

## Annexes: Incorporation of Country Specific Recommendations and Measures Taken to Achieve the Headline Europe 2020 Targets

Country Specific Recommendations and Measures Taken to Achieve the Headline Europe 2020 targets according to the sections of the National Reform Programme.

### Annex 1: Incorporation of Country Specific Recommendations

#### Country Specific Recommendation No. 1: Achieving the Medium-term Budgetary Objective

*“In view of the high risk of a significant deviation, [Hungary is recommended to] achieve an annual fiscal adjustment of 0.3 % of GDP towards the medium-term budgetary objective in 2016 and of 0.6 % of GDP in 2017, unless the medium-term budgetary objective is respected with a lower effort, by taking the necessary structural measures.”*

The Convergence Programme includes the medium-term budgetary objectives of the Government in detail.

#### Country Specific Recommendation No. 2: Taxation, Business Environment

*“[Hungary is recommended to] further reduce sector-specific taxes and reduce the tax wedge for low-income earners. Strengthen transparency and competition in public procurement through e-procurement, increased publication of tenders and further improvement of the anti-corruption framework. Improve the regulatory environment in the services sector and in the retail sector by addressing restrictive regulations and ensuring predictability”*

### III. 2 Tax Policy Strengthening Investments and Employment

	Description of measure	Brief introduction of measure	Status and further schedule of implementation	Sources and indication of domestic and EU funds	Description of expected effects
1.	Decreasing the bank levy	The upper rate (above HUF 50bn tax base) of bank levy has decreased from 0.24% to 0.21%. Surtax has to be claimed based on the data of the annual report of the second tax year prior to the given tax year instead of the 2009 tax report as of 1 January 2017 to be applied on each financial institution. (rolling tax base) Surtax on credit institutions that also provide investment service has been eliminated on investment services as of 2017.	In effect as of 1 January 2017		
2.	Increasing family tax allowances for earners with two children	As of 2017, family tax allowance for earners with two children has increased from HUF 12,500 to HUF 15,000 per child; it is to grow further in the coming years as follows: HUF 17,500 applicable per month in 2018, HUF 20,000 applicable per month in 2019.	In effect as of 1 January 2017	Family tax allowances grow annually by HUF 15bn, thus budget revenue decreases altogether by HUF 15bn in 2016, HUF 30bn in 2017, HUF 45bn in 2018 and HUF 60bn in 2019.	

3.	Decreasing the social contribution tax	As of 1 January 2017, social contribution tax has been reduced from 27% to 22%. As of 2018, it is to be reduced by 2 percentage points, and if gross wage increase exceeds 11% in the first nine months of 2017, a further 0.5 percentage point decrease will apply. In the period 2019-2022 there will be a further 2 percentage points decrease annually if real wage increase reaches 6%. In line with the reduction of tax rate, allowances of the Job Protection Act are unified.	The measure came into effect on 1 January 2017.	The deficit is HUF 380bn in 2017 increased by a further HUF 160bn in 2018 altogether to HUF 540bn.	
4.	Abolition of surtax on financial credit institutions	The surtax on financial credit institutions has been abolished as of 1 January 2017.	The measure came into effect on 1 January 2017.		
5.	Reducing VAT rate on fresh milk, poultry and eggs	VAT rate on fresh milk, poultry and eggs has been reduced to 5%.	The measure came into effect on 1 January 2017.	The estimated loss of revenue is HUF 34bn in 2017.	
6.	Measures promoting labour mobility	The tax exempt amount employers may reimburse to employees for travel expenses between their place of work and domicile and return calculated for days at work has increased from HUF 9/km to HUF 15/km.	The measure came into effect on 1 January 2017.	The estimated loss is HUF 9bn in 2017.	
7.	Reducing the rate of small business tax	Small business tax rate decreases to 14% from 2017 and to 13% from 2018 in line with the reduction of the corporate tax and the social contribution tax.	Phase I: 1 January 2017, Phase II: 1 January 2018.		
8.	Simplifying small business tax and its conditions significantly	Determining the tax base has been significantly simplified from 2017: the number of tax base modifying items decreases and the rules of applying loss carry forward. A wider range of taxpayers may choose this tax: available up to 50 employees instead of 25 and the status of taxable entity is not lost until they reach 100 employees or a revenue of HUF 1bn.	The measure came into effect on 1 January 2017.		
9.	Fringe benefit payment in cash	Fringe benefit in the form of cash aims to provide the option for employees to use their remuneration for work freely, which can still be spent on the same way as before; at the same time this measure significantly reduces the administrative burden on employers related to fringe benefits, thus enabling SMEs previously not providing them to their employees to offer this form of benefits.	The measure came into effect on 1 January 2017.		
10.	Increasing the limit of VAT exemption to HUF 8m	As of 1 January 2017, the limit of value added tax exemption has increased from HUF 6 million to HUF 8 million.	The measure came into effect on 1 January 2017.	The estimated loss is HUF 8bn in 2017.	

11.	New excise act	The new excise act comes into effect as of 1 July 2017 with the aim of modernisation and simplification.	The new act comes into effect as of 1 July 2017.		
12.	Tax returns prepared by the national tax administration	From 2017 the tax administration prepares a draft tax return from their available data without request for private individuals who have registered on the Customer Portal (Ügyfélkapu) or have electronic access for this purpose. The draft becomes the final tax return of the private person if they approve it, verifiably, with or without modifications.	The measure came into effect on 1 January 2017.		
13.	Introducing single rate corporate tax	As of 2017, the rate of corporate tax is uniformly 9%.	The measure came into effect on 1 January 2017.		
14.	Introducing single rate sole proprietorship tax	The rate of sole proprietorship tax falling under the Personal Income Tax Act decreases to 9% in line with the rate of corporate tax being uniformly 9% as of 2017.	The measure came into effect on 1 January 2017.	The estimated loss is HUF 1.2bn in 2017.	
15.	Increasing the revenue limit of small business lump sum tax (KATA) to HUF 12m	As of 2017, the revenue limit of small business lump sum tax (KATA) increases from HUF 6m to HUF 12m in order to boost their competitiveness.	The measure came into effect on 1 January 2017.	The estimated loss is HUF 16bn in 2017.	
16.	Increasing conditional excise duty on fuel with respect to the world oil price	The excise duty on petrol and petroleum increases by HUF 5/l, that of gas oil by HUF 10/l if the world oil price does not exceed USD 50/barrel. The world oil price has to be examined quarterly, based on which rate is set and published by The National Tax and Customs Administration (NTCA) on its website.	The measure came into effect on 1 September 2016.		
17.	Expanding the use of online cash registers	As of January 2017, some parts of the service sector (repair and maintenance services of vehicles, the retail trade of vehicle components, repair services for motorbikes and the trading of their components, plastic surgery, the operation of ball rooms and clubs, the improvement of physical well-being, washing and (dry-) cleaning of textile and fur products, training) are involved in the mandatory use of an online cash register system. As of 1 January 2017, money exchange and taxi services also have to provide data to the National Tax and Customs Administration (NTCA) online.	The measure came into effect on 1 January 2017.		
18.	Introducing online data provision	The online data provision system of invoicing software would provide real time data to the National Tax and Customs Administration (NAV) on the invoices issued with invoicing software including VAT of above HUF 100,000.			

19.	VAT on internet access and restaurant meals has decreased to 18% as of 2017. As of 2018, VAT rate on restaurant meals further decreases to 5%.	Within the framework of targeted VAT decrease, the rate of VAT on internet access has decreased from 27% to 18%. The rate on restaurant services (including home-made non-alcoholic beverages) decreases in two phases, first as of 1 January 2017, from 27% to 18%, then as of 1 January 2018 to 5%.	The measure came into effect on 1 January 2017; the decrease of VAT rate to 5% on restaurant meals comes into effect as of 1 January 2018.	The estimated loss is HUF 22bn in 2017 and further HUF 12.5bn in 2018.	
20.	Recodifying the act on the rules of taxation	Recodification aims to provide transparent procedures of the regulatory environment, which makes procedures more efficient and ensures they are closed as soon as possible by reviewing procedural deadlines and also motivating taxpayers to cooperate and fulfil their obligations.	The regulation is to be submitted to Parliament in the second half of 2017, it comes into effect on 1 January 2018.		

### III. 3 Establishing a Competitive Business Environment

#### III.3.1 Increasing the Productivity of Businesses

	Description of measure	Brief introduction of measure	Status and further schedule of implementation	Sources and indication of domestic and EU funds	Description of expected effects
21.	Measures aimed at improving competitiveness of the business environment				
21/a	Establishing the National Competitiveness Council	The Government decided to establish the National Competitiveness Council with the Government Decision 1538/2016. (X. 13.), aiming to provide an institutionalised professional forum for the dialogue about competitiveness and initiatives to improve it. The Decision is also in line with the recently approved Economic and Financial Affairs Council (ECOFIN) recommendation on national productivity bodies, which is only binding for Euro zone countries. The consultative body consisting of renowned members of	The Government Decision 1538/2016. (X. 13.) decided to establish the National Competitiveness Council. The Council held its constitutive meeting on 23 March 2017.	The measure does not require any financial resources.	Based on the system-level evaluation of structural conditions of economic growth, productivity, and different aspects of competitiveness, national competitiveness bodies make policy proposals and are also able to efficiently

		scientific and economic life gives an opinion about initiations relevant for the competitiveness of the Hungarian economy, and they also propose government interventions that improve economic competitiveness.			facilitate the foundations, preparation and social acceptance of policy measures and structural reforms aiming to improve competitiveness.
21/b	<b>Action plan aimed at improving competitiveness of the business environment</b>	The National Competitiveness Council agreed on its constitutive meeting on 23 March that it is necessary to prepare measures which can be implemented in short-term and may deliver tangible results – based on the World Bank’s Ease of Doing Business survey – on the following critical areas from the perspective of competitiveness: starting a business, dealing with construction permits, getting electricity, protecting minority investors, paying taxes, resolving insolvency	The proposal was adopted by the Government on 5 April 2017.	The precise financial needs and budgetary impacts can be estimated at the implementation of changes defined in the resolution depending on real changes.	As result of the measures, business environment may be expected to improve in the relevant fields: Starting a business, dealing with construction permits, getting electricity, protecting minority investors, paying taxes, resolving insolvency
	<i>Facilitating permits of construction investments</i>	Within the framework of implementing the action plan to improve competitiveness of the business environment, the bill on construction permits submitted to the National Assembly includes providing the conditions for base maps and data provision free of charge at the land registrar, in case of industrial and agricultural investments reducing the length of procedures of urban planning from 12 months to 60 days, simplifying environmental examination procedures, and reducing limitations on the national development criteria applicable for economic and special areas.	“Bill on the Amendments to certain Acts in order to Improve Competitiveness of Hungary” was submitted to the National Assembly on 12 April 2017.		The measures provide significant simplification for large investment projects affected by the amendments.
	<i>Reducing time and costs of connecting to utilities</i>	Within the framework of implementing the action plan to improve competitiveness of the business environment, the bill related to connecting to utilities submitted to the National Assembly includes the following amendments: introducing reasonable and practice-oriented deadlines, or shortening them in case of requests to connecting to utilities; eliminating unnecessary regulations leading to prolonged procedures; and also reviewing fee regulation of utilities.	“Bill on the Amendments to certain Acts in order to Improve Competitiveness of Hungary” was submitted to the National Assembly on 12 April 2017.		Shortening the procedural deadlines and making them more reasonable are expected to lead to shorter connection times and the reduction of certain fees.
22.	<b>Improving the competitiveness of the SME sector</b>				
a)	Establishing an efficient and productive SME	Measures facilitating efficiency and productivity: incubation, interventions to increase SME efficiency. Training, mentor programme.	Deadline set by the Government to call for tender in the	Incubation: EDIOP-1.1.1-17: HUF 1bn; EDIOP-1.1.5.-17: HUF 1bn; Establishing industrial incubation	Number of businesses receiving EDIOP 1.1. subsidies (until 2023) is

	sector		programming period 2014-2020 is 30 July 2017.	centres: EDIOP 1.1.6-17: HUF 3.36bn Training, mentoring: EDIOP-1.1.2-17: HUF 3.3bn; EDIOP-1.1.7-17: HUF 1bn	1,841; private investments adjusted to subsidies of businesses from public funds (non-refundable subsidies): HUF 6,056 million
b)	Providing sufficient background infrastructure and instruments	Sufficient background infrastructure (e.g. spreading industry 4.0 applications) and instruments are necessary to improve productivity. Financial instruments: businesses shall be directed towards different resources such as loans and venture capital instead of non-refundable subsidies, thus encouraging their efficiency.	Deadline set by the Government to call for tender in the programming period 2014-2020 is 30 July 2017.	Industry 4.0: EDIOP-1.2.8-17: HUF 5bn EDIOP-1.1.3-16: 2.35bn; Investments to increase capacity: EDIOP-1.2.1-16: HUF 48bn and EDIOP-1.2.2: HUF 32bn, EDIOP-1.2.3-8.3.4-16: HUF 112.5bn; EDIOP-1.2.6-8.3.4-16: HUF 100bn Supporting businesses with rapid growth potential: EDIOP-1.2.7-17: HUF 33.57bn; Logistics: EDIOP-1.3.6-17: HUF 5.47bn Financial instruments: EDIOP-8.3.1-16:HUF 70bn; EDIOP-8.3.3—17:HUF 8bn, EDIOP-8.2.5-17:HUF 10bn; EDIOP-8.6.3/B-17:HUF 50bn;	Number of businesses receiving EDIOP 1.2. subsidies (until 2023) is 5,300; private investments adjusted to subsidies of businesses from public funds (non-refundable subsidies): HUF 389bn Number of businesses receiving EDIOP 8.3. subsidies (until 2023) is 9,600; private investments adjusted to subsidies of businesses from public funds (non-refundable subsidies): HUF 164 million
c)	Encouraging networking, internationalisation and cooperation	Encouraging cooperation is also a significant area: facilitating supplier-cluster cooperation and the advantages taken from them.	Deadline set by the Government to call for tender in the programming period 2014-2020 is 30 July 2017.	Supplier: EDIOP-1.3.3-16: 28bn Ft; Clusters: EDIOP-1.3.2-15: 2bn Ft Entering the market: EDIOP-1.3.1: 15bn Ft	Number of businesses receiving EDIOP 1.3. subsidies (until 2023) is 1,800; private investments adjusted to subsidies of businesses from public funds (non-refundable subsidies): HUF 11.8bn GINOP 1.3. (until 2023)
d)	Irinyi Plan industrial strategy programme	The Irinyi Plan industrial strategy programme supports SMEs that aim to develop and invest in the strategic sectors defined in the Irinyi Plan. Its primary aim is to support multipliable pilot, project-type of activities, the findings of which will be made available for other actors in the industry that may use them for their own activities. Furthermore, comprehensive product development projects are	The programme is already ongoing with this budgetary resource. The final deadline for clearance of accounts of 2017 funds is 30 June 2018.	HUF 3bn in 2017, on budget line 25.5.8.	SMEs supported by the programme increase their competitiveness by developing their own products and introducing them into the market. The programme will have a

		also planned to be supported, whose final aim is quick product launch: starting from research and development, through prototype and pilot production, to reaching mass production.			positive impact on both the suppliers and customers of SMEs.
<b>23.</b>	<b>Digital economy</b>				
a)	Corporate ICT programmes	<p>The elements of the measure are included in the National Infocommunication Strategy (NIS) and earlier the related ICT Green Book (in 2014), and within the framework of the Digital Welfare Programme (DWP), the SME IT report prepared in 2016 and priority constructions 3 ICT and 8 Financial Instruments of EDIOP in the topic of digital economy identified in an action plan.</p> <p>Implementation of NIS last year, DWP currently has been agreed on with the relevant organisations (e.g. IVSZ (The ICT Association of Hungary)).</p>	<p>From the end of 2015 to 2020 (or until funds are used up)</p> <p>Programme launch:  EDIOP 3.2.1: December 2015,  EDIOP 3.2.2-8.2.4: December 2016,  EDIOP 3.2.4-8.2.4: December 2016,  EDIOP 3.2.6-8.2.4: March 2017,  EDIOP 8.2.5: Q4 2017</p>	<p>EU structural funds and national budgetary resources (EDIOP): altogether HUF 73.4bn:  EDIOP 3.2.1: HUF 4.2bn,  EDIOP 3.2.2-8.2.4: HUF 21.2+27bn,  EDIOP 3.2.4-8.2.4: HUF 2+2.5bn,  EDIOP 3.2.6-8.2.4: HUF 3+3.5bn,  EDIOP 8.2.5: HUF 10bn</p>	<p>As a result of the measures, the competitiveness of domestic SMEs increases in each sector. Businesses are strengthened; economic processes can be measured and checked. Workplaces with more added value are established. Market opportunities for domestic products and service providing ICT companies are increased.</p>
b)	Digital Start-up Strategy	<p>As part of the Digital Welfare Programme, the Digital Start-up Strategy (DSS) aims to develop the digital economy through supporting the establishment and development of start-up companies with great growth potential. The aim is to create a business friendly business environment to provide targeted support for the establishment, domestic and international market entry, and development of start-up companies.</p> <p>Furthermore, DSS aims to improve the appeal of entrepreneurial life in each social stratum, increasing awareness and attractiveness of entrepreneurial careers and self-employment. DSS has aimed to set up the INDUSTRY 4.0 Start-up and Spinoff Programme, which facilitates cooperation between industrial and start-up companies, and it also wishes to share public data with start-up businesses. The aim is for foreign companies to view Hungary as a target country with great prospects in which to conduct business. It also aims to provide a co-investment model, where private investors are encouraged by the involvement of the state, thereby sharing the risks of investment.</p>	<p>Timeframe to implement DSS is 2017-2020.</p>	<p>Resources are currently being examined.</p>	<p>With the implementation of the Digital Start-up Strategy, by means of public policy, development policy and regulation, a well-balanced set of tools and business environment are established, better adjusted to the real demands, lifecycle and development potential of start-ups than before.</p>

