

Slovakia

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

In Slovakia, the state used to be engaged in funding adult learning only to a limited extent except for training provided within the active labour market policy. Overall, the provision of adult learning based on supply-side funding is not broadly established. No public institution is responsible by law to provide funds for adult learning in Slovakia.

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

- **Key institutions involved and funding sources**

Since the accession to the European Union, European funding streams, including European Social Fund (ESF), have developed into the most pertinent source of public funding. Based on the EU funds, additional demand-side funding instruments were introduced, after 2014.

- **Instruments targeting individuals**

While demand-side instruments targeting the employed are rather scarce in Slovakia (with the tax allowance scheme as the most important instrument), the unemployed are supported by demand-side instruments (the ESF co-funded REPAS+ scheme (#302) supporting vocational training programs, and the also ESF co-funded KOMPAS scheme (#303) which is focused on general skills such as ICT skills or foreign language courses), meaning that they can choose among the offers by certified providers and receive 100 % co-funding of the incurred fees. With regard to formal education, adults can use a loan scheme (#204) introduced to support students in tertiary education to cover tuition fees in higher education and living costs during full-time education. Employees in higher education can ask for a short training leave to prepare for or sit exam. However, it depends on the agreement of their employer.

- **Instruments targeting companies**

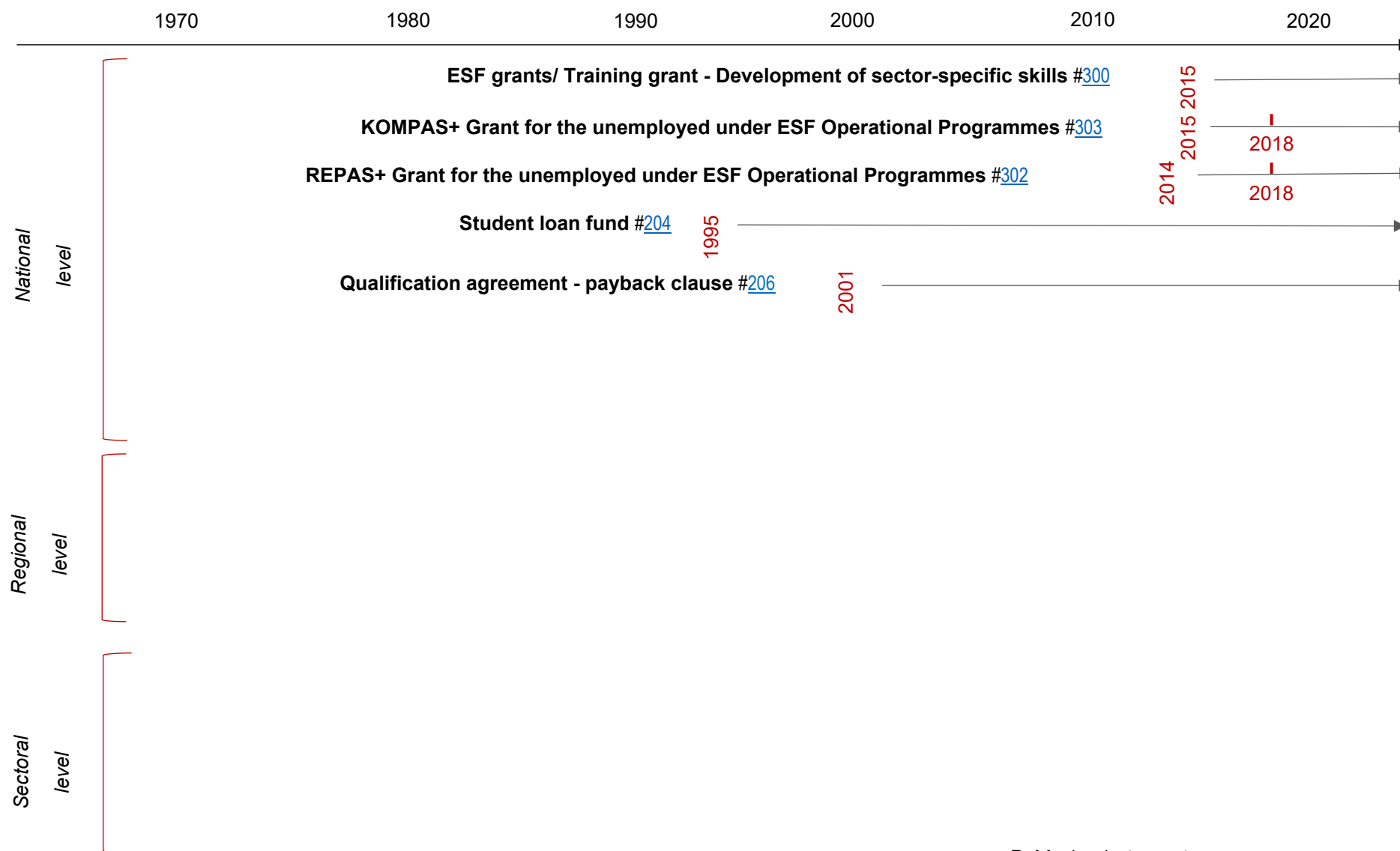
Companies receive state-funded contributions to their training costs for particular types of training activities and groups of employees (#300). Eligible education and training activities include training in sector-specific skills. Employers receive reimbursement both of direct training costs as well as the wage costs during participation. The co-funding rate ranges from 50% to 85% of the costs, depending on the features of the organisation (e.g. size) and type of call. Employer and employee can agree on a payback clause within a set framework (#206).

