

Financing adult learning database

Name of the instrument - Local language	Αρχή Ανάπτυξης Ανθρώπινου Δυναμικού Κύπρου - Προγράμματα Κατάρτισης στην Κύπρο & στο Εξωτερικό
Name of the instrument - English translation	Human Resource Development Authority of Cyprus (HRDA) - Training programmes in Cyprus and abroad
Scheme ID	34
Country	 Cyprus
Reporting year	2020
Type of instrument	Training fund
Sub-type of instrument	National level collection and national level distribution
Type of entry	Single instrument

Short description	All companies in Cyprus, irrespective of their economic sector, are obliged to contribute a fixed share of their payroll costs (0.5%) to the HRDA Training Fund. In return, they may receive grants in the form of subsidies for approved training activities, such as (i) Single company Training programmes in Cyprus, and (ii) Single company training programmes abroad. These company grants are covered entirely by national sources. The actual amount of subsidy is not fixed and depends on a number of parameters whether the training is carried out in Cyprus or abroad. Co-funding can cover 80% of eligible costs. The instrument represents a specific funding intervention whereby companies receive grants to cover part of their training costs for local and overseas VET programmes, as well as for specific thematic funding programmes targeted towards unemployed individuals.
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Level of operation	National
Name of a part of the country	Not applicable
Name of the region (for regional instruments)	Not applicable
Name of the sector (for sectoral instruments)	Not applicable
Relevance	Key instrument

Legal basis	Industrial Training Law (1974) succeeded by the Human Resource Development Law 125(1)/1999
Objective(s) and target(s)	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
Year of implementation	1981
Year of latest amendment	2015
Operation/management	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 as an employer. 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.
Eligible group(s)	All employers paying the HRDA levy are eligible for benefiting from the HRDA funding schemes.
Group(s) with preferential treatment	No
Education and training eligible	HRDA funds IVET and CVET programmes (single and multiple-company ones) that take place in Cyprus or abroad. The Authority also funds and runs initiatives to tackle unemployment (such as funding of training of the unemployed, economically inactive women etc.). Under a specific scheme, HRDA also funds placement of unemployed tertiary-education graduates in companies.
Source of financing and collection mechanism	- Levy on companies (0.5% on their pay roll) - EU funds - Other sources of funding (e.g. loans, donations, fines, grants, bank interest etc.) 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.
Financing formula and allocation mechanisms	1. For single-company training programmes in Cyprus, beneficiaries (companies) can receive a grant up to 80% of the cost for eligible expenses. However, this subsidy / grant to the company is limited to a maximum amount which is calculated by HRDA for each individual training programme and is based on the number of participants X training duration X hourly grant per participant. Following the de minimis aid Council Regulation 1407/2013, a company cannot receive more than EUR 200 000 in a

	three-year time horizon. Allocation: The funding is transferred (as reimbursement of the costs) directly to a bank account of the owner/company/organisation. 2. For single-company training programmes abroad, beneficiaries (companies) can receive a grant up to 80% of the cost for eligible expenses. The grant is limited to a maximum amount which varies according to the training duration from EUR 1 850 for 2.0 days to EUR 8 600 for a 60 days. De minimis regulations apply. Allocation: The funding is transferred (as reimbursement of the costs) directly to (a bank account of) the company. 3. For multi-company training programmes, beneficiaries (companies) can receive a grant up to 80% of the cost for eligible expenses which include participation fee. The grant is limited to a maximum amount which varies according to the formula: No. of participants x duration of the programme (in hrs) x hourly rate depending on the level of participants (EUR 12/hr or EUR 17/hr). De minimis regulations apply. Allocation: The beneficiary of the grant is the company whose employees have participated in the programme. 4. Training programmes for the unemployed. Funding can vary according to the type of training intervention. Beneficiaries (individuals) can receive a weekly (EUR 125) living allowance or a monthly supplementary grant (EUR 90), in addition to government unemployment grant, in order to cover extra expenses such as traveling to the work place. In other cases where the trainees are positioned in enterprises for acquiring working experience, with the intention of employment, the employer receives a grant which covers 80% of training costs including the trainees salary costs, to a maximum of EUR 1.000 per month. In the cases of training programmes implemented in training institutions the trainee receives no grant since the attendance is free. The training institution receives a grant equal to EUR 6 per participant per training hour.
Eligible costs	1. For single-company training programmes in Cyprus, beneficiaries (companies) can receive a grant up to 80% of the eligible expenses which include:- The cost of the trainer- Lost production time of participants - Running expenses (training materials, venue rental, rental of training equipment, consumables)- Administration expenses. 2. For single-company training programmes abroad, beneficiaries (companies) can receive a grant up to 80% of the cost for eligible expenses which include: - The participation fees- Travelling expenses (to and from the place of training)- Living expenses (accommodation and food expenses)- Cost of lost production for the duration of the programme. 3. For multi-company training programmes, beneficiaries (companies) can receive a grant upto 80% of eligible expenses which include:- The participation fee. 4. Funding for training Programmes for the Unemployed can vary according to the type of training intervention.
Volumes of funding	2019 : EUR 33 437 993 / EUR 19 535 984 2018 : EUR 30 877 791 / EUR 16 197 748 2017 : EUR 28 434 983 / EUR 17 706 523
Beneficiaries/take up	Beneficiaries (individuals):2019 : 59 453 2018 : 48 084 2017 : 54 446

Organisation responsible for monitoring/evaluation	Human Resource Development Authority of Cyprus (HRDA)
Monitoring/evaluation reports available	Indicators of participation in HRDA's activities 2012 - 2018
Most relevant webpage - in English	http://www.hrdauth.org.cy/
Most relevant webpage - local language	Not available
Recent changes	2015. The change related to the mode of calculating the level of subsidy for the "Training programmes in Cyprus". Originally there were 3 levels of hourly subsidy rate per participant whereas after the amendment the levels were reduced to 2. Recent changes in response to COVID-19 No changes
Sources	HRDA 2018 and 2017 annual reports. The 2019 annual report, although, technically it was ready, it was not officially published so an advance copy was given for the purposes of this study 2018 and 2017 HRDA Annual Reports http://www.anad.org.cy/images/media/assetfile/ANAD_ANUAL%20REPORT%20201... http://www.anad.org.cy/images/media/assetfile/ANAD_ANUAL%20REPORT%20%CE... HRDA Manual/Guide for single-company training programmes, October 2018 http://www.hrdauth.org.cy/images/media/assetfile/2018%2010%2002%20%CE%9... Single company training programmes page on the HRDA website. http://www.anad.org.cy/easyconsole.cfm/page/project/p_id/181/pc_id/17139 1. Panorama of the Training and Development of the Human Resource in Cyprus in 2000 http://anad.org.cy/images/media/assetfile/trainingstudy.pdf 2. Indicators of participation in HRDA's Activities 2012 - 2018 http://anad.org.cy/images/media/assetfile/Summary0006.pdf