



CEDEFOP

European Centre for the Development
of Vocational Training

50
YEARS
SHAPING LEARNING AND
SKILLS FOR EUROPE

Cedefop study on Training funds

Exploring the potential for reforming/
establishing training fund(s) in Poland

Łukasz Sienkiewicz, Institute for Labour Market Analyses

Context and approach – Poland case study

- **Objective:** Analysis of potential for establishing or modernising levy-based training funds in Poland within CEDEFOP's EU-wide study.
- **Context:**
 - No comprehensive training fund system; closest equivalent is *Krajowy Fundusz Szkoleniowy (KFS) / National Training Fund* financed from the Labour Fund.
 - KFS partially meets CEDEFOP's definition: finances CVET, relies on employer levy (via Labour Fund), but lacks institutional autonomy and social partner governance.
- **Scope:**
 - Focus on national level (KFS and related policies) and two sectors – *Fashion/Textiles* and *Banking/Finance*.
 - These sectors chosen for strong engagement in Sectoral Skills Councils.
- **Methodology:**
 - Desk research
 - 30 interviews with representatives of government, agencies, employer & employee organisations, academia, and sectoral representatives.
 - 2 focus groups and 1 stakeholder workshop validating scenarios and recommendations.

Reasons for introducing or modernising training fund(s) in Poland

- **Fragmented and uncoordinated system** - financing of CVET spread across many institutions (ministries, PES, PARP, regions) with no central steering or coherent long-term strategy.
- **Reliance on EU funds** - national financing limited; project-based and temporary rather than continuous.
- **Weak governance and planning** - lack of consistent mechanisms for identifying skill needs; insufficient data integration and coordination between levels of government.
- **Limited accessibility and transparency** - complex procedures, short application windows, and low awareness among SMEs.
- **Insufficient volume of funding** - particularly in KFS; inability to meet employer demand.
- **Existing strengths to build on** - variety of funding sources (ESF+, Labour Fund, private funds), wide training offer, and proven instruments such as BUR / demand-based funding system.

Reasons for introducing or modernising training fund(s) in Poland

Reform perspective

- **Krajowy Fundusz Szkoleniowy (KFS)** inadequate to cover growing development needs
- Limited influence of social partners; management dominated by administration and PES; insufficient coverage of training types.
- Better coordination needed between EU, national and regional instruments (BUR, BCU, IKR) to ensure continuous, transparent access.

Catching-up perspective

- Adult-learning participation in Poland remains below EU-27 average; Barriers: lack of time/incentives, limited awareness, high costs for SMEs.
- A levy-based fund would encourage employer investment, simplify access, and strengthen support for SMEs.
- Linking to planned **Individual Learning Accounts (IKR)** and sectoral mechanisms could raise participation and engagement.

Social investment perspective

- 59 % of enterprises provide no CVET; training expenses \approx 1 % of labour costs.
- A pooled, predictable fund can generate public returns - better skills supply, productivity, and inclusion.
- Supports long-term priorities and provides continuity of financing beyond EU cycles, ensuring sustained investment in human capital.

Functional analysis – potential of training fund(s) in Poland

Key Function A:
Constraining free-riding of employers & incentivising training investments

- No mechanism currently **obliges or structurally encourages** enterprises to invest in staff training.
- Employers' engagement is **voluntary and uneven**, with SMEs underrepresented.
- A levy-based or sectoral fund could introduce a “**beneficial constraint**”, ensuring more stable, shared responsibility for training investment and reducing “free-riding”.

Key Function B:
Generating public/collective funds dedicated for CVET/skill formation

- CVET financing is **fragmented and heavily dependent on EU funds**.
- The KFS scale and national co-funding remain **insufficient** for broad coverage or continuity.
- A dedicated fund could **pool diversified resources** (employers, Labour Fund, public budgets) and secure a **permanent, predictable funding stream** for training.

Key Function C:
Supporting employer-employee collective agreements on rights for training, cost sharing and rewards for skills/qualifications acquired

- Social partners currently have **limited influence** on training policy and spending priorities.
- There is **no stable institutional platform** for collective agreements on CVET.
- A training fund, jointly managed by employers and employees, could **revitalise social dialogue** and build shared responsibility for skills development.

Key Function D:
Interest intermediation and demand aggregation among employers and supporting tailored, high-quality training offer

- Weak coordination between **training demand and supply**; sectoral and regional initiatives operate in silos.
- Sectoral Skills Councils and BUR provide partial coordination but lack systemic support.
- A training fund could act as a **central coordination mechanism**, aggregating skill needs, supporting data-driven decisions, and improving responsiveness of training provision.

Scenarios for implementing training fund(s) in Poland

#1

New Training Fund

Key assumptions:

- Establishment of a **new nationwide Training Fund** fully dedicated to financing the development of adult competences (employees and employers).
- Fund **based on a universal employer levy** (e.g. 0.05–0.1 % of gross wages); levy collected via social-security system.
- **Tripartite governance** – management by social partners (employers' and employees' organisations); public administration acts only as regulator and supervisor, not as operator.
- Resources earmarked exclusively for CVET, ensuring **permanent, independent funding flow** beyond EU projects.
- Combination of *demand-side support* (reimbursement for employers, IKR-type solutions for individuals), and *fund's own services* (training, counselling, validation, and labour-market analysis).
- Objective: introduce a systemic, transparent, and demand-driven mechanism stimulating employer investment in training.

Strengths

- Creates a **stable, dedicated and self-financing** mechanism for adult learning.
- Enhances **social-partner ownership** and long-term planning capacity.
- Promotes a **shared responsibility culture** for workforce development.
- Enables coordinated national response to skills and restructuring challenges.

