

§2 Financing

Jennifer Faulkner & Martin Noack, Bertelsmann Stiftung

While promising a return on investment for many parties involved, validation costs money. For this reason, the creation of clear financing structures and a response to the question of who pays what towards the cost of validation or consequent qualification procedure are of crucial significance.

2.1 Finances should be in place to cover the full costs of validation including personnel, infrastructure, instruments and support mechanisms.

Why is it important?

Low fees for VPL encourage participation but there are other factors, which have a bearing on uptake, namely provision of free guidance, support and training, particularly for candidates with low levels of formal qualifications. Furthermore, funding is needed for awareness raising campaigns, quality assurance mechanisms and training for assessors and guides. All of these aspects form vital components of a functioning system and adequate and reliable funding must be allocated, particularly as the cost of providing these elements is not insignificant.

Where is it working well?

Virtually all cantons in Switzerland are currently complying with the Federal Government recommendation that validation procedures (including supplementary training courses and guidance and support across all phases of validation) should be offered free of charge to all candidates who are not in possession of a vocational qualification.

Finland offers predominantly public financing for validation, alongside graded contributions by participants. Here too, financing covers free supplementary training measures, guidance and support.

2.2 A sustainable financing formula needs to be in place, which results in fair distribution of costs between the state, employers, and individuals, all of whom benefit from validation.

Why is it important?

VPL is expensive, easily ranging from a few hundred to multiple thousand Euros. For an individual to bear the costs alone is often prohibitive and thus has a detrimental effect on uptake, particularly for disadvantaged learners. Furthermore, if validation has to be privately funded, it constitutes a disadvantage for participants compared to learners in formal education pathways, which are often publicly financed or associated with a training allowance.

Instead, a system should recognise all of the parties benefitting from validation and calculate a fair contribution from each of them. The state benefits, for example, as the unemployed move into employment resulting in broader economic and social improvements. Employers gain a more competent and skilled workforce. Individuals benefit from improved career prospects and a greater sense of worth and wellbeing.

Where is it working well?

In some countries there is a right to predominantly publicly funded VPL. However, in many others there is a more mixed form of financing spanning public, private and the individual. For those employed, public financing support often comes from the Ministry of Education. For those unemployed, public financing support often comes from Ministry for Labour. In addition, a contribution is often requested from the individual for fixed costs, the exact amount determined by income.

Companies often make their financial contribution by allowing their employees to take the necessary time off work for training and certification. In some countries such as [France](#), the contribution from companies goes even further. Not only do they release their employees through 'educational leave' but also all the expenses linked to the validation procedure are paid by the company (300 employees+) through its training plan budget. If the company comprises less than 300 employees, the accredited joint body to which the company pays its tax for continuing training covers the expenses. In the [Netherlands](#), a similar system is in place, with the threshold being less than 500 employees.

2.3 VPL should be accessible to all, with means-tested support available to ensure that lack of financial resources is not a barrier to participation.

Why is it important?

Validation of prior learning can transform the life chances of the unemployed, low-qualified and low-income workers. However, with limited financial means at their disposal, the cost of validation, training and guidance will have a critical effect on uptake. It is essential that sufficient financial support is available to this target group, which has so much to benefit from validation.

Where is it working well?

In many countries, validation is free of charge to the unemployed with the costs instead borne by the state, via the Ministry for Labour. For those in work, the fee that they pay is often determined by their income, and is on a graded scale. Further support may be available through grants and vouchers.

2.4 Financial instruments should exist which incentivise provision and uptake of VPL.

Why is it important?

Financing models will vary from country to country, influenced by organisational arrangements. However, it is of paramount importance that there is not only provision for VPL but also uptake. Financial instruments and incentives can be a powerful tool to encourage uptake of validation by participants.

Where is it working well?

In some cases linking the financing of validation to existing instruments, such as validation qualifying for Continuing Training funds in France, with individuals each having a Personal Account for Training has had a positive effect on uptake.

In a federally structured country such as [Switzerland](#), central programmes may be supplemented by decentralised instruments and funding opportunities. This flexibility can also direct help to companies by targeting sectors according to the competence needs of the region.

In the Netherlands, both companies and individuals can offset the costs of validation against tax.

2.5 *There should be transparent and fair pricing of VPL across sectors.*

Why is it important?

It is recognised that there may be some variation in the cost of validation procedures. For example due to the complexity of training or certification requirements in certain sectors, or according to whether the provider is public or private. Nevertheless, it is crucial that there is transparency in the pricing structure to allow scrutiny and ensure a fair system for all.

Where is it working well?

In response to the great deal of variation seen in fees charged, some countries have introduced regulations or guidelines on setting fees. Another approach is to introduce regular sectoral reviews.

2.6 *The Return on Investment (ROI) of VPL should be monitored, analysed and advocated at the individual, organisational and societal level.*

Why is it important?

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The costs of validation are relatively simple to calculate but the return on investment is far harder to define numerically. This is due to the number of beneficiaries, the cross-sectoral nature of validation and the individualised learning path.

What we do know though is that the benefits to society and the economy are substantial and demonstrating the return on investment is a powerful advocacy tool, which will allow a validation system to thrive.

Where is it working well?

The Flemish government commissioned an analysis of the budget required to implement an integrated VPL procedure, and the potential return on investment at the level of the Flemish region. There is a need for more data collection and in-depth studies and wherever possible, a consistency and coherence in approach to allow cross-country comparisons.