Poland

The interplay of supply- and demand-side instruments in financing CVT/ adult learning (in particular job-related)

Public funding for adult learning has a strong focus on formal education for adults provided in public institutions free of charge, while public supply-side funding for non-formal adult education is not strongly developed, giving provision funded with the help of European Union funding arrangements (including the ESF), which have an important role. Several demand-side funding instruments are complementary to supply-side funding schemes.

Demand-side instruments in financing CVT/ adult learning (in particular job-related)

- **Key institutions involved and funding sources**

Adult learning is a shared responsibility of several different ministries. The ministries in charge of education, labour, and science and higher education have a leading role in this area. Demand-side schemes are partly relying on ESF funding at least for a period of time before systematised based on national funding lines.

- **Instruments targeting individuals**

Young unemployed adults can use a training grant (#173). Employees may be supported by schemes targeting their employers, when individual training activities are supported by the employer, who receives the support. There are also specific incentives targeting specific target groups, e.g. the workers above 45 years. A specific scheme supports post-graduate students (#174). Adults in formal education have a formal right for short paid educational leave for supporting their studies (e.g. for sitting exams) (#176).

- **Instruments targeting companies**

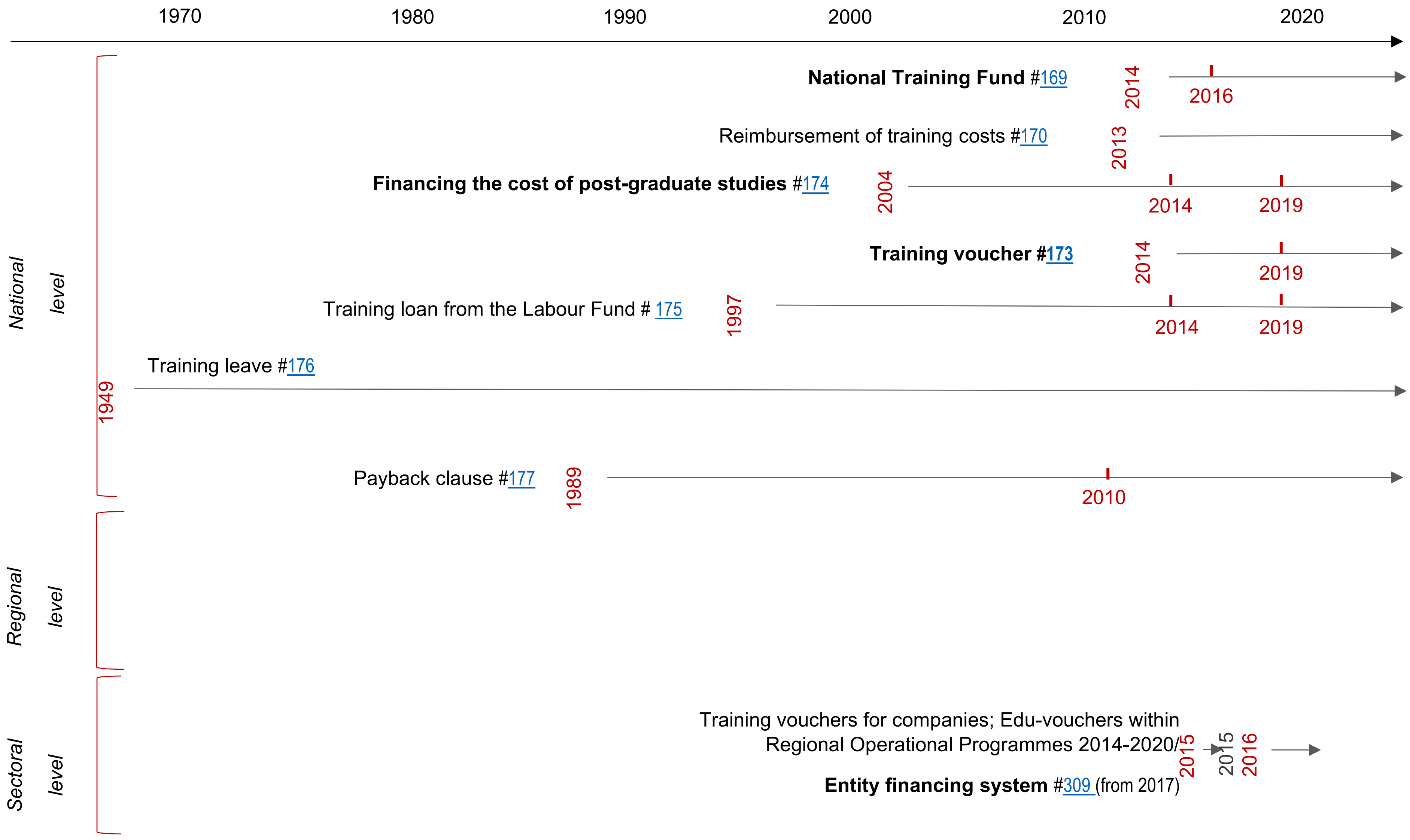
Companies can receive co-funding for their training costs from the National Training Fund (#169), a funding vehicle sourced by the Labour Fund (2% of the Labour Fund revenues are allocated into National Training Fund each year). Companies receive state-funded contributions of up to 80% (in case of micro companies up to 100%) of eligible training costs for particular types of training activities and groups of employees. From 2016 onwards, the range of employees for whom training subsidies can be obtained, has strongly expanded. With considerable regional variety, companies can benefit from training vouchers/grants, organised under the heading of Entity Financing System (#309) (2 out of 16 regions do not provide these vouchers/grants). Firms under economic stress can further benefit from a training subsidy (#170). Employers and employees can agree on a payback clause (#177).

