

Romania

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

Provision of adult learning opportunities is poorly developed in Romania and receive little supply-side funding with the exception of schemes within active labour market policy. Former traditions of liberal adult education are continued mainly by non-profit private organisations with little regular public support beyond EU funded project-based activities.

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

- **Key institutions involved and funding sources**

Public funding for adult education is available mainly as part of EU structural funding (in particular through the ESF), mainly focussing on supporting companies via demand-side schemes in providing training to their workforce. The consecutive European Funding Periods of EU frameworks are therefore a key driver for demand-side schemes in Romania.

- **Instruments targeting individuals**

Individuals cannot get any support for course fees or other direct costs and no specific tax incentives are in place. In case employees are not included in corporate training by their employer (every second year), they have the formal right of up to 10 days of paid training leave ([#188](#)) (less generous regulations for employees of small companies apply).

- **Instruments targeting companies**

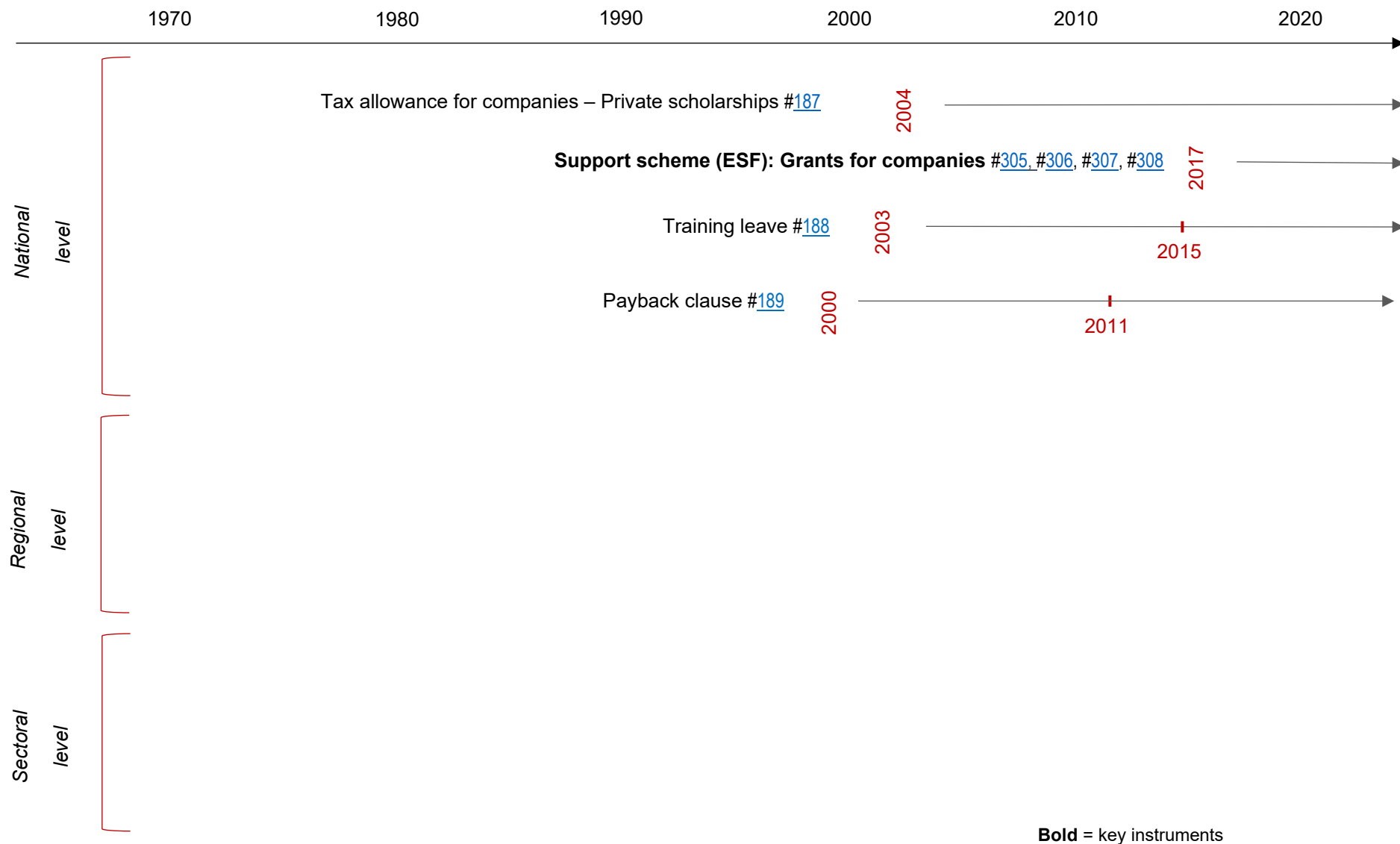
Companies can receive co-funding for projects covering the provision of training for their employees with up to 95% of co-funding for the costs of training and partly for the wage replacement costs. They can also receive co-funding for the costs of training for their managerial personnel, both frameworks organised based on funding from the ESF ([#305](#), [#306](#), [#307](#), [#308](#)). Moreover, companies may receive a tax refund (as long as they make profits) for support for training provided to defined categories of employees and for defined forms of training ([#187](#) 'Private scholarship'). Finally, costs for training measures are regarded as operational costs, reducing a companies' tax base, however, no further incentive for training is provided.