c)	Digital Export Development Strategy	As part of the Digital Welfare Programme, the Digital Export Development Strategy aims to increase state digital export solutions, develop export of ICT start-ups (according to the Digital Start-up Strategy), develop export of national ICT micro-, small- and medium-sized enterprises and develop Digital service export via shared service centres (SSC).	EDIOP 3.1.2-8.2.4: December 2016	EDIOP 3.1.2-8.2.4: HUF 4.5+5.6bn	As a result of the measures, domestic competitiveness increases, there is more operating capital influx and profits gained may stay within Hungary.
24.	<b>Proposal on the E-Commerce Development Strategy</b>	The Strategy primarily aims to strengthen digital commerce and eliminate its impediments, and also to increase national and international competitiveness of domestic businesses in digital commerce as a core or ancillary activity so that they may gain as prestigious a place as possible within the European Union in terms of overall online retail turnover. Also, the rate of domestic traders accounting for small- and medium sized enterprises increases within businesses in digital commerce incorporated in Hungary.	The Strategy was discussed on the meeting of Minister of State for Public Administration on 12 April 2017, inter-governmental conciliation is in progress.	The measure does not require any financial resources.	The performance of the Hungarian economy is expected to improve further with the implementation of the Strategy. Furthermore, Hungarian traders are strengthened, thus domestic tax revenues may increase.
a)	Report on the support of digital traders	It is necessary to examine the following possibilities: Hungarian traders entering the digital market, digital traders increasing their market share, traditional traders becoming digital ones, encouraging traders to purchase information communication technologies; and also to prepare and submit a report to the Government on the current and possible forms of support. It is also important to include here the possible publication of a mirror call of EDIOP 3.2.2-8.2.4 in the Central Hungary Region from domestic funds.	31 July 2017	Costs can be calculated and financeability appropriately decided only after precisely defining user demand and tasks.	Based on the report, a clear picture may be drawn from the present and future system of subsidies for digital traders.
b)	Preparing an action plan on the implementation of formal education and other digital training programmes	Within the measure aiming to improve digital skills of Hungarian traders, the possible launch of an e-commerce training programme defined in the Strategy shall be examined in line with the Government Decision 1006/2016. (I. 18.) on Setting the Annual Development Budget of the Economic Development and Innovation Operational Programme; preparing and submitting an action plan to the Government on the implementation of formal education and other training programmes aiming to improve digital skills of Hungarian traders shall also be examined.	31 August 2017	Costs can be calculated and financeability appropriately decided only after precisely defining user demand and tasks.	Based on the action plan, some training programmes will be prepared to develop different digital skills and knowledge.
c)	Examining regulatory improvements and decreasing the administrative burden	Possibilities to improve regulations on domestic digital traders, support compliance, and in particular, to decrease the administrative burden on domestic e-commerce and strengthen the sustainability of commercial environment are to be examined.	30 November 2017	The measure does not require any financial resources.	As a result of the examination, proposals to decrease the administrative burden on domestic digital traders will be prepared.

d)	Facilitating domestic e-commerce	Possibilities to encourage the domestic population to buy – primarily goods of domestic origin – from domestic digital traders; and increase the domestic product turnover in e-commerce are to be examined.	31 January 2018	The measure does not require any financial resources.	Identifying opportunities to boost domestic digital commerce.
25.	<b>Repealing the act on shop closure on Sunday</b>	Repealing the act on shop closure on Sunday. Act XXIII of 2016.	The act on shop closure on Sunday was repealed on 16 April 2016.	The measure does not require any financial resources.	

### III.3.2 Electronic State Services, Simplified Regulations

	Description of measure	Brief introduction of measure	Status and further schedule of implementation	Sources and indication of domestic and EU funds	Description of expected effects
26.	<b>Increasing competitiveness of state operations</b>				
a)	<b>Improving efficiency of public administration</b>	<p>Programmes and projects to <b>reduce bureaucracy</b> are aimed at simplifying administrative procedures and reducing application fees and duties so that clients can manage their issues in simple, fast and efficient administrative proceedings, thereby strengthening the competitiveness and service activity of the state. The programme to reduce bureaucracy came into effect in three phases, the third one as of 1 January and 1 July 2017 including 44 acts and related amendments to decrees. As a result, for instance, registering residence will be possible at any district authority as of 1 July 2017.</p> <p><b>The programme to reduce state overheads</b> is aimed at reducing application fees and duties of administrative procedures for citizens and businesses, and also eliminating them in certain procedures. The second phase of reducing state overheads is expected to come into effect in April 2017. The most significant proposal to reduce the burden on businesses is free of charge incorporation and eliminating some other related costs for single-member companies, limited partnerships, general partnerships and Ltds.</p> <p><b>Service approach development of Government office procedures and services:</b> The measure is aimed at simplifying</p>	<p>It is in progress and lasts until 31 December 2018. The second phase of reducing state overheads is expected to come into effect in April 2017.</p>	<p>PADOP-1.0.0-CCHOP-15-2016-00046 (HUF 4bn) – covers the costs to prepare and implement the reduction of regulatory bureaucracy;</p> <p>The Government allocated HUF 10bn for the first phase of <b>reducing state overheads</b> in the 2016 budget, the resource need of the other measures can be calculated after finalising the proposals on amendments.</p> <p><b>The costs of introducing a service providing government office model</b> are covered by the PADOP-1.0.0-CCHOP-15-2016-00041 (HUF 2.9bn) project (cca. HUF 600 million), whilst the costs of each measure are different for each government office.</p> <p>The exact budget <b>to rationalise</b></p>	<p>As a result of the developments, a supportive administrative environment is established.</p> <p><b>While introducing a service-providing government office model,</b> the aim is to prepare a service strategy and action plan by reacting to deficiencies detected through partner and customer questionnaires. Effects may become tangible through the improvement of services provided by government offices and the strengthened cooperation and entrepreneurial</p>

		<p>administration for local businesses and entrepreneurs, increasing the convenience of customer service, broadening the needs-based practice of service development, and providing the same high standard of administrative procedures for citizens and businesses everywhere in the country.</p> <p><b>Rationalising the organisational structure of public administration:</b> The measure is aimed at further simplifying the organisational system of public administration and improving its cost-effective operation. As a result, 44 organs are eliminated coming into effect in multiple phases until 30 November 2017. In 2017 some supplementary developments are carried out: necessary amendments of laws, preparation of internal regulations, execution of reform-related trainings, and the review and development of government office laboratory activity.</p>		<p><b>the organisational structure of public administration</b> may be set only after calculating the costs of reorganisation and the laboratory development, the costs of which are also covered by the project above. The costs of trainings are covered by PADOP- 2.1.3-CCHOP -15-2016-00002 Human resource development of territorial administration (HUF 6.9bn).</p>	<p>partnerships.</p> <p><b>Rationalising the organisational structure of central administration</b> will be manifested in the reduction of the administrative burden and faster and more efficient management of cases closer to their seat. As a result of changing jurisdictions, 914 jurisdictions have been moved from county to district level, and 249 from central to country level. Government office laboratory activity development will improve efficiency in 6 priority fields.</p>
b)	Strengthening the impact assessment system	The amended decree on impact assessment simplified the process depending on the effects expected. The new impact assessment sheet was introduced on 29 April 2016. After evaluating the system, it will be rationalised by taking into account the results of the evaluation, the good member state practice and the new measures of the European Commission, thereby increasing competitiveness through impact assessments.	The system is constantly being monitored.	Involving European Union funds to be considered while reviewing the measure.	Expected effects: competitiveness may increase by strengthening the impact assessment system.
27.	<b>E-governance</b>	Development of e-administration			
a)	Developing a user-friendly, customizable customer portal	As a result of the measure, administration time becomes shorter, the process is simplified (personal appearance is no longer necessary) and it can be tracked electronically. Due to IT developments, Web-Lak becomes the point in the process of electronic administration where customers may get to a completely customizable, pure, cutting-edge administrative portal with one click.	SZÜF (Customized administrative portal) is planned to go live in October 2017. The whole project is expected to finish at the end of 2018.	PADOP-1.0.0-CCHOP-15-2016-00025 The total budget of the project: HUF 8.448bn, out of which SZÜF (Customized Administrative Portal) and SZEÜSZ (Regulated Electronic Administration Service) developments are HUF	Simplified access to electronic administration increases competitiveness since it makes public administration more efficient and decreases administration time on the customer side.

				1.994bn.	The introduction of the Customized Administrative Portal aims to increase efficiency of managing issues by 20%.
b)	Connecting big state registers and systems, improving their interoperability	Within the framework of the measure, big state registers and systems are connected with the help of the Central Government Service Bus (CGSB), they are able to automatically share the most current data and information, thereby accelerating the administrative process and simplifying administration for customers.	CGSB is planned to go live in December 2017. The whole project is expected to finish at the end of 2018.	PADOP-1.0.0-CCHOP-15-2016-00025 The total budget of the project: HUF 8.448bn, out of which establishment of CGSB is HUF 1.373bn.	Interoperability of state registers makes public administration more efficient and enables the provision of modern electronic administration, thereby decreasing administration time. Due to CGSB, time spent on system integrations decreases. The project aims to integrate 30 registers and systems by the end of 2018.
c)	Developing the local Government ASP system further and its nation-wide expansion	The local government ASP service system is developed to be spread nationally, develop further specific systems, establish a data warehouse and in particular, introduce electronic administration services on the customer side at the local government level. * Efficiency of local governments increases and their costs decrease by supporting their internal operations. * Central administration may monitor local government management in an up-to-date way. * Electronic administration services will be available for citizens and businesses on a unified platform for certain local administrative processes.	Phase I: 1 January 2017. Phase II: 1 January 2018. Phase III: 1 January 2019. The phases above are currently not in effect, the amendment to Gov. Decree 257/2016 on ASP is in progress.	PADOP-1.0.0.-CCHOP-15-2016-0008 (ASP 2.0) (originally HUF 15bn, but with modifying the ADB (Annual Development Budget) this year it increased to HUF 18bn) PADOP-1.2.1-CCHOP-16 (HUF 8.5bn for supporting the local Governments involved)	The operation of local governments becomes more efficient, and due to centrally-managed ASP services, the quality of the application of law of local governments improves. Central management improves the efficient use of resources. Altogether 3,196 local governments joined, 1,678 local government joined with a partial portfolio.
d)	Consolidating government networks, increasing their capacities and developing their institutional access	A sufficient infocommunication network is necessary to apply infocommunication technologies, increasing the scope of electronic administration services and improving their quality. As a result of this development, efficiency and speed of administration will improve in public institutions and at local governments due to a secure broadband connection, thereby improving the quality of customer service. The aim is to	The development and network connections of NTBN are in progress, projects are planned to finish in the first half of 2019, and thus total installation is expected in	EDIOP-3.4.5-CCHOP-16 (HUF 4.73bn) EDIOP-3.4.3-CCHOP-15 (HUF 4.285bn) EDIOP-3.4.2-CCHOP-15 (HUF 2.857bn)	The broadband network established as a result of the measure increases the competitiveness of the areas previously covered by an insufficient connection.

	(National Telecommunication s Backbone Network – NTBN)	establish a “basic utility”, which provides an infrastructural background for a service-providing state, covering the whole territory of the country and modern inter-institutional (G2G) data transfer.	2019.		1,450 institutional end points are planned to be connected, parallel with the establishment of 28 new aggregate PoP within the framework of EDIOP-3.4.3. Within the framework of EDIOP-3.4.5 currently in preparatory phase, 1,850 new institutional connections are planned. EDIOP indicators: - Average bandwidth available at NTBN end points: 30 Mbps - Number of new end points on state networks: 3,300. (3,000 in CHR and 300 in convergence regions)
28.	<b>Publishing new guidelines on a stricter interpretation of prohibition on the splitting of procurements in practice.</b>	New guidelines will be published so that prohibition on the splitting of procurements is to be applied more strictly and uniformly in practice with the cooperation of the Public Procurement Authority and the Prime Minister’s Office.	The new guidelines are expected to be published in the first half of 2017.	The implementation of the measure does not require new funds.	The measure promotes uniform law application.
29.	<b>E-procurement</b>				
a)	Introducing e-procurement until the end of 2017	Based on the Amendment of 1 January 2017 to the Act CXLIII of 2015 on Public Procurement, the target date to introduce e-procurement in Hungary is 31 December 2017, which makes electronic communication compulsory in each procurement procedure before the deadline 18 October 2018 set by the EU directives on public procurement. In May 2017 one stage of the procedure is introduced as a PILOT project as a preparation to introduce the system.	The deadline set by law for the introduction of e-procurement is 31 December 2017.		The measure promotes compliance with the legal requirements of the EU, simplification of public procurement and making it more transparent through supporting its audit. The measure simplifies

b)	Preparing law amendments necessary to introduce the e-procurement system, and further simplifying procedures	Besides amending the Public Procurement Act, comprehensive amendments of related Gov. decrees are necessary to introduce e-procurement. As a result of applying the e-procurement system and law amendments, the procedures are further simplified.	The Act shall be amended in the autumn session of the National Assembly, which requires the bill to be adopted by the Government until October 2017 the latest.	The measure does not require new funds	transition to e-procurement and electronic communication in public procurement procedures. The e-procurement system may support monitoring domestic public procurements, and the impact assessment of market changes and law amendments on public procurements.
c)	Organising user training is required to efficiently introduce e-procurement	User training and preparation for application is required to efficiently introduce e-procurement, which will be organised and carried out before the introduction.	The start of user training depends on the deadline for introducing the system (necessary in autumn 2017).		
d)	E-procurement as a tool to support transparency and monitoring domestic public procurement	Different processes of the procedure are accurately logged in the system, the auditing authorities will have the possibility to directly access each document related to the procedure in one place. The system also helps monitor domestic public procurements, thereby enabling the impact assessment of market changes and law amendments on public procurements.	In the development process of the system, the aims defined in the measure shall be continuously taken into consideration, and the system shall be introduced until the end of 2017.	The measure is implemented as part of developing the e-procurement system, which does not require further funding.	
30.	<b>Initiating cooperation with managing authorities in case of monitoring public procurements from ESI Funds with regard to measures increasing competition</b>	Cooperation is initiated with the managing authorities in case of monitoring public procurements from ESI Funds so that the authorities may become more actively involved in implementing measures to increase competition. This measure may be partly implemented by supporting the managing authorities with the guidelines on the prohibition of splitting of procurements defined in Point 1.	Conciliations about initiating the cooperation and its details are ongoing.	The measure is implemented within the jurisdiction of the managing authorities and the Prime Minister's Office, thus it does not require any other resources.	The measure promotes uniform law application.
31.	<b>Prescribing the condition of unsuccessfulness for procedures with one bidder in case of construction</b>	The Amendment of 1 January 2017 to the Act CXLIII of 2015 on Public Procurement (discouraging procedures with one bidder, a new optional criterion for unsuccessfulness was introduced: according to the amendment, if at least two tenders have not been submitted, the procedure is declared unsuccessful, the minister responsible for public procurements may prescribe its compulsory application in certain procedures). The Public	The Public Procurement Supervisory Department has already prescribed the compulsory application of the unsuccessfulness criterion in case of each	The measure is implemented within the jurisdiction of the Prime Minister's Office, thus it does not require any other resources.	The measure promotes steps aimed at increasing competition.

