

## Financing adult learning database

<b>Name of the instrument - Local language</b>	Ταμείο Ανάπτυξης Ανθρώπινου Δυναμικού-Αρχή Ανάπτυξης Ανθρώπινου Δυναμικού Κύπρου
<b>Name of the instrument - English translation</b>	Human Resource Development Fund- Human Resource Development Authority of Cyprus (HRDA)
<b>Scheme ID</b>	36
<b>Country</b>	 Cyprus
<b>Reporting year</b>	2015
<b>Type of instrument</b>	Training fund
<b>Type of entry</b>	Single instrument

<b>Short description</b>	All companies in Cyprus are obliged to contribute a fixed share of their payroll costs (0.5%) to a training fund and in return may receive contributions to their training costs. This scheme represents a specific funding scheme within this fund. Associations of enterprises receive a grant to cover part of their costs for VET programmes as well as for specific thematic funding programmes.
<b>Short description of the related instruments</b>	nap

<b>Level of operation</b>	National
<b>Name of a part of the country</b>	nap
<b>Name of the region (for regional instruments)</b>	nap
<b>Name of the sector (for sectoral instruments)</b>	nap
<b>Legal basis</b>	Industrial Training Law (1974), Human Resource Development Law 125(1)/1999
<b>Objective(s) and target(s)</b>	To create the necessary prerequisites for the planned and systematic training and development of Cyprus's human resources, at all levels and in all sectors, for meeting the economy's needs, within the overall socio-economic policies.
<b>Year of implementation</b>	1979

<b>Year of latest amendment</b>	2007
<b>Operation/management</b>	The Human Resource Development Authority of Cyprus (HRDA) is a semi-governmental organisation. Its mission is to "create the conditions for the planned and systematic training and development of human resources of Cyprus, at all levels and in all sectors, for meeting the economy's needs in the context of social and economic policies". The main source of income comes from the Human Resource Development levy of 0.5% on the payroll of all employers, excluding the government. Civil servants and the self-employed are excluded from the HRDA's sphere of competence. The HRDA is governed by a 13-person strong Board of Directors, which has a tripartite character; the Board includes 5 representatives of the government and 8 representatives of the most significant employer organisations and trade unions.
<b>Eligible group(s)</b>	All companies/organisations that pay the levy; the levy is mandatory, so essentially, all employers but the government.
<b>Group(s) with preferential treatment</b>	None
<b>Education and training eligible</b>	Training programmes are run by Centres of Vocational Training (KEK). KEKs must be accredited by HRDA, as well as the infrastructure and trainers used. KEKs are the ones to receive the funding after each programme is complete. To receive funding, KEKs need to submit a list of programmes that they intend to run in the next semester to the HRDA. HRDA approves (or disproves) the specifications and the number of the total programmes to take place (under its funding). The next step is for KEKs to seek HRDA's approval for each programme's implementation. HRDA's approval to implement a programme cannot be transferred to the next semester. In the approval letter, HRDA informs the KEK on the estimated funding to be allocated. After the approval of the training, KEKs have to provide employers with a form to express their interest. The form must be provided to and filled by employers prior to the training. Employers have to declare to KEKs if they receive other funding, so as to respect the de minimis Regulation of the Council. KEKs are the ones to select participants, keeping in mind the targets of the training.
<b>Source of financing and collection mechanism</b>	<p>Levy on companies EU funds Other sources of funding (e.g. loans, donations, fines, grants etc.)</p> <p>The companies are obliged to contribute 0,5% of their total payroll costs to the fund (the law allows to set up the rate up to 1%). The rate is the same for all contributors (all companies except government organisations and self-employed). The money is collected via the social insurance mechanism.</p>
<b>Financing formula and allocation mechanisms</b>	After completion of the training, HRDA provides the training providers (KEKs) with the subsidy, after

authorisation from employers. The latter receive the subsidy from KEKs.

