



Co-Funded Training Aid in MALTA



Operational Programme II – Cohesion Policy 2007-2013
Empowering People for More Jobs and a Better Quality of Life
Programme part-financed by the European Union
European Social Fund (ESF)
Co-financing rate: 85% EU Funds; 15% National Funds
Investing in your future



Malta



Malta

- Population : 414,000
- Area: 316km²
- Density: 1,300/km²
- First Settled: 5200BC
- Education : Free University and Vocational Education plus students receive a stipend

Co Funded Training Aid in Malta

- **October 2008**
- Business Promotion Act (BPA)
- Training Subsidy Scheme
- **October 2009**
- Training Aid Framework (ESF co-funded)
- Training Subsidy Scheme (ESF co-funded)
- Strategic Educational Pathways Scholarships (ESF co-funded)
- Legal Notice 243/09 re Tax Credits
- Rapid reaction training with employees in risk of redundancy

Business Promotion Act

- Did not make positive discrimination in favour of small organisations: i.e. it offered 60% for General Training and 35% for Specific Training same like TAF for Medium but offers an additional 10% for Small organisations
- General Training: 80%
- Specific Training: 45%

REPLACED BY TRAINING AID FRAMEWORK



Major Differences

- **BPA**

Beneficiaries needed to be in an emerging manufacturing and software development industry, and had to be approved

Beneficiaries on part-time employment needed to work for 10hrs/week

- **TAF (ESF Co-funded)**

All non-public entities (including self-employed) not directly involved in the agriculture or fisheries sector

Beneficiaries on part-time employment need to work for 20hrs/week

Minor Differences

- **BPA**
 - Depreciation: 5%
 - Minor expenses for Training Material
 - Consultancy 25% refund with a capping of around €1,165
- **TAF (ESF funded)**
 - Depreciation: 0%
 - Expenses for Training Material : None
 - Consultancy 50% refund with a capping of €2,500



Training Aid Framework

based on Commission Regulation (EC) No 800/2008
declaring categories of State Aid

2009 – 2013



Operational Programme II – Cohesion Policy 2007-2013
Empowering People for More Jobs and a Better Quality of Life
Aid Scheme part-financed by the European Union
European Social Fund (ESF)
Co-financing: EU Funds, National Funds, and Private Funds
Investing in your future



- ◆ Potential funding: Cohesion Policy 2007-13 – OP II - European Social Fund
- ◆ Applicant organisation: Employment and Training Corporation
- ◆ State Aid regulation applicable: Training Aid Block Exemption
- ◆ Target group: Undertakings
- ◆ Duration: 5 years – 2008-2013
- ◆ Total budget envisaged: € **9,863,154** VAT inclusive
€ 8,850,000 - Grants

The Training Aid Framework is intended to:

- **promote access** to training of persons actively participating in the Maltese Labour Market.
- **increase and/or improve the skills of persons employed**
- enable undertakings to become more competitive through the adaptation of skills and knowledge.

Potential beneficiaries must meet all eligibility criteria:

- a) Complete documentation**
- b) Falls within the definition of undertaking**
- c) Project implemented within / for the direct benefit of the eligible territory**
- d) The training objectives are in line with the needs of the undertaking**
- e) Training programme relevant to the training needs of the trainee**
- f) Training Programme needs to deliver the desired learning outcomes**
- g) Trainers need to be qualified and/or experienced in subject matter to be taught**
- h) The trainee needs to be employed with the undertaking**
- i) The aid granted to one undertaking for a single calendar will have a capping of €250,000**

The Trainer must:

- Be either a graduate and ideally have a “Train the Trainer’s” Certificates;
or
- have an aggregate of at least two years’ work experience in the subject/area for which training is being provided, **and** must have successfully completed a “Train the Trainers’ programme or equivalent.

If the Trainer is not a Maltese citizen, the employer is to abide with the conditions and or regulations applicable.

The Training Programme:

Is an activity initiated by an employer to provide knowledge, skills and competence that will increase the performance/employability of the trained employee.

Type of Training (General and or Specific)

classified by the employer as one of the following:

- **Internal – One-to-One or Classroom**
- **External – One-to-One, Classroom or Distance**

The Categories of Training:

- **General Training** – training involving tuition which is not applicable only or principally to the employee's present or future position in the assisted undertaking, but which provides skills that are largely transferable to other firms or fields of work and thereby substantially improve the employability of the employee.
- **Specific Training** – shall mean training involving tuition directly and principally applicable to the employee's present or future position in the assisted undertaking and providing skills which are not or only to a limited extent transferable to other firms or fields of work.
- Training can be delivered either on-the-job and or off-the-job, i.e. at a training institution.

