



European
Commission

EAfa

10
YEARS

EUROPEAN
YEAR OF
SKILLS

Financial support to apprenticeships in the EU



Launched in 2013, the [European Alliance for Apprenticeships](#) (EAfa) is a multi-stakeholder platform aiming to strengthen the quality, supply and image of apprenticeships, as well as the mobility of apprentices in Europe. EAfa aims to do so through national commitments and voluntary pledges from stakeholders, and by providing practical information, and increasing knowledge exchange on apprenticeships.

Context

Based on the [Council Recommendation on vocational education and training \(VET\)](#):

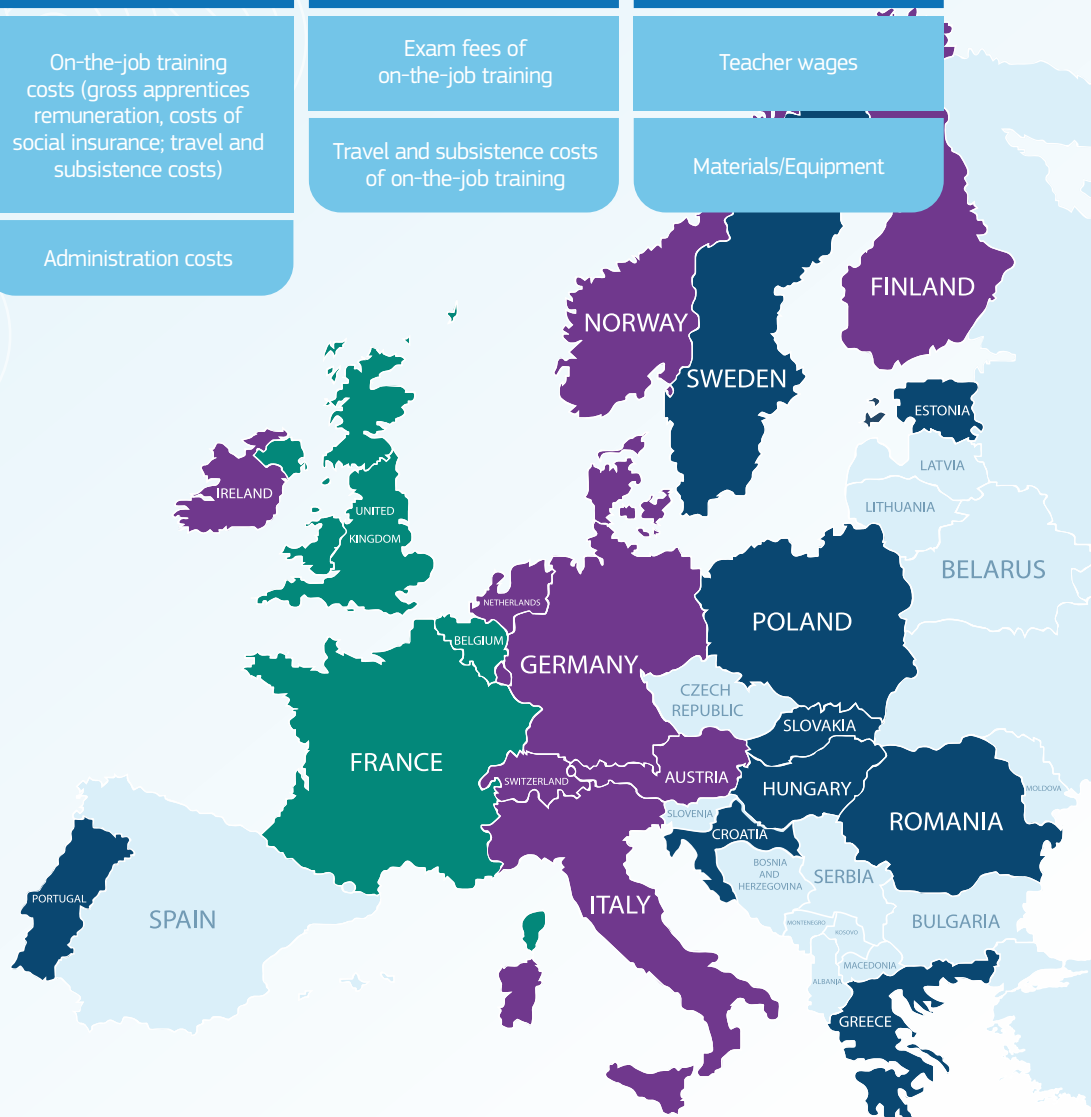
- **60 % of recent VET graduates** should benefit from work-based learning by 2025.
- VET should swiftly adapt to **labour market needs** and contribute to a more **digital and green economy**.