	<b>investments from ESI Funds during ex ante control</b>	Procurement Supervisory Department managing product purchases and service provisions using ESI Funds exceeding EU threshold, and construction investments above the estimated value of HUF 300 million, prescribes for the contracting authorities the compulsory application of the unsuccessfulness criterion in case of each construction investment within the legal frameworks of the act above, thereby further increasing competition.	construction investment in its supervision practice.		
<b>32.</b>	<b>Legal Amendments</b>				
a)	Amendments to the Competition Act	Regulations governing the merger of businesses are changed. As of 15 January 2017 the fusion request procedure was eliminated; it has been replaced by procedures initiated by the authority upon notification and decisions shall be taken within 8 days. In case of notification, the fee is reduced from HUF 4 million to HUF 1 million. The HUF 500 million threshold of notification has been doubled to HUF 1 billion. The changes aim to accelerate procedures, reduce application fees and authorisation procedures, support compliance of businesses and strengthen the investigation tools of HCA (Hungarian Competition Authority).	It is in effect as of 15 January 2017.	The budgetary effect is insignificant.	One-third of the income of HCA from fusion fees may be kept by businesses. Compulsory control would be eliminated in case of 10-15% of current mergers. Procedures are accelerated and simplified.
b)	Legislative proposal on changes to the liquidation proceedings	Changes facilitate more efficient asset collection of the debtor in liquidation proceedings. The amendment includes the clarification of rules on the proceedings, proposals for the elimination of loopholes and inconsistencies in law application, and the uniformity of law application, thus enabling accelerated and simplified proceedings. As a result of the amendments, expenditure on simplified liquidation proceedings from the state budget will be reduced. The legislative proposal enables court clerks to act independently in a wider range of cases, which results in more efficient use of the capacity of judges. More efficient collection of liquidation assets results in higher return for the budget in liquidation proceedings. The administrative burden on courts decreases. The measure improves transparency and examination of liquidation proceedings, protects the interests of lenders, and aims to decrease the opportunity for fraud.	The proposal was submitted to Parliament on 12 April 2017.	The proposal has direct and indirect positive effect on the budget balance.	Expenditures on the state budget decreases, capacities of judges become more efficient, more efficient collection of liquidation assets results in higher return, the administrative burden on courts decrease, the transparency of liquidation proceedings improves, the interest of lenders is protected, and opportunities for fraud decrease.
c)	Shortening judicial and administrative procedures	With the new codes on procedures in effect as of 1 January 2018 – Act CXXX of 2016 on Civil Procedure, Act I of 2017 on Administrative Procedure, Act CL of 2016 on the General Rules of	It is in effect as of 1 January 2018, except: the Code of Criminal		

		Administrative Proceedings and Services – and the code of criminal procedure expected to be in effect from the middle of July 2018, several changes preventing prolonged procedures and legal instruments will be effective; their impact will be tangible only after the acts have come into force.	Procedure, which is expected to be in effect from the middle of July 2018.		
33.	Developing IT solutions to support the transparency of asset declarations	The measure aims to create a website <b>under the domain: kormany.hu</b> where <b>publicly accessible asset declarations can be searched electronically</b> in line with the acts in effect. The IT development enables the public to access data in published asset declarations.	Deadline for implementation: 31 December 2018.	Estimated costs: HUF 3,850,000 PADOP-2.2.3-CCHOP-16 – Implemented within the framework of the priority project 'Increasing Capacity and Forming Attitudes to Reveal and Prevent a Greater Number of Corruption Cases'	Availability of asset declarations and transparency of state operations improve.
34.	Supporting and developing the integrity management system and the integrated risk management system	Supporting <b>voluntary</b> corruption prevention and integrity management tasks of <b>local governments</b> and the organs voluntarily aiming to introduce the integrity management system (publishing <b>methodological guidelines</b> and recommendations). Examining and evaluating the risk management system. <b>A further training programme</b> is being prepared for government and public administration officials. A <b>special</b> system will be developed for a <b>representation network for civil servants on a permanent external service</b> . A minimum of <b>200 new integrity advisors</b> will be trained, based on a <b>renewed curriculum</b> (including new tasks of the internal control system), <b>and further training</b> will be organised for <b>150</b> already qualified integrity advisors.	Deadline for implementation: 31 March 2018.	Estimated costs: HUF 213,000,000 PADOP-2.2.3-CCHOP-16 – Implemented within the framework of the priority project 'Increasing Capacity and Forming Attitudes to Reveal and Prevent a Greater Number of Corruption Cases'  The special integrity management system developed for the representation network is expected to be financed from domestic funds	Best practices are established to fund future measures. Integrity advisors are selected, and their knowledge is expanded.
35.	Supporting the transparent operation of businesses with majority state ownership	Expanding the internal control system requirements of budgetary organs on businesses with majority state ownership is examined. A proposal is prepared on possible amendments to the laws and other measures considering the findings of the examination.	Deadline for implementation: 31 March 2018.	-	The transparency of businesses with majority state ownership improves.
36.	Promoting transparent operations of businesses and public procurements	Specific guidelines are prepared for small and medium-sized enterprises on the topics of internal control systems, business ethics, regulatory compliance and prohibition and prevention of international bribery. Besides the activities to popularise the Code of Public Procurement Ethics, an information programme is launched to target bidders.	Deadline for implementation: 31 March 2018.	Estimated costs: HUF 7,360,000 PADOP-2.2.3-CCHOP-16 – Implemented within the framework of the priority project 'Increasing Capacity and Forming Attitudes to Reveal and Prevent a Greater Number of Corruption	SMEs have up-to-date practical knowledge about corporate integrity and corruption prevention. Transparency of public procurements improves.

				Cases'	
37.	<b>Training and forming attitudes</b>	Anti-corruption trainings with a renewed syllabus are held for a minimum of 3,000 officials. Anti-corruption information programmes are implemented which involve minimum 2 million citizens, at least half of the businesses incorporated in Hungary and half of the civil servants and government officials.	Deadline for implementation: 31 March 2018.	Estimated costs: HUF 668,000,000 PADOP-2.2.3-CCHOP-16 – Implemented within the framework of the priority project 'Increasing Capacity and Forming Attitudes to Reveal and Prevent a Greater Number of Corruption Cases'	The number of civil servants with up-to-date anti-corruption knowledge increases.
38.	<b>Developing the infrastructure of NPS (National Protective Service) to improve its crime detection</b>	The IT system of NPS is set up and a special search engine to help crime detection is developed. Tools necessary for operational data acquisition are purchased, a psychological laboratory is established and the criminal tactics capacity of NPS is developed.	Deadline for implementation: 31 December 2018.	Estimated costs: HUF 3.5bn PADOP-2.2.3-CCHOP-16 – Implemented within the framework of the priority project 'Increasing Capacity and Forming Attitudes to Reveal and Prevent a Greater Number of Corruption Cases'	Revealing corruption crimes within the state improves.

### Country Specific Recommendation No.3: Employment, Education

*"[Hungary is recommended to] facilitate the transition from the public works scheme to the primary labour market and reinforce other active labour market policies. Improve the adequacy and coverage of social assistance and unemployment benefits. Take measures to improve educational outcomes and to increase the participation of disadvantaged groups, in particular Roma, in inclusive mainstream education."*

#### III.4 Decreasing Public Works, Competitive Workforce

In addition to the measures below, the implementation of the employment recommendation is also supported by the measures aiming at the relevant headline EU2020 target

	Description of measure	Brief introduction of measure	Status and further schedule of implementation	Sources and the indication of domestic and EU funds	Description of expected effects
39.	<b>"Road to Labour Market"</b>	The priority project implemented on the base for public employment bodies (government offices, district offices) aims to improve the employability of job seekers and the inactive over the age of 25, especially those with a low-level of education attainment, to support their employment in the open	Implementation period: EDIOP 5.1.1: 01 October 2015 - 31 October 2021 CCHOP 8.1.1: 01 December 2015 - 31 October 2021	Resources available for the implementation: EDIOP 5.1.1: HUF 214bn CCHOP 8.1.1: HUF 17.8bn	The government offices involved more than 57,000 job seekers belonging to the target group until 31 March 2017. Almost

		<p>labour market, to improve the effectiveness of labour market instruments, and to promote the transition from public works to the business sphere for those who work in public works and can be given the ability and are ready to work in the business sphere.</p> <p>The employability of the target group improves by the priority project, the project contributes to the target group's obtainment of qualification, retraining, finding a job in the open labour market and to the housing benefit related thereto.</p> <p>The programme contributes to the improvement of the employability and the employment of more than 188,000 job seekers, including those exiting public works.</p>			15,000 participants were granted support, and more than 40,000 could find a job due to the support.
40.	<b>Operating the profiling system of job seekers, developing of the institution system</b>				
a)	Developing the profiling system and the National Employment Service	<p>Within the new nation-wide profiling system introduced in January 2016, the profiling of every new job seeker is carried out. The operation and results of the system are continuously analysed by involving internal and external resources, and the necessary improvements are continuously carried out on the basis thereof. The related internal IT system was and has been improved in 2016 and 2017, so that there is the least possible workload caused by the operation of the system at district level.</p> <p>The MNE decree of September 2016 set the rules for the preparation of the individual action plan built on the profiling system. This decree and the related internal regulatory document provide the unified national operation of the system.</p> <p>In 2016, one of the most important and measurable results of the profiling system was that among those that participated in public works, a rate of the persons of category 3 had increased by 20 percentage points January to July.</p> <p>Within the framework of EDIOP 5.1.1 the developments targeting the improvement of the effectiveness of the employment agency are in</p>	The implementation has been in progress since the introduction of the profiling system, more emphasized assessment and improvement tasks are primarily scheduled for the period of 2016-2018.	The total resource allocated to the central development elements of EDIOP 5.1.1/CCHOP 8.1.1: HUF 5bn	As a result of the measure, tailored support and service packages are possible to be prepared for the persons of the employment agency (especially for job seekers). In addition, the adept operation of the system contributes to the improvement of certain labour market instruments and the targeting of public works, and to the cost-effectiveness use of ESI Funds.

		<p>progress. Mainly the methodological and informatics calibration of the profiling system are included therein; in addition, the implementation of the following activities have been launched:</p> <ul style="list-style-type: none"> <li>- The renewal of a user interface targeting job seekers and employers;</li> <li>- The assessment of the opinions and expectations formed by the target groups of the employment agency;</li> <li>- The preparation of the new training materials for the profiling system and the related technical processes;</li> <li>- The improvement of communication activity of the employment system.</li> </ul>				
<b>b)</b>	Supporting employment programmes	transit	<p>The programme also supports permanent job seekers to obtain a skill and work experience with the help of the methods and experiences of the employment programmes in order to meet labour shortages. Within the framework of the programme the development of vocational training, mentoring, support, basic skills and social competencies is implemented so that it is encompassed in the form of work, thereby the rate of skilled workers increases and the chance of the permanently unemployed to find a job improves.</p>	<p>The organizations supported within the framework of the measure can implement their programmes in 36 months from autumn of 2017.</p>	<p>HUF 5.24bn (ESF EDIOP 5.1.4)</p>	<p>The measure is expected to contribute to the tackling of labour shortages by the complex development of 2,000 disadvantaged people who are unemployed.</p>
<b>c)</b>	Supporting the labour market services of non-governmental organizations		<p>The measure aims to provide access to targeted labour market services for the (non-registered) unemployed and inactive who fall out of the scope of the National Employment Service (NES) via service organizations that can reach them. A majority of those involved may join a labour market programme later, thereby the employability and labour market participation of disadvantaged people improve.</p>	<p>The organizations supported within the framework of the measure can implement their programmes in 36 months from autumn of 2017.</p>	<p>HUF 6.76bn (ESF EDIOP 5.1.5. CCHOP 8.1.2)</p>	<p>At least 93,350 persons will be provided with labour market services provided by non-governmental organizations. As a result of the service 18,600 people are expected to find a job in the open labour market.</p>
<b>d)</b>	Supporting partners	social	<p>The strengthening of the social partners' labour market engagement and the development of their capacity are supported by several measures. The measure of the "Support of Service Provision Targeting Lawful Employment" aims to provide free legal advice for employees and employers, and to establish a</p>	<p>The implementation of EDIOP 5.3.3 is in progress (3 between June 2016 and 30 September 2017). The call for tender regarding EDIOP 5.3.5 will be announced in April</p>	<p>EDIOP 5.3.3 HUF 3.5bn EDIOP 5.3.5 HUF 4bn</p>	<p>Lawful employment, and law-abiding and legally-aware conduct improve, the capacity and social roles of social partners</p>

		<p>national conciliation, reconciliation, mediation, counselling and arbitration service network (Employment Counselling and Dispute Settlement Service). The measure of the "Theme Projects Targeting the Development of Labour Market Adaptability" aims to elaborate the solution responding to certain actual labour market challenges met by the social partners and to develop the related capacity.</p> <p>Within the framework of EDIOP 5.3.3 the "legal points" provided legal aid for a total number of 23,343 persons in 31,045 cases between 1 July 2016 and 28 February 2017.</p>	2017 (possibility for staged application)		increase, and they directly participate in the formation of labour market processes and in the tackling of challenges.
41.	<b>Restructuring of the public works system</b>				
a)	Public works reform	<p>In order to promote the reduction of those employed in public works and the improvement of its targeting, and the transition from public works to the open labour market, the Government decision of 1139/2017 (III.20) on certain labour market measures has been adopted, the main elements of which are as follows:</p> <ul style="list-style-type: none"> <li>- Public works shall encourage primary labour market employment.</li> <li>- The improvement of public works targeting (those with qualifications can only be involved in public works if the district office, due to the employer, has failed in job placement three times, or the district office has not been able to offer the job seeker an appropriate job for three months).</li> <li>- Those under the age of 25 can only be involved in the public works scheme if no other suitable opportunity is offered by the labour market programme (within the framework of the Youth Guarantee System.)</li> <li>- The elimination of the current static nature of public works (within 3 years maximum 12 months can be spent in public worker status).</li> <li>- The gradual reduction of public works employees to 150,000 by 2020 (from last year's average number of 224,000).</li> </ul>	31 March 2017 – 31 December 2020. The detailed deadlines regarding the certain measures are included in the Gov. decision 1139/2017 (III.20) on certain labour market measures.	Due to the reduction of public worker status employees and for the implementation of active labour market programmes the <b>reallocation of HUF 40 billion of the appropriation of 2017 has to be carried out</b> within the Employment Fund Chapter, on the budget of title 8. Start Labour Programme for the benefit of sub-title 1. Active Supports and 1. Employment and Training Supports.	The number of public workers will be reduced to 150,000 until 2020 (from last year's monthly average number of 224,000).

		- The reallocation of public works sources to active labour market tools.			
b)	Assessment of people in public works working at public institutions	Mapping of the current public works of public institutions, the elaboration of the methods and costs of recruiting under service regulations (according to LC, public servant, civil servant), (Gov. decision 1139/2017 (III.20)).	30 April 2017 (preparation of Gov. proposal)	Not known yet. Government decision is required.	In the national programmes 26,000 persons, while in cases of long-term public works at government offices 700 persons are affected in 2017. Out of this number, approximately, 5,700 persons can be put in their own staff.
c)	Measures preventing lock-in effect	The implementation of the complex measures related to several areas targeting the prevention of getting locked in in public works programmes by using the available tools. The measures aim that only those shall stay in public works who cannot find a job in the open labour market through no fault of their own.	Ongoing	Not known yet.	
b)	Changes to legislation in public works	Act CVI of 2011 (on Public Works): 1) The regulations on the employer succession of the LC can also be applied in public works relationships. <b>2) The time spent in the labour market service has increased from 3 to 15 days.</b> 3) The determination of competency related to state representatives' controlling rights in cases of social cooperatives. <b>4) The changes to exclusion rules. New reason for exclusion: the rejection of training, the dismissal by the employer during the trial period is not a reason for exclusion.</b> Act IV of 1991 (on Job Assistance and Unemployment Benefit) <b>5) Reimbursement of commuting travel costs for public workers.</b> 6) Monitoring development: financing controls, exhibitions and researches from budget resource appropriation Act X of 2006 (on cooperatives).	1 The measure entered into force on 1 January 2017.	Not relevant.	Due to the amendments to the legislation, public works has become more flexible, more effective and easier to organize.