The amount of subsidy paid to KEK for each programme is calculated using the effective right to participate or fees (excluding VAT) charged to each company / organisation to participate. So, the final subsidy may be less in case the actual right of participation/fee charged is lower than that declared by the KEK during the stage/process of approving the implementation of the programme. Also, the final subsidy per participant cannot exceed the amount approved and disclosed to KEK. The right to participate/fee per participant is defined by the KEK. The latter receives the difference between the fee and the subsidy from the employers which meet the HRDA criteria, (VAT on fees is excluded) before it files the relevant documents for the subsidy/funding.

The amount of the subsidy ("aid") paid by HRDA is calculated as allowable aid = aid intensity (%) x eligible cost.

The eligible cost taken into account in calculating the subsidy is the fee for participation of employees in the programme, not including VAT.

For employees participating in a mulcompany training programmes – standard programmes, the plan provides for aid intensity of 80% for all companies/organisations. The aid intensity is the amount of support expressed as a percentage of eligible expenditure.

The subsidies will cover training costs borne by each company/organisation participating in the programme as a percentage of what the aid intensity foresees, provided that this amount will not exceed the maximum grant amount.

HRDA sets maximum subsidy levels. The subsidy, calculated based on the intensity and the eligible expenditure, cannot exceed these levels. Maximum subsidy levels are calculated as follows:

maximum subsidy level= number of employees x duration of training programme x hourly subsidy per participant.

The training duration is determined in hours, according to the pre-approved training structure. The hourly grant is determined by the HRDA for each level of funding and holds without discrimination for all beneficiaries

employers. For multi-company training programmes/dtandard in Cyprus the HRDA has defined two grant levels. The level of grant of each training programme approved by the HRDA, is determined by the level of programmes' content and level of participants ( e.g. lower staff; technical staff; management) in the group. When the group of participants is of mixed level, the grant level is determined according to the lowest level participants. For programmes starting in 1/1/2015 the maximum hourly grants are calculated as:

Level 1: 12€/hour/person, Level 2: 17€/hour/person.

The two levels of participants are defined as:

- Level of participants 1: a) for technical skills and knowledge: key personnel as craftsmen, labourers, clerical staff, service employees; b) personal skills: key personnel such as craftsmen, labourers, clerical staff, service employees, supervisory/managerial staff

- Level of participants 2: a) specialised professionals/technical knowledge and skills: technical/science/ supervisory/managerial staff;

	<p>b)supervisory/managerial knowledge and skills: supervisory/managerial staff; c) specialised/innovative topics: managerial and scientific staff.</p> <p>The estimated subsidy covers the eligible training expenditure incurred by the employer at the rate provided for in the aid intensity, granted that it will not surpass the maximum subsidy that has already been set. The estimated subsidy is calculated as: eEstimated subsidy= lesser amount between “allowable Aid” and “maximum subsidy level”.</p> <p>Following the de minimis aid Council Regulation 1407/2013, a company cannot receive more than €200,000 in a three-year time horizon.</p>
<b>Eligible costs</b>	Fees and other costs related to education and training
<b>Frequency of the use</b>	Each year
<b>Volumes of funding</b>	<p>In 2014, EUR 3 687 159 were given for multi-company programmes (standard and high-priority ones). For 2013, the amount was EUR 3 919 179 and for 2012, EUR 4 838 012.</p> <p>Overall funds disbursed to CVET programmes (including multi-company programmes, standard programmes):  2012: EUR 16 349 999  2013: EUR 10 173 321  2014: EUR 6 991 369</p> <p>Overall funds collected:  2012: EUR 29 369 441 (EUR 26 169 814 from Human Development Fee)  2013: EUR 28 577 879 (EUR 23 668 390 from Human Development Fee)  2014: EUR 34 206 639 (EUR 22 742 463 from Human Development Fee)</p> <p>Funds disbursed per size of company:</p> <p>self-employed (1 person)  2011: EUR 656 957  2012: EUR 657 636  2013: EUR 560 532  2014: EUR 237 109</p> <p>micro companies (1-9 employees)  2011: EUR 6 298 179  2012: EUR 6 660 054  2013: EUR 4 761 874  2014: EUR 3 003 062</p> <p>small-medium companies (10-49 employees)  2011: EUR 5 712 611  2012: EUR 6 533 329  2013: EUR 4 294 605  2014: EUR 2 763 057</p> <p>medium companies (50-249 employees)  2011: EUR 3 908 566  2012: EUR 4 126 190  2013: EUR 2 815 433  2014: EUR 2 087 829</p>

large companies (250+ employees)