Table 1. Overview of demand-side financing instruments in Romania 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 companies Improving the level of knowledge / skills / aptitudes for employees from competitive economic sectors #305 Professional Romania - Competitive human resources #306 Digital competences for SMEs' employees #307 Increasing the qualification level of the employees through continuous training programs correlated with the needs of the labour market #308
		Further instruments	Training leaves Training leave #188	Tax incentives for companies Private scholarships #187 Payback clause Payback clause #189
Regional level	Moderate	Key instruments		
		Further instruments		
Sectoral level	Moderate	Key instruments		
		Further instruments		

- Evolution of demand-side instruments over time

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



Source: Cedefop, based on the 2020 data collection

- **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)
187	Private scholarships	Not available	Not available	-	-	Not available	Not available
305	Improving the level of knowledge / skills / aptitudes for employees from competitive economic sectors	2019	22 017 000	2019	10 693	2019	1 922
306	Professional Romania - Competitive human resources	2018	67 186 000	2019	28 299	2019	6 654
307	Digital competences for SMEs' employees	2019	997 000	Not available	Not available	Not available	Not available
308	Increasing the qualification level of the employees through continuous training programs correlated with the needs of the labour market	2019	6 886 000	Not available	Not available	Not available	Not available
188	Training leave	Not applicable	Not applicable	2018	4 584	-	-

Source: Cedefop, 2020 data collection

Table 3. Short descriptions of 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				
187	Private scholarships	National	Further instrument	This tax incentive allows companies to receive a public contribution to the costs of providing a student trainee with a voluntary payment, while the student is expected to work for the company at a later stage. As a student is not currently employed, the payment would not constitute operational costs without this special regulation/scheme. All companies paying tax on profit are eligible for the scheme, which allows companies to deduct costs of scholarships provided to students. Companies can deduct up to 20% of the calculated tax on profit (and up to 3% of yearly turnover). The monthly amount of the private scholarship must cover at least accommodation and subsistence. The minimum amount to be paid monthly to a student is equal to the level of the minimum wage per economy, which is currently RON 2 300 per month (approx. EUR 4 185). There is no maximum amount set to be paid to the students. The eligible education and training activities refer to university/post-university studies only.
(3) Tax incentives for individuals				
No tax incentives for individuals established				
(4) Grants for companies				
305	Improving the level of knowledge / skills / aptitudes for employees from competitive economic sectors	National	Key instrument	Employees with an individual employment contract (full time or part-time) who come from companies that carry out their main or secondary activity in one of the economic sectors with competitive potential are eligible for the grant. Grants are provided by the Management Authority for the Operational Programme Human Capital (MA OPHC) within the Ministry of European Funds. Eligible training is focused on employees' skills update and development. Min co-funding is 80, 75% (for private companies) and max co-funding is 85% (for non-governmental organisations). The maximum amount for an application is RON 4 800 000 (approx. EUR 1 004 814), the conditions related to the maximum amount being to have min. 250 employees trained in a full qualification/project, of which min. 200 certified employees/project. There is no preferential treatment. An applicant can only apply once for the grant under a specific ESF call.
306	Professional Romania - Competitive human resources	National	Key instrument	Employers' organizations (employers' associations, employers' federations, employers' confederations), business associations, trade unions can apply for the grant. Grants are provided by the Management Authority for the ESF Operational Programme Human Capital (MA OPHC) within the Ministry of European Funds. Eligible training is focused on the employees' skills update and development. Co-funding ranges between 75% for private companies and 85% for non-governmental organisations. The maximum amount for an application is RON 4 800 000 (approx. EUR 1 004 814), the conditions related to the maximum amount being to have at least 250 employees trained in a full qualification/project, of which at least 200 certified employees/project. There is no preferential treatment. An applicant can only apply once for the grant under a specific ESF call.