Table 1. Overview of demand-side financing instruments in Slovakia 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	Supporting the re-qualification of jobseekers – REPAS #302 KOMPAS (KOMPAS+) #303	Grants for companies	Development of sector-specific skills #300
			Loans	Student Loan Fund #204		
		Further instruments			Payback clause	Qualification agreement - payback clause #206
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 Slovakia 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 (EUR)	Year of reference	Beneficiaries (individuals)	Year of reference	Beneficiaries (companies)
<u>300</u>	Development of sector-specific skills	2018	14 500 000	Not available	Not available	Not available	Not available
<u>304</u>	Vocational education and training of employees	Not available	Not available	2019	44	2019	1
<u>302</u>	Supporting the re-qualification of jobseekers - REPAS	Not available	Not available	2019	6 647	-	-
<u>303</u>	KOMPAS (KOMPAS+)	Not available	Not available	2019	2 095	-	-
<u>204</u>	Student Loan Fund	Not available	Not available	Not available	Not available	-	-
<u>205</u>	The right to absence from work for educational purposes	Not available	Not available	Not available	Not available	-	-

Source: Cedefop, 2020 data collection

Table 3. Short description of financial 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				
300	Development of sector-specific skills	National	Key instrument	Companies can apply for the co-funding of direct training-related costs, as well as a proportion of wages of trained employees in private companies. All types of private and public legal entities are eligible for this grant. The focus of the training is on sector-specific skills related to the current job. Grants are distributed based on applications outlining the training plans of employers. The co-funding share is variable from 50% to 85% of the costs, depending on the type of organisation (public, municipality co-owned, or private), a region of its residence, and type of call. Eligible costs depend on the call and cover not only fees but also training-related costs and wage replacement. The minimum amount of funding is EUR 25 000, the maximum amount of funding is EUR 200 000 per project. Only one grant per call is allowed.
304	Vocational education and training of employees	National	Further instrument	Employers can apply for this grant supporting the training of employees delivered in order to increase the employability of its current employees. The amount of funding is calculated as a percentage of eligible costs and is directly transferred to the employer as cost reimbursement. The share of co-funding is 50-70% of eligible costs. Up to 60% of direct costs can be covered for medium-sized enterprises and up to 70% for small enterprises. The maximum amount of funding is EUR 2 000 000 per project. Eligible costs include direct costs related to the training provision: tuition fees, costs for training materials, and travel costs.
(5) Grants for individuals				
302	Supporting the re-qualification of jobseekers - REPAS	National	Key instrument	Under REPAS jobseekers registered by COLSAF may choose a vocational training programme. The total costs related to the training are being reimbursed by COLSAF. The financing formula is based on a percentage of eligible costs. 100% of training costs can be covered. The funding is directly transferred to the learner via her / his bank account as costs reimbursement based on the documented costs and proof of participation. Training providers should be accredited by the Ministry of Education, Science, Research and Sport of the Slovak Republic. The introduction of REPAS resurrected the training provided by COLSAF, with steady growth in the number of supported trainees. In 2018, under REPAS+, training was provided to 13 308 participants with a budget of EUR 10 247 562.