		<p>7) The mandatory member is a local government or a charity organization, the limitation of the member's work Act XCIII of 1993 (on labour safety).</p> <p>8) Data provision for the examination of accidents at work, occupational illnesses and intense expositional cases.</p>			
42.	<b>Measures supporting the labour market integration of public workers</b>				
a)	Implementing programmes and tenders promoting the successful exit from public works	<p>The programmes launched as planned in 2017 to promote the transition from public works to the primary labour market are as follows:</p> <ul style="list-style-type: none"> <li>- A job creating tender, in which <b>the employment of a person in public works</b> will be a category of primary support;</li> <li>- The programme promoting "From Public Works to the Business Sphere", which is a targeted incentive for public workers by <b>granting incentive bonuses</b>, so that they can get a job in the primary labour market;</li> <li>- Within the framework of the "Leading out to the Active Labour Market" those who have been in public works for more than one year will <b>be motivated to work in the market sphere with the help of mentors</b>.</li> <li>- "Alternative Prevention" programme: for job seekers who <b>are capable to find a job on their own, or have a marketable qualification</b>, or have a low level of educational attainment but are motivated to find a job in the open labour market instead of public works.</li> </ul>	The preparation of the programme / tender announcement is in progress. The programmes are expected to be launched in April/May 2017.	Due to the reduction of the number of people with public worker status, and in order for the implementation of active labour market programmes the <b>reallocation of HUF 40 billion of the appropriation of 2017 has to be carried out</b> based on the Gov. decision 1139/2017 (III.20) as follows: within Chapter LXIII of the National Employment Fund of Act XC of 2016 on the Central Budget of 2017, on the budget of title 8. Start Labour Programme for the benefit of sub-title 1. Active Supports and 1. Employment and Training Supports.	
b)	Public works wage increase and guaranteed public works wage increase	The amount of public works wage and of guaranteed public works wage have increased. The gap between public works wage and minimum wage has further widened, which is a motivation for entering the primary labour market.	From 1 January 2017	Based on the average of 220,000 employed in public works in 2016, as a result of the measure, a resource of about HUF 10bn is necessary for the payment of higher wages.	
43.	<b>Priority project of the "Training of Low Skilled and of Public Workers"</b>	The project aims at the people in public works to close in, by the improvement of competencies necessary for the start of vocational education, and the implementation of trainings appropriate for labour market demands. The objective of the mentor service is to accomplish the training successfully, to keep the	The starting date of the project: 01 December 2015; the planned end: 31 December 2018.	EDIOP-6.1.1-15 – HUF 30bn	According to the state, as of 31 December 2016, 34,560 persons have been involved in the training, 56.1% of the training

		people in training and to prevent drop-out. The indicator of the involvement to be performed is 85,000 persons, out of which 80,000 persons with a low-level of educational attainment (ISCED 1, ISCED 2) are of working age in public works status or employed adults. The possibility of involving those with a higher level of educational attainment (ISCED 3) is limited (5.9%). The target indicator of those obtaining a certificate or credentials is 68,000 persons (80% of the total headcount).			programmes provide NQR qualifications, 27.1% other skill (training) trainings, 12.2% other (e.g. competency building) trainings, and 4.6% NQR+sectoral, sectoral trainings.
44.	Measures supporting the improvement of public works targeting				
a)	Model programme for national public works for homeless	The programme is continued and extended in 2017; the previous pilot measure promoting the integration of the homeless is extended at a national level. A mentor service based on permanent personal presence, accredited lifestyle training and healthcare services are added to the complex programme. 34 employers of public works are engaged in the programme.	The pilot of 2015 and 2016 is continued. The programme is implemented in 12 months (01 March 2017-28 February 2018).	The programme is implemented from HUF 1.7bn domestic resource on the budget of NEF.	In 2017 the programmes are going on at 34 employers of public works in 26 settlements, the number of people to be involved is 884 persons (the programmes with the largest populations are going on in Budapest, Kiskőrös, Miskolc, Szombathely and Pécs).
b)	Helping Hands programme National Public Works model scheme	The pilot of 2015 is continued. In the disadvantaged districts and settlements, <b>the social protection of the elderly</b> over the age of 65 <b>in their homes</b> , with the involvement of public workers; support provided by infocommunication tools. (In cooperation with several sectors: MI, MHC, Governmental Information-Technology Development Agency)	The period of the programme in 12 months: 01 March 2017-28 February 2018.	The programme is implemented from HUF 2.1bn on the budget of NEF.	Out of <b>1,365 persons</b> in 63 disadvantaged settlements <b>working in public works</b> 200 participate in training as well: 100 persons participate in infocommunication, 100 persons in social assistant trainings.

c)	Special public works scheme for job seekers struggling with mental, social and health problems	The pilot programme of last year is continued, the people involved are provided labour market, social and healthcare services. During their employment they carry out simple tasks appropriate for their condition and easy to be fulfilled at the workplaces established by the municipalities.	Since July 2016. The period of the programme: 01 April 2017-31 August 2017.	The total scheme budget of HUF 320m is financed from the NEF Start Work Scheme appropriation (employment (MI): HUF 115m, labour market services (MNE): HUF 180m, social and healthcare services (MHC): HUF 25m).	The programme has been launched in 4 counties, on 10 sites with the involvement of 300 job seekers struggling with mental, social and healthcare problems.
45.	<b>Developing social enterprises and social associations</b>				
a)	Focus programme of social <b>associations</b>	The programme aims at the establishment of new sustainable workplaces – with a priority on disadvantaged districts – with a three-year support scheme provided for the activity and operation of the social <b>associations</b> being organised on the basis of public works.	Time horizon according to the trilateral (MI, MNE, OFA Nonprofit Kft.) Grant Agreement: 01 May 2016-31 August 2022.	HUF 12bn in the NEF budget of 2016.	87 beneficiaries, the employment of 619 persons in employment relationship, in 18 counties. Activity: services and production..
b)	Incentive for social enterprises	The enhancement of the employment potential of organizations through the incentive and (non-refundable) subsidies for social enterprises, job creation and the temporary support of the commencement of employment. (Non-refundable resources: job creation, temporary support of the commencement of employment; refundable resources: providing the necessary infrastructure investments and current assets.)	The organizations supported within the scheme can implement their programmes for 36 months from autumn of 2017. The priority project providing the support started the organization of the advice provided for the organizations in 2016.	In 2016 HUF 7.3bn and in 2017 HUF 17.5bn are announced. (ESF, EDIOP 5.1.2, EDIOP 5.1.3, EDIOP 5.1.7. It is related to EDIOP 8.8.1 where it is a refundable element.) Within the framework of the support scheme, projects successfully qualified within the framework of EDIOP 5.1.2 can submit grant applications.	Within the framework of the developments at least 500 social enterprises will be granted support and 3,000 new employees will be employed in the convergence regions.
c)	Loan aiming at incentivizing employment	The measure aims at supporting the expansion of the market activities carried out by enterprises launched to become entrepreneurs and by social enterprises, thereby increasing the employment of the disadvantaged.	The loan product is available for the organizations from autumn 2017 until its exhaustion.	HUF 29.63bn (ESF; EDIOP 8.8.1)	The measure is complementary to the non-refundable subsidy provided for social enterprises and enterprises founded by job seekers.

### III.5 Education Creating Opportunity

	Description of measure	Brief introduction of measure	Status and further schedule of implementation	Sources and the indication of domestic and ESI Funds	Description of expected effects
46.	<b>Developing the institutions which are at risk of student drop-outs, developing the access to inclusive education, desegregation</b>	The development supports the quality access to inclusive education, provides help for teachers to effectively apply new differentiated teaching methods. The measures take into consideration the desegregation Guideline of the Commission; it is based on the segregation indicator survey. The pedagogical and professional service for the 300 public education institutions involved is provided by the pedagogical education centre territorially competent .	The call for application was announced in October 2016. The project period is 2017-2020. In 2017 the institutions involved will be selected, , the situation analyses and the institution development plans will be prepared.	HDOP 3.1.5. HUF 12.9bn	The chances for further studies and the completion of studies can be expected regarding the students. Development activities which strengthen the inclusive organization of studies also appear in the complex institutional development plans, which will be elaborated.
47.	<b>Complex programmes for children with multiple disadvantages and needy students to help their school success and prevent them from drop-out</b>				
a.	Implementing Arany János Talent Fostering Programme, Arany János Talent Fostering Boarding Facility Programme Arany János Vocational Training Programme	The programmes provide pedagogical, social, health and cultural support for the disadvantaged and multiply disadvantaged, and needy students (preventing them from drop-out, attending higher education, obtaining a school leaving exam and vocational qualification). A total of 4,000 secondary school and vocational school students participate in the programme annually.	Annually repeated measure. In the 2016/17 school year within the framework of AJTFP 549, within the framework of AJTFBFP 278 and within the framework of AJFBFVSP 194 9 <sup>th</sup> grade students started their studies.	HUF 2.7bn/year; central budget	Its positive effect is that it contributes to achieving the target aiming to reduce early school-leaving encompassed in the EU2020 Strategy, and it fits into the objectives of the Youth Guarantee Programme.

b.	Integrative Pedagogical System (kindergarten development programme)	The Integrative Pedagogical System aims to make kindergartens capable of successfully educating disadvantaged children and to support their integration and their future success at school (HDOP 3.1.3.). Developing skills and preparation for integration and kindergarten are included in the framework of the measure.	Annually repeated measure. The kindergarten development programme is implemented from the 2016/17 school year until the 2019/20 school year.	HDOP 3.1.3. The amount available is HUF 4.2bn, which provides resources for four educational years. Domestic resource is not provided.	As a result of the measure the role of public education to create opportunities and support inclusion becomes stronger.
c.	“On the Road” (Útravaló) Scholarship Programme	The HDOP 3.1.4 “On the Road” “(Útravaló) Scholarship Programme aims to promote disadvantaged learners achieving success at elementary school, reduce the number of drop-outs, prepare them for studying at a secondary school that provides a school-leaving examination, and aims at their successful completion of secondary school and being admitted to higher education by providing personal mentoring and scholarships.	Repeated by school year The implementation of the Road to a Qualification, Road to a Degree, Road to a school-leaving examination regarding the 2016/17 school year are in progress.	The “On the Road” (Útravaló) Scholarship programme was financed from domestic sources until 2015, with an annual budget of HUF 2bn. Since the 2016/17 school year the operation and development of the Road to a school-leaving examination and the Road to Secondary School sub-programmes have been financed from ESI Funds (HDOP 3.1.4.) for 3 years, HUF 5.9bn in the convergence region, CHR: HUF 200m. The operation of the two other sub-programmes are still financed from domestic budget: Road to a Qualification programme HUF 400m, Road to a Degree HUF 275m, - CHR: HUF 0.2bn; CONV: HUF 5.9bn	Half of the pupils in grade eight and 26% of secondary school students getting scholarships are provided with support within the framework of the programme. The programme plays an important role in creating equal opportunities in education as well.
d.	“Tanoda” programmes	The measure aims to help disadvantaged, especially Roma, learners in their achievement of school success with extra-curricular public education tools and in complex development affecting personality on the whole (development of competencies and skills, the support of individual learning, personality development, compensating for social disadvantages). At least 30% Roma students have been involved in the programmes.	Repeated annually. HDOP-3.3.1-15 - announced on 30 September 2015. 3-year period. HDOP-3.3.1-16 – announced on 01 December 2016. The “Tanodas” can implement their programmes until 31 August 2018, on the basis of the tender.	HDOP-3.3.1-15, HUF 5,000m HDOP-3.3.1-16, HUF 2,000m	Within the framework of the measure 278 “Tanodas” operate and more than 6,000 disadvantaged students have been involved.
e.	Preventing Roma Girls from Early School Leaving	The scheme of Preventing Roma Girls from early school-leaving aims to strengthen the learning motivation of primarily Roma girls struggling with disadvantages, to raise the age of their establishing a family and having children, improve their health conditions and reduce the possibility of victimhood.	The implementation period of the measure: October 2015 - 30 September 2016. The planned scheme for 2017 (Preventing Roma Girls from Early School-leaving) is built on the model programme of	The framework budget in the school year of 2016 was HUF 135m, financed from the domestic budget, from which 21 organizations could carry out their activities. In the next school year (EU funded) the programme HDOP 1.4.4-17 continues	The number of students participating in the support programmes is 1,320. As a result of the measure there is a considerable reduction

			“Preventing Roma Girls from Early School Leaving” announced in 2015 and continued in 2016.	with the names Bari Shej – Big girl - Fătă mără. Within the framework of the current scheme the applicants can submit their application for a higher, HUF 25-30m grant with a 24 months period. HDOP 1.4.4-17 The available framework budget in HUF 2bn.	in the drop-out risk regarding Roma girls in elementary or secondary schools between the ages of 10 and 18, and the rate of their further education attendance is increasing.
48.	<b>Project of creating opportunity in public education</b>	<p>Within the framework of the priority project a total of at least 150 public education institutions are developed, and public education institutions, applying the methodology of creating opportunity to become institutions of teaching practice are supported.</p> <p>The project supports the preparation and implementation of desegregation processes.</p>	The tender was announced in September 2016.	The support of inclusive education (HDOP 3.1.7) CONV: HUF 4.29bn	The measure will have an effect on the change in attitude and learning paradigm shift adjusted to the needs of disadvantaged children/students, and reflective thinking will strengthen. As a result of the project about 30 institutions applying proper opportunity-creating pedagogy will be able to become institutes for practice, which, on the one hand, provide for the continuous recruitment and increase in the number of teachers applying the method of creating opportunity and on the other hand, the continuation of developments in teacher training.
49.	<b>Last stage of teacher career progression system</b>				

a)	Pay rise for employees (without pedagogical qualification) directly helping teaching and training work (NOKS) in public education institutions	Independent from the maintenance authority, everybody, without pedagogical qualification or training, employed in NOKS job gets a 7+3% remuneration, or salary rise. At least 7% increase is mandatory; the 3% may be given by the employer in a differentiated manner, while exercising his/her discretion regarding each employee. The legal guarantees thereof are set in the Gov. decree 326/2013 (VIII.30) Art.32/A.	Ongoing since 1 January 2017	The resource of the measure is provided by the budget of 2017, with a total amount of HUF 9.3bn.	The increase in the standard of education and training, and paying more attention to students are enhanced by financial motivation, and in the appreciation of those supporting the pedagogical work.
b)	Ranking teachers in Category II, 7 years before retirement	The teachers in Category I who had 7 more years until retirement on 1 September 2016, or are entitled for old age pension, and have not automatically been involved in the classification procedure yet, have been ranked in Category II by exempting them from the classification procedure. Those from among the teachers concerned, who had failed in the classification procedure, could submit their written application to the OH (Educational Authority) until 15 November 2016, for an extraordinary classification procedure. On the basis of successful classification procedure the teacher is ranked in Category II with retroactive effect as of 1 January 2017.	Ongoing since 1 January 2017	Additional HUF 6.4bn have been added to the budget of 2017 as the cover for wage cost.	The number of those leaving their career decreases.
c.	Pay rise for teachers	The number of those stepping in Category II and Master Teacher Category further increases from January 2016; on 1 September 2017 there is going to be a general basic salary increase affecting every teacher, just like on 1 September 2016.	Ongoing from 1 January 2016.	Budget for pay increases due to the categories (Category II, Master Teacher Category) was HUF 14bn, from 01 January 2017 further HUF 14bn. According to the Gov. decree 326/2013 the budget for the general increase in the basic salary was HUF 18bn on 01 September 2016, on 01 September 2017 further HUF 23.9bn. The budget of 2016 provided HUF 2.9bn for the categorization of the teachers with qualification or skill in Category I, and due to the next schedule of the teacher <b>progression</b> system the budget of 2017 provides an additional HUF 519m regarding every maintenance authority (public and non-public).	The 50% teacher's wage increase affected the number of applicants to higher education. The prestige of the career has been enhanced, which also aims at the improvement of the teachers' performance. The number of those leaving their career has decreased.