Table 1. Overview of demand-side financing instruments in Poland by 2020

Level of implementation	Importance of the level of implementation	Overall importance of the instrument	Demand-side instruments targeting individuals		Demand-side instruments targeting companies	
National level	High	Key instruments	Grants for individuals	Training voucher #173 Financing the cost of post-graduate studies #174	Grants for companies	Entity Financing System #309 National Training Fund #169
		Further instruments	Loans	Training loan from the Labour Fund #175	Grants for companies	Reimbursement of training costs #170
					Training leave	Training leave #176
					Payback clause	Payback clause #177
Regional level	High	Key instruments			Grants for companies	Entity Financing System #309
		Further instruments				
Sectoral level	High	Key instruments				
		Further instruments				

- **Evolution of demand-side instruments over time**

Figure 1. Overview on the evolution of demand-side instruments in Poland until 2020



Source: Cedefop, based on the 2020 data collection

Bold = key instruments

- **Statistics on volumes of funding and beneficiaries**

Table 2. Statistical data on volumes of funding and beneficiaries

ID	Name of the instrument	Year of reference	Volume of funding (in EUR)	Year of reference	Beneficiaries (individuals)	Year of reference	Beneficiaries (companies)
309	Entity Financing System	Not available	Not available	2019	166 594	2019	49 390
169	National Training Fund	2019	52 268 000	2019	108 355	2019	23 197
170	Reimbursement of training cost - according to the Act of 11 October 2013 on special measures related to the protection of jobs.	Not available	Not available	Not available	Not available	2019	0
173	Training voucher	2019	2 642 000	2019	3 120	-	-
174	Financing the cost of post-graduate studies	2019	1 003 000	2019	887	-	-
175	Training loan from the Labour Fund	Not available	Not available	2019	4	-	-
176	Training leave	Not applicable	Not applicable	Not available	Not available	-	-