2011: EUR 3 849 061

2012: EUR 4 222 502

2013: EUR 2 854 275

2014: EUR 1 365 955

Funds collected from companies by size:

self-employed (1 person)

2011: EUR 1 408 536

2012: EUR 1 372 084

2013: EUR 1 250 082

2014: EUR 1 138 210

micro companies (1-9 employees)

2011: EUR 6 815 648

2012: EUR 6 554 656

2013: EUR 5 852 448

2014: EUR 5 617 853

small-medium companies (10-49 employees)

2011: EUR 6 519 044

2012: EUR 6 262 520

2013: EUR 5 460 597

2014: EUR 5 286 816

medium companies (50-249 employees)

2011: EUR 6 301 518

2012: EUR 5 947 255

2013: EUR 5 410 582

2014: EUR 5 567 859

large companies (250+ employees)

2011: EUR 7 202 817

2012: EUR 6 944 048

2013: EUR 6 255 073

2014: EUR 5 799 761

**Beneficiaries/take up**

In 2014, 8 403 trainees (5 573 male and 2 866 female) were funded. In 2013, there were 10,145 trainees (6 637 male and 3 508 female) and in 2012, 12 121 trainees (7 810 male and 4 311 female).

Overall, 795 multi-company programmes/standard programmes held in Cyprus were funded in 2013 and 1 039 in 2012.

Beneficiaries of HRDA funds per size of company (beneficiaries/eligible companies):

self-employed (1 person-company)

2011: 412/ 44 794 (0,9%)

2012: 411/ 43 424 (0,9%)

2013: 365/ 40 496 (0,9%)

2014: 218/ 38 060 (0.6%)

micro-companies (1-9 employees)

2011: 2 666/ 70 130 (3,8%)

2012: 2 620/ 67 792 (3,9%)

2013: 2 090/ 63 076 (3,3%)

2014: 1 584/ 60 337 (2.6%)

small and medium companies (10-49 employees)

2011: 1 446/ 4 050 (35,7%)

2012: 1 472/ 3 894 (37,8%)

	<p>2013: 1 187/ 3 485 (34,1%) 2014: 996/ 3 529 (28.2%)</p> <p>medium companies (50-249 employees) 2011: 469/ 637 (73,6%) 2012: 443/ 596 (74,3%) 2013: 394/ 570 (69,1%) 2014: 373/ 572 (65.2%)</p> <p>large companies (250+ employees) 2011: 92/ 96 (95,8%) 2012: 87/ 91 (95,6%) 2013: 81/ 86 (94,2%) 2014: 79/ 85 (92.9%)</p>
<b>Organisation responsible for monitoring/evaluation</b>	Human Resource Development Authority of Cyprus (HRDA).
<b>Most relevant webpage - in English</b>	<a href="http://www.hrdaauth.org.cy/">http://www.hrdaauth.org.cy/</a>
<b>Most relevant webpage - local language</b>	Human Resource Development Authority of Cyprus (HRDA)
<b>Sources</b>	HRDA 2013 Annual Report
	<a href="http://www.hrdaauth.org.cy/el/%CE%B7-%CE%B1%CE%BD%CE%B1%CE%B4-%CE%B5%CF...">http://www.hrdaauth.org.cy/el/%CE%B7-%CE%B1%CE%BD%CE%B1%CE%B4-%CE%B5%CF...</a>
	HRDA Manual/Guide for Multi-Company Training Programmes/Standard Programmes, September 2014
	<a href="http://www.hrdaauth.org.cy/easyconsole.cfm/page/project/p_id/178/pc_id/1...">http://www.hrdaauth.org.cy/easyconsole.cfm/page/project/p_id/178/pc_id/1...</a>
	Ministry of Labour and Social Insurance: Guide for Employers