Weaknesses

- **High implementation cost** and administrative complexity.
- **Potential duplication** with existing mechanisms (KFS, EU-funded tools).
- **Low political and employer acceptance** due to introduction of a new levy.
- Requires **significant institutional capacity** for governance and monitoring.

Scenarios for implementing training fund(s) in Poland

#2

Reform of the National Training Fund KFS

Key assumptions:

- **Strengthened governance:** enhanced role of **social partners** in setting spending priorities at **national and regional levels**.
- **Increased financing:** higher share of Labour Fund resources allocated to KFS; improved stability and predictability of funding; maintain **0.05–0.1 % contribution** to the Labour Fund for all enterprises; potential earmarking of 15–20 % reserves for downturns or major skill transitions.
- **Distribution mechanism:** *For enterprises:* reimbursement of eligible training costs (demand-side financing), *for individuals:* support for self-employed and individual learners (via BUR and IKR-type instruments).
- **Broadened scope:** inclusion of a wider range of training and competence development forms (e.g. validation, digital skills, sectoral needs).
- **Improved coordination:** better alignment of funding from different sources (Labour Fund, ESF+, regional budgets) using existing structures such as **Public Employment Services (PES)** and **BUR**.
- **Objective:** to evolve KFS from a limited labour-market tool into a **modernised, semi-autonomous national training fund** supporting both employers and employees.

Strengths

- Builds on **existing, recognised structure** (KFS) with low institutional risk.
- Enhances **social-partner influence** and regional participation.
- Realistic, **high-feasibility reform** that improves coordination and transparency.
- Expands coverage and responsiveness of adult-learning funding.

Weaknesses

- Dependent on **Labour Fund priorities and fiscal constraints**.
- Limited scope for new revenue generation (no additional levy).
- Risk of **uneven implementation across regions**.
- Requires sustained political commitment and administrative capacity for reform.

Scenarios for implementing training fund(s) in Poland

#3

Sectoral Training Funds

Key assumptions

- Establishment of **separate training funds at sector/industry level**, tailored to specific labour-market and skills needs.
- **Financing from existing sources** – EU funds, national or regional budgets, and portions of KFS allocations – **no additional employer levy**.
- **Governance by sectoral social partners**, building on experience of **Sectoral Skills Councils** in identifying training priorities.
- **Distribution mechanisms:** *for enterprises:* co-financing of external training, reskilling and upskilling activities through **BUR** or sectoral operators; *for individuals:* support for job-related learning, validation and micro-credentials via **IKR** or sectoral instruments.
- Operated through existing institutional frameworks (BUR, BCU, IKR) with oversight and coordination at national level.
- Objective: to foster **sector ownership, flexibility and alignment** of training provision with industry developments.

Strengths

- Builds on **existing sectoral infrastructure and partnerships**; encourages **bottom-up engagement**.
- Enhances **alignment between training and industry needs**, improving relevance and employability.
- Promotes **collective responsibility** for workforce development within sectors.
- Can complement national funding mechanisms and improve coordination between employers and training providers.

Weaknesses

- **No dedicated levy** limits financial independence and long-term sustainability.
- **Reliance on EU and public budgets** may reduce stability beyond funding cycles.
- **Uneven sectoral capacity** may lead to fragmented or inconsistent implementation.
- Requires **strong national coordination** to ensure coherence and quality across sectors.

Assessment of favourability

Scenario	Feasibility / risk	Strength of policy fit	Expected impact	Overall favourability	Main conclusion
1. New Training Fund	Very low / High risk	Weak – requires new legislation, levy system, and new institutions	Potentially high (long-term)	Low	Too costly and complex; low political feasibility; not recommended for further work.
2. Reform of the National Training Fund KFS	High / Low risk	Strong – builds on existing structures and governance	High (short- to medium-term)	High	Most realistic and immediately actionable; recommended as baseline scenario for implementation study.
3. Sectoral Training Funds	Medium / Medium risk	Moderate – requires sector capacity-building and legal adjustments	Medium (long-term)	Moderate	Promising as complementary, long-term scenario; can evolve gradually alongside KFS reform.

Key insights

- **Scenario 2** shows the **highest overall favourability** – feasible, cost-effective, and consistent with policy direction.
- **Scenario 3** complements it by introducing sectoral flexibility and ownership over time.
- **Scenario 1** is conceptually valuable but **not viable** under current financial and institutional conditions.

Recommendations

Enhance stakeholder engagement

- Strengthen collaboration among government, social partners, and sectors.
- Introduce tripartite governance for balanced decision-making.
- Draw on European good practices (Spain, France, Cyprus).

Increase financial allocation

- Gradually raise KFS funding – target up to five times current level.
- Explore diversified financing: private contributions, reallocation of existing resources.
- Ensure stable, long-term national funding beyond EU cycles.

Develop evidence-based policy

- Establish monitoring and evaluation frameworks for effectiveness and outcomes.
- Use data to guide priorities and improve fund performance.
- Promote transparency through regular public reporting.

Facilitate sectoral involvement

- Strengthen and stabilise Sectoral Skills Councils.
- Support industry-education partnerships and sector-specific programmes.
- Encourage collective planning and shared use of resources.

Simplify administration and access

- Reduce bureaucracy, streamline application and approval processes.
- Enhance user-friendliness and transparency for SMEs and individuals.
- Develop BUR into a one-stop digital platform for training and funding access.

Thank you

www.cedefop.europa.eu

Follow us on social media



Łukasz Sienkiewicz

lukasz.sienkiewicz@iarp.edu.pl



CEDEFOP

European Centre
for the Development
of Vocational Training