307	Digital competences for SMEs' employees	National	Key instrument	Chambers of Commerce and Industry - legal persons of public utility, employers' organisations (employers' associations, employers' federations, employers' confederations, or territorial employers' unions), and business associations can apply for the grant. Grants are provided by the Management Authority for the Operational Programme Human Capital (MA OPHC) within the Ministry of European Funds. Eligible training is for increasing the level of digital competencies for all employees in the public and private sectors. Minimum co-funding is 80,75% (for private companies) and max co-funding is 85% (for non-governmental organisations). The maximum amount for an application is RON 4 770 000 (approx. EUR 983 881), the conditions related to the maximum amount being to have elaborated and implemented 1 training plan for min 250 employees that attend a Qualification programme for level 3 EQF, with a duration of 1080 training hours. There is no preferential treatment. An applicant can only apply once for the grant under a specific ESF call.
308	Increasing the qualification level of the employees through continuous training programs correlated with the needs of the labour market	National	Key instrument	Chambers of Commerce, Industry and Agriculture, trade unions, members of sectorial committees and sectoral committees with legal personality, employers' organisations, Professional associations, Public or private centres for validation/certification of previous learning, Authorized CVT providers, public and private, professional / career counselling and guidance service providers, NGOs can apply for the grant. Eligible training should be focused on employees' skills update and development. Min co - funding is 80, 75% (for private companies) and max co-funding is 85% (for non-governmental organisations). The maximum amount for an application RON 4 770 00 (approx. EU 983 881). There is no preferential treatment. An applicant can only apply once for the grant under a specific ESF call.
(5) Grants for individuals				
No grants for individuals are established.				
(6) Loans				
No loan incentive is established.				
(7) Training leaves				
188	Training leave	National	Further instrument	Employees have the right to a paid educational leave of 10 days/80 work hours per year under specific circumstances. In general, employees have a right to receive training once in 2 years (once in 3 years in companies with up to 20 employees). In case the employer does not offer training, the employee has the above-mentioned right to a paid educational leave. No specific financing mechanisms are established for the training leave. Financing arrangements depend on who initiates the training, the duration, and specificity of the training/educational programme, and the negotiation between employer and employees, observing also the collective agreements. If training is initiated by the employer, all costs are borne by him. Where the employer fails to fulfil its obligation to provide training to its employees, training leave is treated the same way as if the employer had initiated the training. No compensation to the employer is awarded, but the costs are deductible in the calculation of the profit for taxation. Where training is at the employee's initiative, the Labour Code leaves to the employer the decision on terms of participation, including duration (no minimum/maximum specified by law) and coverage of (direct) training costs. Training leave can be also unpaid but recorded as active work in the work record.

(8) Payback clauses

189	Payback clause	National	Further instrument	Employers and employees can agree on a payback clause. The Labour Code gives a broad framework (e.g. stating a minimum length of 60 days for education and training activities to be regulated under a clause). When employees do not comply with the contractual retention period stipulated in an individual addendum to the individual employment contract, benefits received during participation in the training/educational programme subject to the addendum are to be reimbursed, together with all related costs encountered by the employer, according to a formula stipulated in the addendum and respecting limits introduced by collective agreements at company or sector level. The maximum amount for training costs under this regulation is RON 1 000 (approx. EUR 209).
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