In this context, apprenticeships play a crucial role. The European Framework for Quality and Effective Apprenticeships ([EFQEA](#)) sets criteria to ensure that apprenticeships benefit both employers and learners. Among those, some of them directly imply costs such as **pay and/or compensation to apprentices, social protection and various forms of support such as in-company trainers, career guidance or mentors**. It also recommends providing financial and non-financial support to companies (more details below).

Apprenticeship schemes across Europe vary significantly in terms of their target groups (e.g. young people, adults, unemployed persons, etc.), form, curricula, among others. **Apprenticeships' financing also differs** between countries and schemes. The main differences concern financial flows, such as cost-sharing between stakeholders, the type of costs subsidised by companies or by public authorities, and the level of pay and/or remuneration to the apprentice.

What are the main costs of apprenticeships?

Employers	State/region/municipality	Apprentices/households	VET schools/providers
Gross apprentice wages/ allowances Costs of social insurance	On-the-job training costs (gross apprentices remuneration, costs of social insurance; travel and subsistence costs)	Exam fees of on-the-job training	Teacher wages
Gross wages of in-company trainers Fees for external instructions		Travel and subsistence costs of on-the-job training	Materials/Equipment
Costs of material/equipment	Administration costs		
Travel and subsistence costs for apprentices			
Exam fees of on-the-job training			
Contributions to national/sectoral training funds			



■ **High pay** > €9.000 per year / €6 per hour
 ■ **Medium pay** €3.000 – 9.000 per year / €4-6 per hour
 ■ **Low pay** < €3.000 per year / €4 per hour

Source: Cedefop, 2020.

Level of apprentice remuneration in the EU

Apprenticeship income is provided in wages (taxable income) or allowances (non-taxable income) in 75 % of apprenticeship schemes identified in Europe (Cedefop, 2020). However, there are variations in the amount of pay provided to apprentices.

In most countries, apprentice pay **increases per year** or is related to **age**. This is the case in France, where apprentices receive 25 % of the gross minimum wage in their first year, while those older than 21 receive 53 %.

Where apprentice wages are collectively set, they also differ among trades. For example, in Germany there are variations between bricklayer, hairdresser and cook professions.

Who pays for apprenticeships?

What all apprenticeship systems have in common is that costs are shared between employers, households/apprentices and the state/public authorities.

- **Employers** contribute by paying wages and social insurance and redirecting productive working time towards apprentices' training.
- **Apprentices** and their households often bear part of the financial cost associated with workplace training, which can include living expenses and exam fees, among others.
- **Governments and public authorities** contribute by paying for schools, teachers, grants and facilities using regional, national or EU funds.

Financial support for companies

Training funds

A specific way of financing apprenticeships is through the so-called training funds. Training funds are financed from levies or taxes imposed on companies, which are re-distributed to employers who provide training. The first national training funds for apprentices were established in the 1970s and 1980s and are now well embedded in some national cultures. National or sectoral training funds exist in several EU countries (e.g. Denmark, France, Germany, and Ireland) as well as non-EU countries (e.g. the United Kingdom).

Spotlight: Denmark

Type of instrument: Training fund

Target group: All companies

The **employers' training contribution** (since 1977) is based on a fixed annual amount of levy per employee.

The funds are distributed to employers on a 'first come, first served' basis, with increasing amounts based on the academic year the apprentice is enrolled in.

The funds are used by companies for apprentices' remuneration. The instrument may also be used by employers to defray the costs faced by apprentices for the duration of the in-school part of their VET education.

Tax incentives for companies are intended by public authorities to encourage particular types of behaviour (e.g. encourage VET education) and/or to favour concrete groups (e.g. unemployed, young people). Such incentives exist for example in Croatia, Ireland, and Malta.

Spotlight: Croatia

Type of instrument: Tax incentive

Target group: All companies and entrepreneurs working in craft occupations

The **tax incentive** supports companies and entrepreneurs that have one to three students undertaking practical training and exercise at their premises. The incentive may reduce employers' income tax base or self-employment income tax base by 5 %. For more than three students the percentage of the reduction of tax base is increased by one percentage point per each student, but not more than by 15 %. Eligible costs include, apprentice remuneration, costs of materials, and technical resources.