Training Aid Framework

Training Aid Intensity

Enterprise Size	Training	
	Specific	General
Large No of workers exceeds 250	25%	60%
Medium No of workers not exceeding 250 and Turnover not exceeding EUR 50m and / or Balance Sheet Total not exceeding EUR 43m	35%	70%
Small No of workers fewer than 50 and Turnover and / or Balance Sheet Total not exceeding EUR 10m	45%	80%

Training Aid Framework

Eligible Costs

	Eligibility of Training Costs	Reimbursement Rates
A	Trainer's Fees and/or Costs <u>External Trainer</u> <u>In-House Trainer</u>	100% of rate charged 100% of hourly wage cost
B	Trainer's/Employee's Travel Expenses	100%
C	Cost of Consultancy Services with Regard to the Training Programme	50% of costs incurred to a maximum of €2,500
D	The Personnel Costs Relating to the Employee Such costs relating to the employee must not exceed the total cost referred to A to C.	100% of hourly wage cost

VAT is not an eligible cost..

A. The Trainer's personnel costs - wages or fees paid for the delivery of training.

Trainers

- **External trainer** (not employed by the employer applying for the training aid)
- **In-house trainer**, (an employee of the employer applying for the training aid.)

Personnel Cost

- the full rate charged by the trainer.
- the full hourly wage cost.

In both instances costs will be calculated at a pro-rata basis depending on the number of trainees that are being claimed for.

B. The trainer's and trainee's travel expenses

If training involve overseas travel to and from Malta or vice versa (airline tickets only - economy class).

C. Cost of consultancy services with regard to the training

50% (up to a maximum of €2,500) of the costs incurred for consultancy services related to the training needs analysis, programme design and evaluation of training.

The consultant shall not be engaged with the employer claiming Aid and must be qualified in the area for which consultancy is being sought.

D. The personnel costs relating to the employee

Wages paid to the trainees, including National Insurance Contributions paid by the employer.

- Covering the duration of Training**
- Not applicable for training not delivered during the employee's normal working hours**

Additional Conditions for the Payment of Aid:

- A maximum of €4,000 per trainee per annum
- Training Programmes which lead to an NVQ Level 5 or higher may receive a maximum grant of €10,000 per trainee per annum
- The total Training Aid claimable by any one undertaking will be capped at €250,000 per undertaking per year, non-transferable.



taf.etc@gov.mt

www.etc.gov.mt



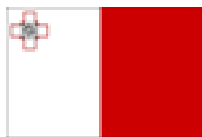
Operational Programme II – Cohesion Policy 2007-2013
Empowering People for More Jobs and a Better Quality of Life
Aid Scheme part-financed by the European Union
European Social Fund (ESF)
Co-financing: EU Funds, National Funds, and Private Funds
Investing in your future





Training Subsidy Scheme

- A sub-section of ESF co-funded Employability Programme
- Eligible to all organisations employing ten or less
- The applicant has to be the individual employee
- Capping of €2,500 per annum per individual on any number of programmes



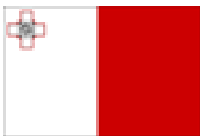
Operational Programme II – Cohesion Policy 2007-2013
Empowering People for More Jobs and a Better Quality of Life
Programme part-financed by the European Union
European Social Fund (ESF)
Co-financing rate: 85% EU Funds; 15% National Funds
Investing in your future





Training Subsidy Scheme

- Scheme is demand driven
- Individuals must apply before commencement of training programme
- Training programme has to be related to employment or justified
- Training programme has to be approved as a general training



Operational Programme II – Cohesion Policy 2007-2013
Empowering People for More Jobs and a Better Quality of Life
Programme part-financed by the European Union
European Social Fund (ESF)
Co-financing rate: 85% EU Funds; 15% National Funds
Investing in your future





Strategic Educational Pathways Scholarships (STEPS) ESF 1.25

STEPS scheme supports:

- 12-36 month full or part-time Masters courses (EQF Level 7)
- Distance learning for Masters
- 36-48 months fulltime Doctorates (EQF Level 8)



Operational Programme II – Cohesion Policy 2007-2013
Empowering People for More Jobs and a Better Quality of Life
Programme part-financed by the European Union
European Social Fund (ESF)
Co-financing rate: 85% EU Funds; 15% National Funds
Investing in your future



Strategic Educational Pathways Scholarships (STEPS)

- Any individual resident in Malta or EU/EEA national working in Malta may apply
- Must be graduate of at least an upper second class standard
- Applications open twice a year

Strategic Educational Pathways Scholarships (STEPS)

Part-time /Distance
Learning

- Masters

Full time Basis

- Masters
- Doctorates

Strategic Educational Pathways Scholarships (STEPS) Priority Areas

- Capacity Building in Education System
- Skills Mismatches for expanding economic sectors
- Research & Innovation in Science and Technology
- Information & Communication Technology

Strategic Educational Pathways Scholarships (STEPS) Aid Intensity

- Distance Learning Masters : €7,000 total
- Part-time Masters : €7,000 total
- Full-time Masters Non Science: €6,000 / annum
- Full-time Masters ICT: €13,000 / annum
- Full-time Doctoral Non Science: €8,500 / annum
- Full-time Doctoral Science & Tech: €22,000 / annum
- Scholars an additional €2,500 / annum

THANK YOU

Joseph Galea

joseph.k.galea@gov.mt