Source: Cedefop, 2020 data collection

Table 3. Short descriptions of the financing instruments

ID	Name	Level of implementation	Importance of the instrument	Short description
(1) Training funds				
	No training fund established.			
(2) Tax incentives for companies				
	No tax incentives for companies are established.			
(3) Tax incentives for individuals				
	No tax incentives for individuals are established.			
(4) Grants for companies				
309	Entity Financing System	National, Regional (all Polish regions (Voivodships) excluding Mazowieckie nad Pomorskie)	Key instrument	SMEs can apply for this grant covering all types of training available in the Database of Development Services administered by the Polish Agency for Enterprise Development. Co-funding rates vary from 50% to 80% of the total cost of the service depending on the type of support (voucher, reimbursement of costs). Training programme to be provided to employees or employers is chosen by the employer (in line with company's needs) or in cooperation with consultants from the regional operators.
169	National Training Fund	National	Key instrument	All organizations which employ at least 1 person (the type of contract is irrelevant) can apply for the grant from the National Training Fund. The eligible education and training activities include certified and non-certified continuing general education and CVET, postgraduate studies as well as exams that certify acquired skills and qualifications. The public co-funding share is 80% of employee training cost (but not exceeding 300% of the average monthly salary). In the case of micro-enterprises, reimbursement covers 100% of the training cost (but not exceeding 300% of the average monthly salary). Tuition fees and other costs related to education and training (such as cost of exams confirming acquired qualifications; physician and/or psychological test; insurance; analysis of training needs of the employer who is applying for the reimbursement) are considered eligible costs. There is no limitation to re-use the scheme.
170	Reimbursement of training costs	National	Further instrument	Companies facing economic problems and which introduced economic downtime or reduced number of working hours may apply for the grant from the Labour Fund. Any training justified by the present or future needs of the company is eligible. The public co-funding share is up to 80% of employee training costs (but not exceeding 300% of the average monthly salary). There is no preferential treatment. There is no limitation to re-use the scheme.
(5) Grants for individuals				
173	Training voucher	National	Key instrument	Young unemployed persons (up to 30 years old) registered in the district job centre, who prove (show high probability) that after completing the training can find employment or launch their own company can apply for the grant to fund CVT courses. Maximum co-financing from the public resources amounts to an average monthly salary. If the cost of training is higher, the difference has to be covered by the learner. Tuition fees and other costs related to training (travel costs; physician and/or psychological test, if necessary; accommodation, if training takes place outside the place of living of the unemployed) are considered eligible costs. There is no limitation to re-use the grant.

174	Financing the cost of post-graduate studies	National	Key instrument	Unemployed persons, job seekers, and employees aged 45+ registered in the district job centre can apply for the grant to cover the costs of their postgraduate studies (lasting at least 2 semesters). No preferential treatment for a particular eligible group is applied. District job centre can finance up to 100% of the cost of the studies (tuition fees), however, the funding cannot exceed 300% of the average monthly salary. The additional criteria that have to be fulfilled in order to remain the costs for educational activities eligible for co-funding, is a positive final examination. Eligible costs include tuition fees. There is no limitation to re-use the scheme.
(6) Loans				
175	Training loan from the Labour Fund	National	Further instrument	This training loan is available to the unemployed, job seekers, and employees aged 45+ registered in the district job centre. The loan is fully subsidized (zero interest rate and grace period) by the state (Labour Fund). Since Labour Fund is a public fund, in practice the State does not collect the interest rate from the learner until the loan is repaid. If a learner uses a loan for a purpose other than this specified in a contract or does not start or finish the training programme, the learner is obliged to pay the interest rate (which was up to 3.6% in 2020). The maximum amount of the loan is 400% of the average salary. The loan repayment starts immediately after graduation. The maximum period of the loan repayment is 18 months after completing the training. There is no loan forgiveness. There is no limitation to re-use the loan.
(7) Training leaves				
176	Training leave	National	Further instrument	Employees have the right to a short-term paid leave for preparing and sitting exams (6 or 21 days depending on the type of exam/type of education and training). These exams must be related to training taken at the initiative of the employer or with her/his consent. An employee has to prove the attendance in educational activities required by providing the diploma/certificates of graduation. No government bodies and agencies are involved in the operation of training leaves in Poland. Employer covers 100% of employees' wages during the training leave (6 or 21 days, depending on the type of training). If agreed (in the contract signed by employer and employee) the employer may cover also the cost of tuition fees, travel, accommodation costs, and learning materials.
(8) Payback clauses				
177	Payback clause	National	Further instrument	Employer and employee can agree on a payback clause. The payback clause applies when the employer co-finances training activities for the employee (directly - e.g. covering tuition fees). The employer may oblige the employee to stay in employment for a maximum of 3 years after completing the training. If an employee decides to terminate the employment, he/she must reimburse the costs of the training paid by the employer. All types of training and education relevant to performed work are eligible. (Co)financing to employees' training may include tuition fees, learning materials, travel, and accommodation costs. No government bodies and agencies are involved in the operation of the payback clause in Poland.