### III.6 Strengthening the Healthcare System

	Description of measure	Brief introduction of measure	Status and further schedule of implementation	Sources and the indication of domestic and ESI Funds	Description of expected effects
50.	<b>Supporting the preventive capacity of the healthcare system</b>	Establishing new Health Promoting Offices (HPO) in order to achieve complete national coverage (the long-term aim is that HPOs shall operate in every district). In addition to the existing ones, the new HPOs will also serve a new function through carrying out mental health development care. The already existing HPOs will be further developed by the mental health development function.	The announcement for tenders is the second half of March 2017; submission deadline: HDOO 1.8.19-17: 05 May 2017 – 18 August 2017 HDOP 1.8.20-17: 05 May 2017 – 18 August 2017 CCHOP 7.2.2-17: 12 August 2017 – 28 February 2018	Establishing new HPOs, EDIOP 1.8.19-17 (HUF 4.56bn), the development of the Central Hungarian region, CCHOP 7.2.2-17 (HUF 1.7bn), the extension of existing HPOs with mental health developing function, EDIOP 1.8.20-17 (HUF 2.44bn)	
51.	<b>Complex health and nationwide mobilisation regarding public health</b>	<b>The measure aims to increase the population's participation in organized health screening</b> , its long-term aim is to stop and then mitigate the current increases in cancer rates and to reduce mortality caused by the illness.	Call for tender: January 2016 Commencement of the implementation of the measure: 1 March 2016	<b>“Complex Health Screening” project, development from ESI Funds</b> (EDIOP1.8.1 – CCHOP/15; total framework budget: HDOP HUF 4.6bn, CCHOP HUF 1.97bn non-refundable subsidy) Out of which nationwide extension of colon screening: Budget resource 2017: HUF 1769.3m Budget resource 2018: HUF 675.3m Budget resource (under approval): 2017: HUF 750.83m 2018: HUF 4,563.0m Health Insurance Fund (HIF) 2017: HUF 230m 2018: HUF 1,703.3m The installation and operation of the screening units created within the framework of the <b>“On-the-Spot Screening”</b> development: Central budget resources 2017: HUF 130.64m 2018: HUF 880m	
52.	<b>Primary care development I-II focusing on public health</b>	Within the framework of primary care development, fifty new general partnership practices are planned to be established by involving an additional 400 practices. The services close to the population will be extended.		CCHOP 7.2.2 “Developing local capacity of public health institutions” Framework budget of tender: HUF 1.7bn	

53.	<b>Intersectoral development of early childhood intervention</b>	The overall aim of the project is to establish an early childhood intervention system using a more effective common platform than the current one, in which the cooperation of professionals with different specialities is precisely regulated, the protocol and regulatory background necessary thereto are available, thereby, even during pregnancy (including the preconception phase), it is possible to provide a higher standard of care for children before school-age and their families, and to provide them with access to services adjusting to their needs. The project aims to establish the interface between the professional areas affected by early intervention, to apply the common guidelines and protocols that link the institutional actors working under different sectoral management, and to introduce a unified measurement and evaluation system. In addition, it also aims to increase the competencies and form the approach of the professionals, and to improve access to the services dealing with children.	The tender was announced in September 2016.	The framework budget of HDOP-1.9.5-CCHOP-16 is HUF 5.70bn, out of which CCHOP 1.7.1 the “Intersectoral development of early childhood intervention” is carried out.	
54.	<b>Developing unified nursing equipment</b>	The project aims to provide nursing through equal opportunity in the active, chronic, rehabilitation and nursing departments in operation in the country by improving the appropriate nursing equipment.	The call was announced on 30 September 2016 Commencement of implementation: 01 October 2016 Planned finish of implementation: 2018	HDOP: HUF 8bn	
55.	<b>Improving the infrastructure conditions of diagnostic and medical laboratory network</b>	The project aims to improve the conditions of diagnostic pathology and the infrastructure equipment of domestic departments of pathology (including the county and national centres), on the one hand. On the other hand, it aims to establish the standardizing conditions of the heterogenic medical laboratory system and the optimal use of the existing human resources.	The call for tender was announced: 30 September 2016 Commencement of implementation: 01 October 2016 Planned finish of implementation: 2018	HDOP: HUF 9.81bn	
56.	<b>Replacing the form of active inpatient care with the improvement of overnight surgery system</b>	The project aims to increase the rate of patients leaving the hospital within 12 hours, to establish complex overnight organizational units at least of 4 specializations, to establish the necessary infrastructure and human resources, and to involve the highest possible rate of patients currently not	The call for tender was announced: 30 September 2016 Commencement of implementation: 01 January 2017	HDOP: HUF 8bn	

		provided with overnight care due to non-medical reasons to increase the rate of these treatments.	Planned finish of implementation: 2018		
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## Annex II: Measures Taken to Achieve the Europe 2020 Targets

### IV.1 Increasing Employment

In addition to the measures aiming at the implementation of the Country Specific Recommendations, the following measures also contribute to the fulfilment of the employment target

	Description of measure	Brief introduction of measure	Status and further schedule of implementation	Sources and the indication of domestic and EU funds	Description of expected effects
57.	Measures promoting youth employment				
a)	Youth Guarantee Labour Market programme	<p>Within the framework of the project, as part of the Youth Guarantee Scheme, youth may receive targeted support based on their individual plans to find employment or gain qualifications.</p> <p>In addition to counselling and mentoring, the employment service offers a path to immediate employment, becoming an entrepreneur, gaining a marketable qualification or through enabling users to gain the necessary primary school education. The programme is implemented by involving employers, local educational, social and youth organisations. As a result of the measure the number of young NEETs will reduce and the qualification and employment level of the young between the ages of 16-25 will improve.</p>	<p>Implementation period:            EDIOP 5.2.1: 01 January 2015-31 October 2021,            CCHOP 8.2.1 01 October 2015-31 March 2018</p>	<p>EDIOP 5.2.1: HUF 174bn            CCHOP 8.2.1: HUF 4.2bn</p>	<p>Within the framework of the programme, at least 161,000 young people under the age of 25 receive Youth Guarantee offers. Almost 50,000 young people were involved in the programme until 31 December 2016 (more than 35,000 people found a job and more than 16,000 people attended a training).</p>

b)	Supporting the young and job seekers to become entrepreneurs	<p><b>As part of the Youth Guarantee Scheme</b>, the project aims to support young people under the age of 30 and registered job seekers over the age of 30 with an entrepreneurial approach, who plan to launch a new private enterprise or partnership.</p> <p>(The young and job seekers involved participate in the training programmes provided by the organizations selected by regions, and are provided with help in drafting their business plan. In the second stage (EDIOP 5.1.9, 5.2.7) the young people and job seekers who have an approved business plan, have successfully accomplished the training and have established their enterprises, are granted maximum HUF 3 Million non-refundable subsidy in order to support their initial costs.)</p>	<p>The social consultation on the tenders was carried out at the beginning of 2017. EDIOP 5.1.9 can be applied for from 1 June 2017, and lasts at the latest until 30 December 2022. EDIOP 5.1.10 can be applied for from 1 September 2017 until 1 September 2019, and lasts at the latest until 31 December 2020. EDIOP 5.2.7 can be applied for from 1 September 2017 until 1 September 2019, and lasts at the latest until 31 December 2020.</p>	<p>EDIOP 5.19 Incentive to job seekers and young people to become an entrepreneur – Training and mentoring – HUF 6bn  EDIOP 5.1.10 Supporting job seekers to become an entrepreneur – HUF 8bn  EDIOP 5.2.7 Supporting young people to become an entrepreneur – HUF 16bn</p>	<p>The employment level of the target group will increase, the rate of unemployment and of young NEETs will reduce. The number of job seekers and young people involved in the training is 9,000. The total number of the established enterprises is 8,000.</p>
c)	Traineeship programme	<p>The Traineeship Programme aims to establish workplaces directly and help skilled young people gain early work experiences, and improve their employability. Within the framework of the <b>Youth Guarantee Scheme</b> the tender of the “Traineeship Programme to Support Career Starters”, the projects of micro-, small- and medium-sized enterprises are supported which employ skilled young people (subsidies for wages and tools); involvement is carried out through <b>the vocational training centres</b>.</p>	<p>EDIOP 5.2.4 – August 2016-31 July 2021  GINEDIOP 5.2.5 – May 2016 - 31 December 2021</p>	<p>EDIOP 5.2.4 Tender for Traineeship Programme HUF 30.0bn  EDIOP 5.2.5 Traineeship Programme – Support Services priority project HUF 2.0bn  The number of enterprises reached by the information about the Traineeship Programme is 5,226 so far (target value: 3,000). The number of young people reached by the information about the Traineeship Programme is 16,565 so far (target value: 9,000 persons).</p>	<p>As a result of the measure, the number of young NEETs decreases and the employment level of young people aged 16-25 increases.</p>

58.	Mobility incentive measure (in order to tackle labour shortages)	<p>- Supporting the building of workers' accommodation. The building of workers' accommodation aims at the improvement of labour flow and the geographical mobility of the workforce to the regions where there is no significant labour reserve. The introduction of the measure enables the municipalities to establish workers' accommodations by building new buildings, or by refurbishing old properties owned by them.</p> <p>- Government measures to support workforce mobility (housing assistance, support for commuting costs, supporting group-transport services)</p> <p>- <b>Measures of tax policy</b> promoting the mobility of workforce (via the reduction of corporate tax through the increase of the support for using their own car to commute, and introducing tax-free housing allowance),.</p> <p>- The increase of minimum wage and the reduction of social contribution tax. With the consent of the representatives of employers and employees the Government increases the minimum wage by 15% from 1 January 2017, and by a further 8% the following year, and parallel with this it increases the guaranteed minimum wage by 25%, and by a further 12%. In order to reduce the tax wedge the social contribution tax will be reduced by 5 percentage points next year and in the following year by 2 percentage points.</p> <p>- The active labour market policies shown in the table also contribute to the tackling of labour shortages by encouraging the currently not employed groups (including the young, women and the low-skilled) to enter the labour market and by the restructuring of the vocational training system; it also contributes to the tackling of labour shortages that those who are currently employed in public works enter the primary labour market.</p>	The Gov. decree of 23/2017 (II.3) on the support for building workers' accommodation promoting labour market mobility has been promulgated in the National Gazette No 16 of 2017. The preparation of the labour market programme based on the decree is in progress.	In 2017, HUF 9bn on the budget of 1. Active support 1. Employment and training support within the Employment Fund Chapter.	The positive effect of the measure is that the implementation of the investment aiming at the establishment of workers' accommodations is expected to attract the available workforce into the region; thereby it will result in the growth of the employment rate.
59.	Incentive for flexible and family friendly employment				

a)	Incentive for flexible employment	The measure aims to spread flexible employment in small and medium-sized enterprises in the convergence regions. The measure contributes to the harmonisation of work-life balance, and to the increase of the enterprises and employees' adaptability. Within the framework of the measure the screening of the SMEs with a flexible employment approach, the preparation of their restructuring plan in the first round of the tender (EDIOP 5.3.1) will be carried out by selected organizational development consortiums. In the second round of the tender (EDIOP 5.3.2) support can be granted to SMEs for the implementation, included in the restructuring plan, in order for the introduction of flexible employment forms and flexible work organization methods.	The implementation of the measure is carried out between 2015 and 2018.	The resources for the measure: HUF 7bn (EDIOP 5.3.1 and EDIOP 5.3.2)	Within the framework of EDIOP 5.3.1 710 SMEs have been screened (a further 73 are in progress). The screening affects more than 28,000 employees. Within the framework of EDIOP 5.3.2-16, 654 SMEs have submitted their grant application.
b)	Supporting the establishment of workplace nurseries	The measure aims to support the establishment of workplace nurseries (establishment of the childcare facility, acquisition of equipment, training and employment of nursery teachers), which contributes to the increase of the employment of women with small children, and to the harmonisation of work-life balance.	The implementation period of the projects is 12-24 months. The call for tender was announced in February 2017. The grant applications can be submitted between 20 March 2017 and 20 March 2019.	ESF (EDIOP 5.3.8) HUF 6bn	The workplace nurseries established (2,300-2,500 places) as a result of the measure contribute to the returning of women with small children to the labour market, and to the harmonisation of work-life balance.

c)	Supporting the harmonization of family and work, and helping the children in disadvantaged settlements at the earliest possible age	<p>(1) The support of the harmonization of family and work aims at the targeted development of the institutions and services providing for the day care of children, especially under the age of 3 (nursery, mini nursery, family nursery).</p> <p>(2) The amendment to the act on the restructuring of children's day care came into force on 1 January 2017. New institutions for children under the age of 3 are established in order to help children in disadvantaged settlements at the earliest possible age, and the operation of services is restructured. A flexible differentiated institutional system (nursery, mini nursery, workplace nursery, family nursery, child minding) with several actors is established. Day care regarding the children under the age of 3 will be mandatory for the municipalities according to legislation. The system of day care, especially the care services provided for children under the age of 3 have been restructured; as a result of this about 14,000 new places may be created by 2020.</p>	<p>(1) The calls for tender regarding TOP 6.2.1-15 and TOP 1.4.1-15 were announced on 8 January 2016. The evaluation of the grant applications is in progress, the decision is expected at the beginning of May. In case of TOP 1.4.1-15 the grant applications could be submitted between 21 March and 22 September 2016 (with different deadlines per regional actors). In case of TOP 6.2.1-15 the grant applications could be submitted between 29 February and 30 August 2016 (with different deadlines per regional actors). The call for tender regarding CCHOP 6.1.1-15 was announced on 3 March 2016. The call for tender regarding TOP 6.2.1-16 was announced on 8 December 2016, TOP 1.4.1-16 on 13 February 2017.</p>	<p>(1) HUF 75.4bn + HUF25bn (TOP-6.2.1-15 and TOP-1.4.1-15 and CCHOP-6.1.1-15, TOP-6.2.1-16 and TOP-1.4.1-16)</p> <p>(2) The support of the establishment of new institutions and services is financed by the central budget (currently the annually provided resource for nursery services is HUF 14bn).</p>	Based on the March 2017 data of ONYF (Central Administration of National Pension Insurance) 85% of the family kindergartens have been transformed into services providing nursery care (family nursery, mini nursery, workplace nursery).
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#### Developing Vocational Skills

60.	The reform of the vocational training structure: the introduction of vocational high school and secondary vocational school	With the restructuring of the training structure a school leaving exam and a vocational qualification can be obtained (after 3 years a 2-year preparation is automatic) in both school types (vocational high school, secondary vocational school). The "dead end" nature of the former vocational school ends. Regular monitoring and possible adaptation and improvement based thereon, with intervention intensifying flexibility	From September 2016	HUF 500m	
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		if necessary.			
61.	(1) Reducing the number of those leaving vocational education without qualification (2) and the overall development of the institutional system of vocational training	Strengthening the key competency capacity of vocational institutions. The elaboration of basic skill development policy. The vocational training centre carries out individual action plans in order for the overall quality development of the institution.	Still before government decision. August 2016 – 31 December 2020 - Situation analysis of vocational training centres: February 2018; - Action plan of vocational training centres: September 2018; - White Paper of the Basic Skill Development: February 2019.	Resources of measure: EDIOP-6.2.2-16 (HUF 2.8bn) EDIOP-6.2.3-17 (HUF 12bn) CCHOP-8.6.3-17 (HUF 2.1bn)	
62.	Developing digital literacy	EDIOP 6.1.2-15 basically aims to develop the disadvantaged people's competency by involving 200,000 persons; in order to achieve this, it is necessary to determine and update the Digital Competence Reference Framework (ICEFR) determining the knowledge levels. As a result of the measure the equal opportunity indicators measured in economic dimension improve, the labour market key competencies of the social groups being excluded from the labour market develop, and their chances for inclusion increase. The primary and secondary digital inequality decreases by the provision of the accessibility to and literacy of ICT tools.	The period of the announcement and implementation of the tender is 1 April 2015 – 31 December 2020 (stage I)  1 January 2018 – 31 December 2020 (stage II)	Resource demand of the measure:  Stage I: HUF 8.95bn (2015 scheme, project period is 2 and a half years) Stage II: HUF 8.95bn (2017-2020, project period is 2 and a half years)	
63.	Participating in the OECD PIAAC programme	PIAAC (The Programme for the International Assessment of Adult Competencies), being implemented in the framework of EDIOP 6.2.1, is an international programme directed by OECD, over the course of which the most important reading comprehension, maths, problem-solving and info-communication competencies of those aged 16-65 are measured and assessed by direct data collection, on the basis of a representative sample in a ten-year cycle. It aims to support the policies of the alignment	Date of the physical completion of the project: 31 December 2020.	Resource demand for the measure: HUF 1.1bn, EDIOP 6.2.1-CCHOP/15.  The available amount of non-repayable subsidies from EDIOP sources is maximum HUF 798.82m, and maximum HUF 301.18m from the sources of the Competitive Central Hungary Operational Programme.	