Grants for companies are subsidies financed by public actors aiming to support companies' investment in education and training, normally linked to a wider goal such as, for instance, increasing supply in certain sectors or focusing support on certain target groups. Examples of these grants are found in Austria, Croatia, Finland, and Greece.

Spotlight: Austria

Type of instrument: Grant for companies

Target group: Companies that are entitled to train apprentices according to the Vocational Training Act or the Agriculture and Forestry Vocational Training Act

Since 2008, **basic subsidisation** in Austria aims to fund apprenticeship places in companies and abroad, trainers training and support to apprentices with learning difficulties.

In the 1st year of apprenticeship, employers receive subsidies equal to three monthly wages. This amount decreases over time to two monthly wages in the 2nd year, and to one monthly wage in the 3rd and 4th years. This support totals to around 15 % of the apprentice overall remuneration.

Financial support for individuals

Grants for individuals are paid by public authorities to incentivise individuals to participate in apprenticeships and compensate living, travel, or exam costs. Countries with such schemes are Belgium, Estonia, Portugal, and Sweden, among others.

Spotlight: Portugal

Type of instrument: Grant for individuals

Target group: Apprentices under the age of 25 who have not completed secondary level education, among others

In Portugal, the ['Learning, Lifelong Skills and Enhancement of Employability - Apprenticeship Courses'](#) (2014–2020) scheme provides accommodation, travel and meal allowances as well as a household subsidy in case of dependents. The grants are financed by national and EU funds (European Social Fund Plus).

Spotlight: Sweden

Type of instrument: Grant for individuals

Target group: Full-time students in upper secondary education, under the age of 20, who do not receive apprenticeship wages

Apprentices receive [compensation](#) for their meals and travel to and from the workplace during periods of workplace-based learning. The goal of the measure is to increase the attractiveness of apprenticeships for young people.

Spotlight: Belgium - Flanders

Type of instrument: Grant for companies and individuals

Target groups:

- Apprentices in secondary education
- Companies offering a workplace to young or adult apprentices

As of 1 September 2023, a new [decree](#) on bonuses for apprentices and companies will offer two premiums for work-based learning:

- A premium for companies, which varies from EUR 600 if no other compensation for the apprentice is foreseen, to EUR 1 000 if the employer provides additional compensation.
- A premium for apprentices, which amounts to EUR 500 per year if the apprentice is in training for at least four months during the school year.

The premiums will be paid once per school year, and a maximum of three times per apprentice.

EU funding

The European Commission supports EU Member States in implementing high-quality and effective apprenticeships. For the period 2021–2027, financial support for the development of apprenticeships in the EU is available under several EU funds, mainly through the following schemes.

€140 billion

European Social Fund Plus (ESF+)

VET and adult education, including apprenticeships, are key priorities for the ESF+ supporting the green and digital recovery. Aiming to tackle skills mismatches and current and future skills shortages and focusing on the people most in need, ESF+ funding supports equal access to high quality education and training for all, skills anticipation, and development and recognition of skills.

Recognising the essential role that work-based learning and apprenticeships can play in facilitating learners' transition from education to the labour market, a large part of the ESF+ budget nearing EUR 140 billion can be allocated towards both training centres and companies. These funds are intended to support measures that assist individuals undertaking apprenticeships.

National and regional authorities are responsible for issuing calls for proposals under the ESF+. Organisations and individuals interested in applying for ESF+ funding or wishing to submit a project proposal should consult their national and regional ESF+ [websites](#).

ESF+ funded measures include providing resources for apprentices' training and salaries, social security costs, and travel costs from VET institutions to companies.

Using ESF+ to improve apprenticeship mobility

The 'EURES Targeted Mobility Scheme' call will provide direct financial support to both jobseekers and job-changers, and employers, particularly SMEs. The objective of the project is to ensure 4 000 job placements, including apprenticeships, in another EU/EEA country, with strong focus on economic sectors with hard-to-fill vacancies.

