youth Guarantee for the young people who apply for it as from June 2014.

D) Contribution to the learning process on the Youth Guarantee

To meet the objective of structural change and introduce new methods for dealing with young people hoping to enter the labour market, the programme of work includes measures aiming to promote mutual learning among all the relevant agents, with a special focus on the regional public employment services.

- Launch of a mutual learning programme among the Autonomous Community and local authorities responsible for applying the Youth Guarantee, as from June 2014.
- Regular inclusion on the agenda of meetings of Directors General of Public Employment Services of good practices in the field of the Youth Guarantee as from January 2014.

- Development of bilateral cooperation programmes with other European countries (twinning) on relevant measures for implementing the Youth Guarantee as from January 2014.
- Drafting of a periodic report contributing to analysis of the Youth Guarantee Scheme outcomes so that all the measures are monitored and evaluated and that fact-based policies and actions can be drawn up taking into account what works, where it works and why, thus guaranteeing efficient use of resources and positive returns from the investment.

E) Pilot projects

The key role of evaluation in the creation of the Youth Guarantee makes it advisable to organise pilot projects that can be evaluated and, depending on the result, then extended or replaced by others. The areas in which it is considered that such pilot projects should be carried out in 2014 and in the framework of the Autonomous Communities are:

- Launch of a pilot project of a local nature.
- Pilot projects for early action.
- Pilot projects for specific offices.

Special attention will be paid to young people in situations of special need, so work will be done with specific groups of underprivileged young people.