		<p>of the working population’s qualifications, motivation with labour market capacity and the establishment of a detailed exploration of best practices and labour market processes at national and international levels. Following the assessment carried out on the basis of the OECD programme, public and researchable data bases have been established. As part of the relevant OECD analyses, the detailed domestic reports are prepared by relying thereon. The research results and reports relying on the data bases promote the generating of the structural changes supporting the national policy and aiming at the solution of the mapped problems.</p>			
64.	Content renewal of formal vocational education	<p>The Vocational Training Bridge Programme is going to be renewed within the framework of the reform, Since September 2016, vocational school – called vocational high school – has become a school of five-year commitment, and the students can automatically continue their studies in the preparation year for the school leaving exam. In the course of the development, the further support of the new operation structure shall be focused on, especially with regards to the 44 vocational training centres, of the analysis of the system of operation and the satisfaction of the needs shown.</p> <p>The statutory foundation for this has already been laid in order to introduce the new type of school, the so-called “vocational high school”. The National Qualification Register will include more professional content and more foreign language and IT training in this new type of school. The upper age limit of the participation in full-time vocational training (and so in the formal vocational training) has increased from 21 to 25, so that as many people can participate in the formal education as possible.</p> <p>As a result of the amendment to the Act on vocational training, a second vocational qualification can be obtained free of charge.</p>			<p>As a result of the content renewal the different vocational training programmes provide the basic competencies necessary for lifelong learning and basic literacy for young people, provide relevant skill competencies and attract more students than previously.</p>

## IV.2 Enhancing the Importance of Research, Development and Innovation

	Description of measure	Brief introduction of measure	Status and further schedule of implementation	Sources and the indication of domestic and EU funds	Description of expected effects
65.	<b>Policy Development</b>	<p>1. Review of National R&amp;D Strategy</p> <p>2. Monitoring and evaluation of the National Smart Specialisation Strategy progress</p> <p>3. Establishing a “Smart Monitoring” system for complex R&amp;D&amp;I programme and project evaluation</p>	<p>The review of the R&amp;D&amp;I Strategy is expected in 2017.</p> <p>The monitoring and evaluation of the implementation of the National Smart Specialisation Strategy is a previously planned measure to be implemented in 2017.</p> <p>The foundations for the monitoring and assessment system is going to be laid down in summer of 2017.</p>	<p>No additional resources are needed; the implementation is in the programme strategy of EDIOP, CCHOP 2017, ADF and NRDIF funds.</p>	<p>Feedback on the experiences gained since the approval of the strategy documents into policy.</p>
66.	<b>Incentive for corporate R&amp;D&amp;I activities</b>	<p>The measure covers the overall spectrum of the corporate innovation value chain by aiming at the development of value added, new, marketable products, services, technologies and their prototypes, and promotes the extension of innovation relationships in the economy.</p> <p>A dedicated direction of the measure helps the establishment and mentoring of start-up enterprises, and the strengthening of the environment which encourages their training in the Central Hungarian region. It appropriates venture capital financing related to start-ups and the critical phase of innovation, from early phases to the growth stage. It supports novelty research, intellectual protection acquisition and maintenance, and IP evaluation activity serving the industrial property protection of the intellectual property of private individuals, and of enterprises and institutions with a seat in the Central Hungarian region.</p> <p>Main supported activities: research, development, prototype and product development, intellectual property protection. Non-refundable subsidies, loan / supplemented with loan / combined loan, venture capital supporting schemes are available in the</p>	<p>Earlier announced, <u>finished in 2016</u> / suspended schemes: CCHOP-2.1.1.-15 CCHOP-2.1.7.-15 EDIOP 2.1.1-15 EDIOP 2.1.7-15</p> <p>Announced, <u>ongoing schemes in 2016-2017</u>: EDIOP-2.1.3-15 + NRDIF Industrial property right NRDIF RDI_16 EDIOP-2.1.5-15 + NRDIF ECO_16</p> <p><u>Ongoing schemes in 2017</u>: EDIOP 8.1.1.-16 EDIOP 2.1.2-8.1.4-16 EDIOP-8.3.3-17 EDIOP-2.1.6-16 + NRDIF EDIOP-8.1.3/B-17 + CCHOP 2.1.2.-17 EDIOP-8.1.3/A-16 + MFB</p>	<p><u>Finished corporate RDI</u> (NR): • CCHOP-2.1.1-15: HUF 17.62bn Prototype (NR): • CCHOP-2.1.7-15: HUF 8bn • EDIOP-2.1.1-15: HUF 72bn RDI_16: HUF 21bn Prototype (NR): • EDIOP-2.1.7-15: HUF 45bn <u>Ongoing in 2016-2017</u>: • Industrial property right (NR): • EDIOP 2.1.3-15: HUF 1bn, NRDIF: HUF 0.4bn Corporate RDI (NR) Innovation ecosystem (NR): • EDIOP-2.1.5-15: HUF 5bn, NRDIF (ECO_16): HUF 1.5bn <u>Ongoing in 2017</u>: Corporate RDI (NR): • EDIOP 8.1.1.-16: HUF 32bn Corporate RDI with loan: • EDIOP 2.1.2-8.1.4-16: HUF 80bn NR, HUF 40bn R Irinyi capital programme: • EDIOP-8.3.3-17: HUF 8bn Exportable innovative product development (NR): • EDIOP-2.1.6-16: HUF 5bn NRDIF: HUF</p>	<p>Sustaining and wider economic embedding of increased R&amp;D&amp;I activities.</p> <p>Competitiveness improvement in the supported segments. The absorption capacity of SMEs increases, their domestic and international relationships extend. They participate in the development of new, marketable products, procedures and services, their intellectual property, management/protection awareness increases.</p>

		measures.		<p>10bn</p> <p>Smart spec. venture capital (R):</p> <ul style="list-style-type: none"> <li>• EDIOP-8.1.3/B-17: HUF 70bn, CCHOP 2.1.2.-17: HUF 5.49bn</li> </ul> <p>National Tech. and Intellectual Prop. venture capital (R):</p> <p>EDIOP-8.1.3/A-16: HUF 30bn, MFB: HUF 20bn</p> <p>HDOP priority 1 measure 1</p> <p>Gov. decision 1037/2016. (II. 9)</p> <p>HDOP 1.1.3. “Growing chance” employment</p> <p>Framework budget of tender: HUF 3.15bn</p>	
67.	<b>Supporting Strategic R&amp;I Cooperation and Initiatives</b>	<p>The measure (a) encourages the cooperation of enterprises, research units and higher education institutions, (b) improves international research relationships, and (c) helps individual researchers build their relationships with international R&amp;D communities. The 2017 sub-programmes of R&amp;D competitiveness and excellence cooperation support the digital product technology (“A”), and agricultural innovation and bio-technology (“B”) development programmes.</p> <p>The measure also intends to encourage the SMEs’ participation in European research projects, Hungarian participation in the Horizon2020 framework programme within bilateral scientific and technological cooperations, and the young researchers’ involvement in actual research processes. As a result of the measure the research communities intensively integrate into the international networks.</p>	<p>Already announced, ongoing schemes in 2016-2017:</p> <p>EDIOP-2.2.1-15</p> <p>CCHOP-2.2.1-16</p> <p>EUREKA, StC tenders, etc.</p>	<p><u>Ongoing in 2016-2017</u></p> <p>R&amp;D competitiveness and excellence cooperation (NR)</p> <ul style="list-style-type: none"> <li>• EDIOP-2.2.1-15: HUF 102.92bn,</li> <li>• CCHOP-2.2.1-16: HUF 2.64bn,</li> <li>• NRDIF (NVKP_16): HUF 28bn,</li> <li>• 2017: RDIF (VKE_17): HUF 17bn</li> </ul> <p>Developing international R&amp;D relationships (NR)</p> <ul style="list-style-type: none"> <li>• Supporting researchers applying to the European Research Council (ERC) NRDIF (ERC_HU_15; ERC_16_MOBIL): HUF 0.9bn</li> <li>• Bilateral R&amp;D and StC cooperation NRDIF (StC):HUF 3.2bn</li> </ul> <p>H2020 teaming, EUREKA etc. NRDIF: HUF 3.96bn</p>	<p>Contribution to the solution of important problems with societal significance. The increase of competitiveness, the development of domestic R&amp;D&amp;I competencies.</p>

68.	<b>Establishing R&amp;I excellence capacity</b>	<p>The measure primarily serves the strengthening of R&amp;D capacities and infrastructure through a network approach, with international outlook. It aims to strengthen the R&amp;D capacity of domestic and state-maintained knowledge bases in order to create research results of a high, international standard and establish sustainable excellence centres.</p> <p>The measure also supports researcher careers. The professionals with a PhD degree at the early stage of their career may constitute the scientific community which is later expected to elaborate new methods and procedures, to renew and strengthen the excellence centres in a dynamic way, to create research programmes establishing new schools of thought and to carry out the training of a new generation of researchers, to support talented young researchers and build research groups with international effect. The New National Excellence Programme for higher education students is a scholarship programme supporting young researchers' research activities.</p>	<p>Already announced, <u>ongoing schemes in 2016-2017</u>:</p> <p>EDIOP-2.3.2-15 CCHOP-2.3.2-16 EDIOP-2.3.3-15 CCHOP-2.3.3-15 EDIOP-2.3.4-15 NRDIF FIEK 16 HDOP-3.6.3-CCHOP-16 NRDIF post-doctoral excellence programme, supporting research groups, New National Excellence Programme</p>	<p>Excellence of strategic R&amp;D workshops (NR)</p> <ul style="list-style-type: none"> <li>• EDIOP-2.3.2-15: HUF 66bn, CCHOP-2.3.2-16: HUF 4bn</li> </ul> <p>Strengthening research infrastructure – internationalisation, networking (NR):</p> <ul style="list-style-type: none"> <li>• EDIOP-2.3.3-15: HUF 25bn, CCHOP-2.3.3-15: HUF 6bn</li> </ul> <p>Higher Education and Industrial Cooperation Centre – Research infrastructure development (NR):</p> <ul style="list-style-type: none"> <li>• EDIOP-2.3.4-15: HUF 26.86bn, NRDIF (FIEK_16): HUF 8bn</li> </ul> <p>Supporting workshops and programmes of students in higher education (NR):</p> <ul style="list-style-type: none"> <li>• HDOP-3.6.3-CCHOP-16: HUF 1.82bn</li> </ul> <p>NRDIF post-doctoral excellence programme, supporting research groups (NR): HUF 2.5bn New National Excellence Programme: HUF 4bn (for the 2017/18 school year)</p>	<p>The outstanding research and awareness raising organisations reach a stage of development at an international level; it will be possible to increase the volume of involvement in international cooperation. The critical phase of a young researchers' career will be more predictable. The relationship between enterprises, publicly financed and non-profit research sites (research and awareness raising organizations) will strengthen.</p>
69.	<b>Implementing the objectives of the National Environmental Technology Innovation Strategy (NETIS) (between 2011 and 2020)</b>	<p>Achieving the objectives of NETIS by the calls for 2014-2020 OP tenders and the planning of Norwegian-EEA Funds (2009-2014) in accordance with the implementation of NETIS. Promotion of the NETIS objectives.</p>	Ongoing	<p>The resources of the measure are provided by the 2014-2020 OPs and the available resources of the Norwegian and EEA Funds (2009-2014).</p>	<p>Contribution to the “sustainable growth” priority, to the more resource effective, environmentally-friendly (circular) and competitive economy. Indirectly it is also linked to the objective of inclusive growth.</p>

### IV.3 Transforming Energy Production and Usage

	Description of measure	Brief introduction of measure	Status and further schedule of implementation	Sources and the indication of domestic and EU funds	Description of expected effects
70.	National Energy Efficiency Action Plan IV (NEEAP IV) of Hungary	<p>In the course of the implementation of Directive 2012/27/EU on energy efficiency, the most significant energy efficiency improving measures will be defined.. Act LVII of 2015 on energy efficiency established the available tax relief related to energy efficiency investments, the elaboration of the detailed regulations is in progress.</p> <p>The National Energetic Network is going to be set up in 2017,</p>	<p>The National Energy Efficiency Action Plan III was adopted by the Government by the Gov. decision 1601/2015 (IX. 8). In line with the Directive 2012/27/EU the member states shall submit the energy efficiency action plans</p>	Cannot be determined in advance.	<p>The increase in energy efficiency significantly contributes to the reduction of GHG emissions; thereby it plays a major role in achieving the</p>

		<p>which will operate as a counselling network in the government offices of 18 counties and 58 districts. The aim is to promote the energy efficient operation of public institutions and enterprises, and to reduce the population's energy consumption by professional counselling.</p> <p>In addition, from 2017, the operators of public institutions shall prepare an energy saving action plan and an annual report on the implementation thereof, and shall report the building's energy consumption data monthly, providing for the energy efficiency awareness-raising of the users of the building.</p>	to the European Commission every three years.		<p>environmental and climate protection goals. In addition, it is one of the most successful and cost-effective ways of increasing energy efficiency to reduce our energy dependence, which contributes to an increase in supply security.</p>
71.	<p>The 2015 Review of Hungary's Renewable Energy Utilisation Action Plan based on the National Energy Strategy</p>	<p>The Gov. decision 1491/2012 (XI.13) on the review of Hungary's Renewable Energy Utilisation Action Plan addressed the minister responsible for national development at the end of 2012 to review the document and to propose its modification where appropriate, with special regard to the utilisation of the results of technological development, the capacity of energy consumers, and the complex interaction of biomass utilisation between agriculture and rural development. Following this the Gov. decision 1969/2013 (XII.18) on the review of Hungary's Renewable Energy Utilisation Action Plan 2010-2020 extended the review aspects with the changes affecting the Hungarian and EU regulatory environment, and with the amount of the EU resources available in the area between 2014 and 2020.</p>	<p>The measure will have its effect until 2020. The elaboration of the reviewed action plan is in progress, the document is expected to be finalised in the second half of 2017. The reviewed version of the Energy Strategy was approved by the Government by (Gov. decision 1160/2015 (III. 20)) on 20 March 2015. The reviewed result of the strategy significantly influences the finalisation of the action plans.</p>	<p>The Action Plan is under elaboration; its resource demand is not calculable yet.</p>	<p>As a result of the measure, our energy import dependence and CO2 emissions will decrease, and the production rate of the renewable energy sources will increase, which will contribute to the achievement of the renewable rate prescribed by the Europe 2020 Strategy. The use of renewable energy sources locally (at the users) will reduce energy costs, and, especially in the case of biomass and solar energy utilisation, will contribute to the boosting of employment in rural areas. Failure to implement the measure may disturb the market actors'</p>

					orientation.
72.	Elaborating the Climate Change Action Plan	<p>Within six months following the adoption of the second National Climate Change Strategy by the National Assembly (expected in spring), and then every third year, a Climate Change Action Plan is going to be prepared, which determines concrete, decarbonising, adjustment and awareness-raising measures in order to achieve the objectives encompassed in the strategy.</p>	<p>The Plan is going to be prepared in 2017, during the months following the adoption of the Strategy.</p>	<p>The Action Plan is currently under elaboration; its resource demand is not calculable yet.</p>	<p>The Action Plan has not been prepared yet; therefore these effects cannot be determined yet.</p>
73.	Support schemes promoting the use of renewable energy sources	<p>One of the major sources of the support schemes has been the Green Economy Financing System (GEFS) since 2014, which is financed by part of the quota income from the EU Emissions Trading System. Within the framework thereof, in 2014 3, in 2015 2, and in 2016 a further 2 sub-programmes were announced. In the first half of 2017 3 sub-programmes are going to be implemented: on 9 March 2017 sub-programme 8 of the “Warmth of Home” (Otthon melege) programme was announced with a framework budget of HUF 3.5bn, which provides non-refundable subsidy for the heating modernisation (replacement of gas boilers) of family houses and flats in apartment buildings. Sub-programme 10 of the “Warmth of Home” programme is expected to be announced in May 2017, with a framework budget of 1.5bn, providing non-refundable subsidy for the replacement of gas boilers. The Ministry of National Development plans to announce a sub-programme providing support for the replacement of washing machines/washing-drying machines or fridges/freezers.</p> <p>The increase in renewable energy sources plays a major role in the use of the available ESI Funds in the 2014-2020 period. In addition to the Environmental and Energy Efficiency Operational Programme (EEOP), the intense use of renewable energy sources also appears in other Operational Programmes (TOP, CCHOP, EDIOP) as an objective to be promoted.</p> <p>The legislation providing the foundation for the new feed-in and support scheme, the operational support scheme of the electric power production from renewable energy sources (METÁR) was adopted in December 2016.</p> <p>METÁR provides the market integration of the producers producing electricity from renewable energy sources. The burdens of METÁR will be borne by the consumers not entitled for universal service (industrial electricity consumers) and not by the households. In the new system the renewable power generation plants will sell electricity in the market on their own (except for those getting benefits of feed-in tariffs). The process in the allocation of the grants will change: as a main rule new support can only be granted through competitive</p>	<p>GEFS: ongoing, as the aim is to continuously use the realized quota income for household energy efficiency programmes. Operational Programmes (EEOP, EDIOP, TOP, CCHOP): the end of the current programming period. METÁR: the measure lasts until 2021 as set in the relevant legislation.</p>	<p>The available source in the 2014-2020 Operational Programmes: HUF 768bn, in the “Warmth of Home” programme between 2014 and 2016: app. HUF 23.5bn, the budget of METÁR 2017-2020: HUF 45bn, EEOP 5 priority axis: HUF 308bn, TOP: HUF 190.6bn, EDIOP: HUF 245.8bn, CCHOP: HUF 23.5bn</p>	<p>As a result of the measure, our energy import dependence and CO2 emissions will decrease, and the production rate of renewable energy sources will increase, which will contribute to the achievement of the renewable rate prescribed by the Europe 2020 Strategy. The use of renewable energy sources will locally (at the users) reduce energy costs, and, especially in the case of biomass and solar energy utilisation, will contribute to boosting employment in rural areas. Failure to implement the measure will be a risk in meeting the member state requirements defined by Directive</p>