303	KOMPAS (KOMPAS+)	National	Key instrument	The active labour market policy programme reimburses competency-building training activities of unemployed jobseekers registered by COLSAF. Introduced in September 2015, KOMPAS supports courses that are less vocationally specific and aimed at building more general competencies, e.g. PC skills or foreign language courses. The financing formula is based on a percentage of eligible costs. 100% of training costs can be covered.

The funding is directly transferred to the learner via her / his bank account as cost reimbursement based on the documented costs and proof of participation. There is no limitation to re-use the grant.

(6) Loans

204	Student Loan Fund	National	Key instrument	Adults can use a loan scheme introduced to support students in initial education to cover tuition fees in higher education and living costs during full-time education. The loans are provided by a specialised institution founded by the National Council of Slovak Republic (the Parliament); classified as non-state (but not private). It is a mortgage-type loan and repayment starts 2 months after the state final examination or after the loss of student status. Since June 2019, the Student Loan Fund introduced a new type of loan. The Stabilisation Loans of max. EUR 2 000 are granted to Slovak (or of an EU member state origin resident in Slovakia) students in tertiary education study programmes in Slovakia or abroad to cover study-related expenses. Support is provided only to students in tertiary education fields identified to be in high demand. In the case the graduate enters employment in Slovakia in the field of his study, the loan is repaid from his income tax (depending on the length of employment and the amount of the loan). Medical fields and occupations dominate among the identified. Other parameters of the Stabilisation Loans are the same as for the Student Loans (5-10 years of repayment period interrupted in the case of a study or a maternity leave). There is no limitation to re-use the loan.
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(7) Training leaves

205	The right to absence from work for educational purposes	National	Further instrument	Employees may be granted time off work in order to participate in education/training leading to upgrading or deepening their qualifications. The eligible duration of the training leave is 0-40 working days. If education/training undertaken leads to an increase of qualifications in line with the employer's needs, the employer may grant employees paid training leave. An employer may grant employees paid training leave with wage or salary in the amount of their average income. The government institutions are not actively involved in the training leave mechanism. Firm-level collective agreements usually define the framing setup of the training leaves.
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(8) Payback clauses

206	Qualification agreement - payback clause	National	Further instrument	Employers and employees can agree on a payback clause in a 'Qualification agreement'. Thereby, the employee will work for the employer for an agreed period (no more than 5 years) after completing training to compensate the employer for the training expenses incurred. If an employee decides to terminate the employment before the agreed period, he/she must reimburse the costs of the training (up to 100%). If an employee partly fulfilled his/her commitment to remain in employment for the duration of the agreed period, the amount to be repaid will be reduced proportionately. If the training undertaken by the employee leads to 'deepening' (rather than upgrading) qualification, the agreement may be concluded if the anticipated costs of training amount to at least EUR 1 700. The Labour Code stipulates minimum requirements. Modifications in favour of the employee are subject to negotiations between employee and employer, or to collective agreements.
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