Using ESF to improve the quality of VET

During the previous programming period (2014–2020), the Italian Managing Authority launched two calls on work-based learning in [2017](#) and [2018](#). Activities covered in the calls had an overall budget of EUR 190 million, and targeted students at VET colleges (Higher Technical Institutes, ITS) and Italian secondary schools, providing opportunities for them to get work experience and acquire skills required by the labour market. Participants were

involved in work-based learning (i.e. traineeship abroad for ITS students, school-work modules linked with the local economy for upper secondary students). Eligible expenses were, for example, training costs, travel costs and training materials.

Using ESF for inclusive apprenticeships

In Germany, ESF supported the 'Integration instead of exclusion action' (IsA) through measures tailored to the specific needs of certain target groups (i.e. adolescents, young adults, unemployed, persons with a migrant background and those having difficulties in accessing work or training), including through apprenticeships, with the involvement of local project promoters and regional public employment services. One focus was on the qualification of unemployed young migrants in close cooperation with company actors. In addition, 22 of the 55 funded IsA projects aimed at the labour market integration of immigrant EU citizens in particularly affected municipalities.

€26.2 billion

Erasmus+

The Erasmus+ budget amounts to EUR 26.2 billion, which can be dedicated to the mobility of learners and staff ([Key Action 1](#)), partnerships for cooperation, excellence and innovation also in relation to work-based learning and apprenticeships ([Key Action 2](#)) as well as support to policy development and cooperation ([Key Action 3](#)).

[National Agencies](#) are responsible for supporting organisations taking part in Erasmus+ decentralised projects, e.g. [Partnerships for Cooperation](#), and can provide information on the programme. Projects focusing on apprenticeships can be funded under Erasmus+.

The call 'Mobilising intermediary bodies and support networks to boost SME apprenticeships' provided grants for 16 projects between 2016 and 2018 with a total value of EUR 8.7 million. The projects contributed to analysing the needs of SMEs in hiring apprentices through study visits and developed databases to match demand and offer of apprenticeships.

€723 billion

Recovery and Resilience Facility (RRF)

The RRF has made available EUR 723 billion for EU Member States to implement reforms and investments, support the post-pandemic recovery and deliver on the just green and digital transition. In doing so, it will also support other EU policy priorities, such as the European Skills Agenda.

National recovery and resilience plans (NRRPs) foresee investments in education and training, including upskilling and reskilling of the workforce, adult learning, or support schemes for VET and apprenticeships.

In France, NRRP measures supporting upskilling and reskilling are expected to allow 90 000 employees to train in dual training programmes and 160 000 in apprenticeships including in sectors directly linked to the green transition.

In Lithuania, NRRP measures support with EUR 147 million lifelong learning by increasing the availability of apprenticeship opportunities and promoting apprenticeships in SMEs.

Key sources for further reading

Information shared in this factsheet are primarily based on the findings of the **Cedefop study on 'Financing apprenticeships in the EU'** (2020), and the following sources:

- Cedefop, [Database on financing apprenticeships in the EU](#) (reference year: 2016–17);
- Cedefop (2018), [Apprenticeship schemes in European countries](#);
- Cedefop (2020), [Financing apprenticeships in the EU](#);
- Cedefop (2021), [Apprenticeship governance and in-company training](#);
- Cedefop (2021), [EFQEA implementation: a Cedefop analysis and main findings](#);
- European Alliance for Apprenticeships (2021), [Webinar: Financing apprenticeships in the EU](#);
- European Commission (2021), [Putting into practice the European Framework for Quality and Effective Apprenticeships – implementation of the Council Recommendation by Member States](#);
- European Commission (2021), [Recovery and resilience scoreboard: Employment and Labour Market](#);
- European Commission (2022), [Recovery and resilience scoreboard: SME support](#);
- International Labour Organization (2022), [Unlocking apprenticeship potential in small and medium enterprises](#);
- European Commission (2023), [Recovery and resilience scoreboard: Adult learning and skills](#).

Further useful resources on financial support to apprenticeships:

- Cedefop, [Apprenticeships in work-based learning](#);
- European Commission, [Pact for Skills: Funding opportunities](#);
- Cedefop (2018), [How many apprenticeships are there in the EU?](#);
- European Training Foundation (2018), [Financing work-based learning as part of vocational education reform](#);
- European Commission (2022), [Key funding opportunities for upskilling and reskilling at EU level: Webinar](#).
- European Commission (2022), [Supporting work-based learning and apprenticeships through ESF+: Concepts, tools and practices](#).