		bidding procedure from 2017. This will provide for the optimal, cost-effective use of the supports. Certain details of the regulation are under consultation with the European Commission (notification). The METÁR system was partially introduced from 1 January 2017 (without brown premium and demonstration projects, with a reduced, 3% return rate), . The complete METÁR can be launched after the notification procedure of the Commission, which is expected in the first half of 2027.			2009/28/EC.
74.	Developments regarding waste management	<p>Measures for 2017:</p> <ul style="list-style-type: none"> <li>• Prevention: the promotion of an environment-centred way of thinking and preventing waste with the widespread dissemination of informed consumer conduct;</li> <li>• Development and measures promoting the reuse of discarded products;</li> <li>• Developing separate collection, transport and pre-treatment systems regarding hazardous waste, electrical and electronic waste, battery waste and bio-waste (green waste, used frying oil) as part of municipal waste;</li> <li>• Developing new utilisation capacity: the reuse of waste to the greatest possible extent in order to minimise dumping;</li> <li>• Increasing and modernising existing utilisation capacity and encouraging new technology development;</li> <li>• Landfill reclamation;</li> <li>• Diverting biodegradable waste from the landfill: disseminating local community and home composting and increasing the use of compost;</li> <li>• Measures promoting the reduction of foodstuffs waste;</li> <li>• Exploring the possible use of secondary raw materials produced from waste.</li> </ul>	<p>The resource demand for the measures is related to the 2014-2020 period. The schedule of its use takes into consideration the deadline for fulfilling the derogation requirements.</p> <p>The review of the National Waste Management Plan is carried out from the central budget (on the appropriation of the Chapter of "Tasks related to the national Waste Management Plan").</p>	EEOP, EDIOP, TOP	The planned goals provide for sustainable resource management and the mitigation of environmentally harmful emissions.
75.	Developing selective waste collection, collecting usable settlement waste in order to its further use in accordance with the National Waste Management Public Service Plan	Based on statutory provisions a separate waste collection system shall be established until 2015 regarding household waste, including glass, metal, plastic and paper. Within this the delivery of selective household waste paper, plastic and metal shall be provided by the household collection system. Thereby the rate of recyclable waste increases and less waste is delivered to the landfill. Act CLXXXV of 2012 on waste stipulates that within the framework of public waste management duty the state prepares the National Waste Management Public Service Plan (hereinafter referred to as OHKT). OHKT determines the objectives for settlement waste collection and management and the necessary measures.	The development of the selective waste collection system is ongoing, the statutory goal (related to the 50% rate of part of the settlement waste regarding waste paper, plastic, metal and glass to be prepared for reuse and reproduction) to be achieved by the development of the collection system shall be reached by 2020.	The OHKT of 2017 is under elaboration, the exact resource demand is not calculable yet.	The planned goals provide for sustainable resource management and the mitigation of environmentally harmful emissions.

		Within the framework of this, as regards to the development of the selective collection system, a further 4 million citizens are planned to be involved in the household selective collection system.			
76.	Agricultural harmful emission research and data collection programme	The 2009/406/EC (ESD) decision and the 2016/2284/EC (NEC) directive provide for the reduction in the levels of pollutant emissions. Research appropriate for the analysis of the applied maintenance, animal nutrition, fertiliser management and application technologies, and enabling the measurement of the effect of the real harmful emission of agricultural on climate, shall be carried out.		HUF 310m (our department has launched the Gov. proposal on the resource demand)	

#### IV.4 Enhancing Education

In addition to the measures for the implementation of the Country Specific Recommendations the following measures also contribute to the fulfilment of the education target.

##### VI.4.1 Reducing Early School Leaving

77.	<b>Developing the operation of early warning system to prevent dropout, and provide pedagogical assistance</b>	The early-warning system with diagnostic aim promotes the early intervention reacting to individual needs of students with poorer performance and facing problems obstructing progress, and the provision of pedagogical professional assistance. The first data provision of the early-warning system was in October 2016 (the first term of the school year), the institutions provided the aggregate data until 10 February.	The continuation of the earlier measure.	For the operation: In the budget of the Educational Authority For development: HDOP 3.1.5., from the framework budget of HUF 10bn	The positive effect is that it contributes to achieving the target aiming to reduce early school-leaving encompassed in the EU2020 Strategy.
78.	Non-formal and informal learning programmes provided by cultural institutions supporting public education and lifelong learning	Within the framework of the measure cultural institutions place great emphasis on reducing the disadvantages which schools are unable to compensate for (e.g. of quality effects). Within the framework of the measure, programmes facilitating lifelong learning are implemented, which help people without qualifications and those over school age return to the education system or enroll in forms of adult training.	Ongoing HDOP-3.3.2-16 Call for application of Cultural institutions for the effectiveness of public education: August 2016 HDOP-3.7.3-16 Call for application of Providing access to lifelong learning: December 2016 HDOP-4.1.5-16 Call for application of the Infrastructure development	HDOP 3.3 measure: non-formal and informal learning programmes supporting public education: HUF 9.50bn + HUF 0.75bn CCHOP mirror. HDOP 3.7 measure: non-formal and informal learning programmes supporting lifelong learning: HUF 7.75bn. HDOP 4.1 measure: infrastructure development related to the above supporting education and training: HUF 5.00bn. Included in the institutional budgets	As a result of the systemic developments carried out by cultural institutions, public education indicators will improve, the number of school-leaving students without qualification will decrease.

			of public institutions: January 2017	within the national budget (about HUF 5.00bn annually)	
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#### IV.4.2 Restructuring Higher Education

	Description of measure	Brief introduction of measure	Status and further schedule of implementation	Sources and the indication of domestic and EU funds	Description of expected effects
79.	Providing for the recruitment of researchers				
a)	Implementing the renewal of doctoral training	The duration of the training increases from 3 to 4 years, and a complex exam will be introduced after the first 2 years, which, in addition to the study requirements, also measures PhD students' competency development and progress in their research. The students are encouraged by a significantly higher scholarship (instead of HUF 100,000/month for 3 years, HUF 140,000/month in the first 2 years and HUF 180,000/month in the second 2 years, and a one-time HUF 400,000 at the time of obtaining the PhD degree).	New measure: The law necessary for the renewal of doctoral training has been amended. The introduction and implementation of the renewed doctoral training has been ongoing since 01 September 2016. As a result of the incentives a significant improvement can be expected in obtaining the degree.	Additional resource: HUF 3.88bn for the total training period (4 years); provided by the budget line 5 "Supporting public universities and colleges", and MHC line 20/2/2 "Supporting private higher education institutions".	As a result of the incentives more than 70% of those starting the training pass the complex exam and at least 50% obtain the PhD degree.
b)	Supporting the programmes of higher education students' scientific workshops	The project aims to support the internal renewal of higher education institutions in the interest of the scientific quality recruitment training. Activity groups: 1)The development of the standard and quality of doctoral training; 2)The involvement of talented students in the training and research process; 3)Research-skill development among the students, PhD candidates and young researchers in case of the recruitment of researchers.	Call for application : December 2016. The first phase submitting the application closed on 10 March 2017.	HDOP 3.6.3-CCHOP-16. HDOP: HUF 8.16bn CCHOP: HUF 2.72bn	

c)	Increasing the framework budget of the New National Excellence Programme	The New National Excellence Programme introduced in the school year of 2016/17 is a scholarship programme supporting the higher education students and young researchers' research activity, and aims to provide assistance for the recruitment of researchers. The framework budget provides research and operational support for higher education institutions (equivalent to 40% of the amount of scholarship), in addition to individual scholarships.	New measure The call for application regarding the school year of 2017/18 is going to be announced in spring 2017.	The framework budget for the first school year was HUF 2.1941bn. The framework budget to be announced for the 2017/18 will be almost the double of this, HUF 4bn (for the school year of 2017/18); in the budget it is provided on MHC 20/3/3 "Excellence support" line.	The support of 1,600-1,800 students and young instructors in the school year of 2017/18 (compared to the 970 supported in previous year).
d)	Wage development of higher education instructors and researchers	As a result of the wage development the guaranteed wage minimum of every instructor, researcher and teacher increases by +15 (2016), +5 (2017) and +5 (2018) percent on average from 1 January 2016. This affects almost 15,000 instructors, including 1,800 researchers.	The implementation is ongoing from 1 January 2016 (in 3 steps).	The cost of the wage settlement is HUF 15.2bn for three years, which is totally financed by the central budget. The budget provides HUF 2.7bn in 2017, HUF 3.2bn in 2018 extra resources for the wage increase.	
80.	Strengthening the relationship between higher education and the labour market				
a)	Strengthening the labour market oriented operation of higher education at structural level	The development of higher education training sites pertaining to local social interests (for example in the form of Community-based Higher Education Centres (KFKK)), through which the communities of the underdeveloped regions can also get access to the competitive knowledge which provides them the ability to progress. 24 applications have been submitted. The evaluation is in progress.	Ongoing measure Planned implementation period: 2017-2020. HDOP-3.4.3 scheme was announced in October 2016.	EU resource intended for the implementation: about HUF 4bn, within the framework budget of HUF 24bn of HDOP-3.4.3 scheme.	

b)	Strengthening the relationship between tertiary education and business sphere	The courses to be launched are decided by the Dual Education Council. The rate of students attending dual BA courses shall reach 8% in relevant fields of training among first-year students by 2020. In order to achieve this, it is necessary to develop the tertiary dual education launched in 2015/16, still in progress, and to extend the training facilities in 2017. In order to strengthen the relationship between tertiary education and the business sphere, nineteen higher education institutions launched dual education in the school year of 2015/16 in 28 different BA courses in technology, economic sciences, IT, agriculture and in one MSc programme as a pilot course.	Ongoing measure Planned implementation period: 2017-2019. The HDOP-3.5.1-16 “The development of dual and cooperative higher education trainings, of higher education vocational and specialized trainings” scheme was announced in November 2016. The available budget is HUF 3.7bn; a resource of HUF 5.8bn was applied for until 16 January 2017.	HDOP-3.5.1 ESI Funds: HUF 3.7bn	
c)	Educational innovation and training development in certain professions in skill shortage	Educational methodology development focusing on practice-oriented processes and student work and teaching material development in the field of social work and assisting professions, and of the specialised teacher courses.	Continuous measure. Call for proposal of HDOP 3.4.4-16 was announced in November 2016. Planned implementation period: 2017-2020.	EU resource: HUF 8bn HDOP 3.4.4	
81.	<b>Supporting higher education career guidance with special regard to the fields of STEM</b>	Within HDOP supporting career guidance activities, it is a priority to increase the number of applications for science, technology, engineering and mathematics (STEM) courses and increase the rate of STEM qualifications in higher education. 22 applications were submitted in the first evaluation phase (23 January 2017-20 February 2017).	Ongoing measure The call for HDOP-3.4.4-16 application was announced in November 2016. Planned implementation period: 2017-2020.	ESI Fund: HUF 8bn HDOP-3.4.4.	
82.	<b>Reducing drop-out</b>				

a)	HDOP-3.4.3 “The development of higher education institutions to jointly improve the quality and accessibility of tertiary education”	Within the framework of the complex development scheme announced for higher education institutions, the areas of mentoring, tutoring, skills assessment and development, language programmes, learning programmes of a ‘learning by doing’ type, and other programmes can be supported, through which there is a growing chance for those at risk of dropping out to obtain a degree, for the disadvantaged, for those coming from a deprived area, for the disabled and for women who can attend courses in which they are under-represented.	Ongoing measure HDOP-3.4.3 scheme was announced in October 2016. Planned implementation: 2017-2020. The first (18 November 2016 – 09 December 2016) and the second (23 December 2016 – 28 February 2017) stages have been closed.	The total budget of HDOP 3.4.3 is HUF 24bn, at least 20% of which shall be spent on activities aimed at increasing the number of those participating in programmes which support admission to, and remaining in higher education between the levels of ISCED 5 and 8.	
b)	Mentor Programme	By increasing the support of the Mentor Programme targeting socially-disadvantaged students, the number of students participating in the programme will increase and the services provided for the students (e.g., catch-up courses) will be extended.	Ongoing measure The possibility of the development of the student advisory system is examined within the framework of the “Development of student counselling at national level” project.	The normative support of higher education institutions is HUF 100m annually. For improvement projects (2016) from chapter appropriation for the special tasks of higher education is HUF 82m, in 2017 it is HUF 100m.	
83.	Supporting Roma colleges for advanced studies	The measure aims to develop a complex student service for disadvantaged, primarily Roma, students, which contributes to the promotion of their successful higher education studies, the decrease of their risk of dropping-out, and of the enhancement of their social engagement and community activity.	Ongoing measure The call for HDOP-3.4.1-15 “Supporting Roma colleges for advanced studies” application was announced in October 2015. The call for CCHOP-7.4.1-16 “Supporting Roma colleges for advanced studies” was announced on 05 March 2016.	HDOP 3.4.1-15 “Supporting Roma colleges for advanced studies”, framework budget: HUF 1.2bn. Gov. Decree 1011/2016 (I.20): CCHOP 7.4.1-16 “Supporting Roma colleges for advanced studies”, framework budget: HUF 300m. The available ESI Fund for the implementation of the measure: HDOP 3.4.1	

#### IV.5 Reducing Poverty

	Description of measure	Brief introduction of measure	Status and further schedule of implementation	Sources and the indication of domestic and EU funds	Description of expected effects
84.	“Chances for Children Programmes” for disadvantaged and multiple-				

	<b>disadvantaged children</b>				
<b>a)</b>	Supporting integrated regional child programmes in disadvantaged regions	<p>The HDOP 1.4.2 scheme aims to continue the regional, long-term inclusive processes started in the previous years.</p> <p>Activities: Making services important for children and families with children accessible, early development of abilities, outside-school activities that give help in learning, promoting career guidance , and in improving housing conditions. In order to achieve substantive changes the “Chances for Children” programmes have prepared local strategies for children for a 10-year period, with the help of local experts and decision-makers, whose implementation can only be provided by the continuation of the programmes.</p>	<p>Announced on 22 April 2016</p> <p>Ongoing measure</p> <p>Project period: 5 years</p>	<p>HDOP 1.4.2 – Supporting integrated children’s programmes in disadvantaged regions.</p> <p>Budget of the tender: HUF 15bn (implemented only in convergence regions).</p>	<p>In the previous programmes 80,267, persons participated in one of the services. The number of people in the main target group aged between 0 and 17 is 54,379. About 63% of the children reached were disadvantaged (disadvantaged, 25%; multiple disadvantaged, 38%).</p> <p>This scheme provides for the prevention of the reproduction of deprivation suffered by children in maximum 31 deprived target areas (grantee districts) and the enhancement of children’s chances.</p>
<b>b)</b>	“Good Place to Be” - new Sure Start Children Houses and complex children’s programmes	<p>The project aims to improve access to quality services and programmes, creating opportunities in the settlements with regard to families with children.</p> <p>a) Component: to provide early childhood opportunities by establishing Sure Start Children Houses in settlements with a permanent population of 1,000-4,000 where the rate of children in need (with regular child protection benefit) reaches 50%.</p> <p>b) Component: to provide the “Good Place to Be” complex programme scheme in order to accelerate integration in small settlements with a population below 1,000 lacking services where the number of children is not decreasing and the rate of children in need (with regular child protection benefit) reaches 50%.</p>	<p>Ongoing measure</p> <p>Announced on 27 September 2016.</p> <p>Project period: 2016-2022 (implementation: 48 months)</p>	<p>Human Resources Development Operational Programme priority 1, measure 4</p> <p>Government Decision 1037/2016. (II. 9.):</p> <p>EDIOP HDOP 1.4.3 “Good Place to Be” – new Sure Start Children Houses and complex child programmes in small settlements</p> <p>Budget of tender: HUF 5.5bn.</p> <p>Expected cost (domestic budget):</p> <p>Resources are necessary to be planned first for the fifty newly established Sure Start Children Houses in the 2021 budget.</p> <p>The “Good Place to Be” complex children’s programme shall be financed by the domestic budget, which is expected in the 2021 fiscal year.</p> <p>The available ESI Funds for the implementation of the measure: HDOP-1.4.3</p>	<p>In addition to the already operating 112 Sure Start Children Houses about further 50 may be established in the coming years.</p>

				Grant framework budget: HUF 5500m	
c)	Professional support of integrated children's programmes	The priority project provides for the permanent professional support of 31 integrated regional children's programmes of beneficiary districts, 112 old and 50 new Sure Start Children Houses, and 80 small settlement programmes, characteristically in the peripheral regions of the country which are difficult to access. It aims to provide harmonised, practice-oriented background support for those implementing regional and settlement projects, enhancing the opportunities of children, helping to develop an integrated approach, increasing professional efficiency of local projects and establishing sustainability. Activities: implementing trainings, raising awareness, developing community and mentoring within the framework of methodological and professional support.	It was announced on 26 January 2016. Project period: 73 months. Ongoing measure	HDOP 1.4.1. Professional support of integrated child programme Framework budget of tender: 3bn Available ESI Funds for the implementation of the measure: HDOP 1.4.1 HUF 3,000m	The continuation of the regional integrated children's programme in the 2014-2020 programming period will be spread to 31 districts, and will concentrate on the small settlements lacking service to a much greater extent.
d)	Infrastructural background for the Chances for Children programmes	The infrastructural background for HDOP 1.4.2 and 1.4.3 is provided by this scheme. Its aims correspond to the aims of HDOP 1.4.2 and 1.4.3 programmes providing human development. The scheme supports the modernisation of included (existing) buildings, making them appropriate for the required function.	Ongoing measure Call for tender was announced in August 2016. Project period: 2016-2022 (implementation: 48 months). The call for tender was announced on 11 August 2016. Submission is only possible after the proposal evaluation of ESF type HDOP 1.4.2 and HDOP 1.4.3 tenders.	HDOP-2.1.2 Infrastructural background for the Chances for Children programmes Framework budget: HUF 5.5bn	
e)	Expanding free holiday food services for children in need	Holiday food services for children in need have become a new obligation for local governments since 2016. Since 2016 every disadvantaged and multiply disadvantaged child receiving regular child protection benefits has been entitled for one main meal in each – spring, summer, autumn and winter – holiday, free of charge, if it is requested by the parent. In order to provide for the task at a higher level further resources are involved, which appropriately finance the fulfilment of the task of the local government.	2017	2017: HUF 6.67bn MNE budget: the budget spends HUF 67.24bn on institutional food services for children, so HUF 73.91bn are available for the financing of institutional and holiday food services for children in the central budget.	Figures of food services for children in 2016: - The total number of the participating settlements: 2,282 - The number of children provided with food services: o spring holiday: 95,686 persons o summer holiday: 140,228 persons o autumn holiday: 113,548 persons o winter holiday: 126,051 persons

85.	Measures for disadvantaged, primarily Roma, people's social inclusion				
a)	Actively for knowledge	The aim of the development is to improve the social situation and employability of the disadvantaged from a labour market point of view with a low level of, or no educational attainment, through trainings helping them finish elementary school and developing their basic skills and competencies, by providing work practice and programmes aiming at the decrease in functional illiteracy and giving the base for learning a skill. In addition to the trainings aiming at the accomplishment of elementary school and the reduction in illiteracy, the programme provides trainings and work practices that correspond to each other while targeting the chances for employment, as a result of which the involved target group members' attendance in the trainings providing a skill is made easier, and their opportunity to enter the labour market will be augmented.	Ongoing measure The call for HDOP 3.7.1-17 "Actively for knowledge" tender was announced on 31 January 2017. Project period: 4-year project	HDOP 3.7.1 Actively for knowledge Framework budget of tender: HUF 6.3bn	The priority project is implemented by involving 25,000 persons, out of whom 12,000 persons are expected to participate in improvement trainings (supporting them to finish elementary school, mitigating functional illiteracy, giving the base for learning a skill, developing their basic skills and competencies). The expected number of those successfully accomplishing the training is 10,000 persons, the number of those participating in work practices is 500 persons.
b)	"Growing Chance" scheme	The basic objective of the tender is: 1. The training of the target group (primarily Roma women) at social, child welfare and child protection institutions, and at institutions providing public education services, in the interest of their employment at the organizations; 2. The training of the target group (primarily Roma women) embedded in employment, and their further employment at social, child welfare and child protection institutions and at institutions providing public education services (registered service provider). In order to employ as many Roma women as possible the training of the target group embedded in employment is implemented, and their employment and the training aiming at learning the appropriate skill run parallel until they acquire a skill.	The call for HDOP-1.1.2-16 "Growing chance" – training and employment tender was announced on 29 April 2016. The call for CCHOP-7.1.1-16 "Growing chance" tender was announced on 21 December 2016. Project period: 36 months Based on the Gov. decision 1037/2016. (II. 9) the call for HDOP 1.1.3 was announced in December 2016. Project period: 2016-2022 (implementation: 24+12 months)	HDOP priority 1 measure 1 Gov. decision 1037/2016 (II.9) HDOP 1.1.2 "Growing chance" training and employment. Framework budget of tender: HUF 4.05bn  Gov. decision 1011/2016. (I. 20.) CCHOP-7.1.1-15 "Growing chance" training and employment financing on the budget of CCHOP HUF 0.25bn  HDOP priority 1 measure 1 Gov. decision 1037/2016. (II. 9) HDOP 1.1.3. "Growing chance" employment Framework budget of tender: HUF 3.15bn	As a result of the project the Roma, especially the Roma women's employment increases, the Roma's social acceptance strengthens, and the Roma's trust in institution develops. Within the framework of the project altogether 800-1,000 Roma people, primarily Roma women, are being employed in public service. Within the framework of HDOP 1.1.2 priority programme, which started on 1 November 2016, the employment of 158 members of the target group started until 1 March 2017. According to plans all 400 members of the target group will have been selected within the

					framework of HDOP 1.1.2 by 30 April 2017.
c)	Developing inclusive mentor network	The basic aim of the tender is that the programmes appropriate for the goals included in the NSIS 2015-2017 action plan and serving social inclusion shall reach the disadvantaged, primarily Roma, people at the highest possible rate and as widely as possible, and the Roma communities shall be provided with information, given opportunity to participate in various inclusive programmes, and in the help of the Roma mentor network being established.	The call for HDOP 1.3.2-16 "Inclusive mentor network" tender was announced on 18 October 2016. Project period: 48 months	Human Resources Development Operational Programme priority 1 measure 3 Gov. decision 1037/2016 (II.9) HDOP 1.3.2 Developing Roma mentor network Framework budget of tender: HUF 2bn	During the implementation of the programme 100 persons, primarily Roma mentors and mentor coordinators will help the involvement of probably more than 40,000 disadvantaged people, out of whom 8,000 Roma people will get mentor support, with the aim to support their participation in the employment and training programmes (HDOP, EDIOP).
d)	Supporting Inclusive Cooperation	The development aims at - Establishing coherence in the implementation of certain settlement and regional inclusive programmes, and the mutual learning and exchange of experiences between the programmes ("networking operation"), - The implementation of successful dialogue between the programmes and their immediate and wider environment, - The strengthening of Roma women's active engagement, the technical incentive for their communities and for becoming civil organizations, - The implementation of the quality change in the cohesion between Roma and non-Roma people and communities, - The establishment of professionalism in case management created on a standardized basis regarding the work on the sites, the practice of which will be built in the work of the local social service system, - The implementation of the systemic maintenance of the results achieved by the certain regional programmes, through the nationwide professional support of the certain regional programmes.	Ongoing measure HDOP-1.6.1-CCHOP/16 The call for "Supporting inclusive cooperation" was announced on 19 July 2016. Project period: 48 months	HDOP 1.6.1 Supporting inclusive cooperation  Framework budget of the tender: HUF 1.98bn  Financing on the budget of CCHOP: HUF 0.22bn	The inclusive regional programmes, primarily the complex segregated settlement programmes, are given continuous, standardised and comprehensive professional and methodological support through the work of the priority project.  The lack of the TOP applicants' cooperation with the priority project, as a result of which the establishment of the standardised methodology will fail in the implementation of the segregated settlement programmes.
e)	Complex Programmes to Eliminate Segregated settlements (ESF)	The programmes aim to help the inclusion and integration of disadvantaged people living in segregated environments and severe deprivation. Within the framework of the project the interventions may aim at three target areas	Ongoing measure The call for HDOP-1.6.2-16 "Complex Programmes to Eliminate Segregated Settlements" tender was	HDOP 1.6.2 Complex Programmes to Eliminate Segregated settlements (ESF) Framework budget of tender: HUF 22bn CCHOP 7.1.4-16 Complex Programmes	Within the framework of the scheme a complex programme is expected to be launched in at least 110 segregated settlements with the involvement of at least 7,000

		<p>a) Segregated settlements not affected by the SROP 5.3.6-11/1 Complex Programmes to Eliminate Segregated Settlements,</p> <p>b) Non-urban places of segregation where complex segregated settlements programmes have already been carried out,</p> <p>c) “Wild segregated settlements”, which are places of segregation at least 1km from the settlements. Their characteristic feature is the total or almost total lack of infrastructure. In the cases of such segregated places, the aim is to completely eliminate the segregated settlements and integrate those living there.</p>	<p>announced on 26 September 2016. Project period: 36-48 months</p> <p>The call for CCHOP-7.1.4-16 “Complex Programmes to Eliminate Segregated Settlements” (ESF) was announced on 23 December 2016. Project period: 36-48 months</p>	<p>to Eliminate Segregated settlements (ESF) Financing on the budget of CCHOP: HUF 0.5bn</p>	<p>persons. Expected quantifiable results:</p> <ul style="list-style-type: none"> <li>• At least 7,000 target group members</li> <li>• At least 110 settlements, where programmes for integrating segregated settlements are implemented</li> <li>• The number of people participating in the training as a result of the programme: at least 5,250 persons</li> <li>• The number of people successfully completing the training as a result of the programme: at least 3,150 persons</li> <li>• The number of people provided with health screening and specialized care within the framework of the programme: at least 1,400 persons</li> <li>• The number of people leaving the programme with a positive result: at least 4,200 persons</li> <li>• The number of people spending at least 3 months in employment within 6 months after the closing of the individual development plan: at least 786 persons</li> </ul>
f)	Complex Programmes to Eliminate Segregated Settlements (ERDF)	<p>The programme aims to complement the interventions of HDOP 1.6.2 Complex Programmes to Eliminate Segregated Settlements (ERDF) scheme with the support of housing investments. Sub-targets:</p> <p>1. The improvement of housing conditions</p> <ul style="list-style-type: none"> <li>• By launching and strengthening desegregation processes, establishing new social housing and with the promotion of housing mobilisation,</li> <li>• Developing residential buildings,</li> <li>• Eliminating life-threatening flats and those inappropriate for living in order to dissolve segregation.</li> </ul>	<p>Ongoing measure The call for HDOP-2.4.1-16 “Complex Programmes to Eliminate Segregated Settlements” tender was announced on 21 September 2016. Project period: max 36 months</p>	<p>HDOP 2.4.1 Complex Programmes to Eliminate Segregated Settlements (ERDF) The framework budget of the tender: HUF 22.9bn</p>	<p>The scheme supplements the intervention instruments supported by HDOP 1.6.2 “Eliminate Segregated settlements” complex scheme (ESF) with the improvement of housing conditions by involving at least 5 properties per programme. In case of 110 programmes at least 550 families’ housing condition will improve. It may be a risk if there are few</p>

		<p>2. The development of environmental infrastructure, the promotion of access to services</p> <ul style="list-style-type: none"> <li>• Handling health-damaging environmental problems and establishing a more liveable residential environment,</li> <li>• Improving access to services (establishing houses providing services, service points).</li> </ul> <p>Within the framework of the scheme complex programmes are going to be launched in at least 110 segregated settlements by involving at least 6,000 persons.</p> <p>(Its precedent project SIOF 3.2.3 A-13/1 “Supporting Housing Investments” scheme, which granted support to 8 settlements in order to launch and strengthen desegregation processes by developing new social rents and supporting housing mobilisation. Results: 73 refurbished flats, 488 target group members affected by the development. The net floorspace of the refurbished flats is 3,470 m<sup>2</sup>. The number of renovated residential buildings: 17, their net floorspace: 2,961 m<sup>2</sup>. The number of newly built social rents: 39. The number of families affected by housing investments:132.</p>			flats in municipal ownership which can be involved in the programme.
<b>86.</b>	<b>Mitigating regional Disparities</b>				
<b>a)</b>	Endless opportunities – Pilot programme for the regional inclusion of the least developed districts	Based on the Gov. decree 290/2014. (XI. 26), the project aims to launch the pilot programme in the five districts with the lowest complex indicators, on the basis of the “Presence programme” elaborated and applied by the HCSOM. Practical modelling of adaptable interventions, methods and innovative tools filling the gap in the system is carried out, which later (in the interest of their sustainability as well) can be fitted in the social protection system (services, training professionals); operational methods based on cooperation, experiencing and introducing partnership solutions, which, beyond self-sufficiency of the local communities, help the relevant policy take the most appropriate measures for the inclusion of those living under the most disadvantaged conditions. In 35% of the 102 settlements of the 5 districts (altogether	Ongoing measure On the basis of the Gov. decree 1037/2016. (II. 9) the announcement of the tender: January 2017 Project period: 2016-2020 (implementation period: 4 years)	Gov. decree 1037/2016. (II. 9.) HDOP 1.5.1 Pilot programme for the regional inclusion of the least developed districts Framework budget of the tender: HUF 2bn	

		about 86,000 people) the rate of the Roma population exceeds 30%. In cases of 18 settlements it exceeds 50%, and in cases of 6 settlements it exceeds 90%.			
b)	Backyard Programme	<p>By implementing the programmes of backyard farming, local food production will increase, partly with the aim of personal food provision (self-sufficiency), and partly with the aim of processing and selling products locally. The programme puts considerable emphasis on mentoring, and leading the village population back to work is of primary importance in the programme.</p> <p>In 2015 the Ministry of Agriculture managed to support 20 model programmes of the individual grant applications with HUF 178.4m. In 2016 36 individual applications were supported from the available budget. 11 applications had to be rejected due to the lack of resources or formal shortcomings. The Ministry of Agriculture managed to grant HUF 6-10m support on average per project in the framework of the programme last year.</p>	Ongoing measure The budget resource is valid for 2017; the programme period is several years.	HUF 0.3bn	
c)	Homestead Development Programme	The programme aims to reduce the disadvantages of the farmstead lifestyle and to renew farming by saving its values. The programme deals with the electricity supply of farmsteads without electricity as a special target area; this concerns individual developments using renewable energy, typically solar energy. The main target group of the scheme are the people farming and living on homestead farms. In addition, within the developments announced for local communities within municipalities, it will be possible to develop farmstead caretaker services (target group: the elderly, families with children, those socially in need), to establish farmstead trademarks, water quality examinations, improvements aimed at public security and the implementation of public lighting and farmstead dormitories. During the six years 1,693 applications have been granted support so far, in a value of almost HUF 8.115bn	The budget resource is valid for 2017; the programme period is several years. Ongoing measure	HUF 1.2bn	

87.	Increasing the participation of people with reduced capacity to work				
a)	Increase of HDOP 1.1.1. (Supporting people with reduced capacity to work) budget +HUF 2bn	Increasing the budget of HDOP 1.1.1 ongoing project, extending it to 12 months, involving further 1,200 persons; Until 30 March 2017 altogether 4,500 persons were involved, 1,180 persons were provided with employment rehabilitation service, 973 with internal service, and 1,128 persons started a job without wage subsidies, with the help of the services. The individual development plan has been made for further 1,219 persons.	The project can go on for an additional 12 months. The measure rather contributes to the establishment of inclusive labour market system than to structural area.	HDOP 1.1.1 resource, HUF 2bn, total: HUF 12bn	
b)	Developing the professional processes of employment rehabilitation	The development of the professional processes of employment rehabilitation. The project aims to increase the integration and life chances (including employment chances) of people with reduced capacity to work by further developing the professional system of rehabilitation, to which the development promoting the stimulation of the employment of people with reduced capacity to work and their adaptation to the workplaces are complementary.	24 months, call for tender was announced on 22 March 2017.	HDOP 1.9.3-CCHOP 17: HDOP: HUF 2.94bn, CCHOP: HUF 1.26bn	
c)	Extending the entitlement for rehabilitation card	The measure contributes to the establishment of an inclusive labour market system rather than to structural areas.	Ongoing since 1 January 2017.		
d)	HDOP 1.1.6 project Promoting group and individual employment of people with reduced capacity to work	The project aims at the further training of people working for organizations which employ people with reduced capacity to work in order to increase rehabilitation knowledge and the organizations' work and rehabilitation potential.	Call for tender is announced on 31 March 2017.	Framework budget: HUF 3bn HDOP 1.1.6 resource, HUF 3bn	
88.	Supports targeting people with extremely law				

	<b>income</b>				
a)	Deinstitutionalising institutions with large number of disabled people	The aim of SIOP 3.4.1 "A"-11/1 is to deinstitutionalise the institutions providing nursing and care for disabled, psycho-socio disabled people and addicts with place for more than 50 people (framework budget: HUF 7bn).	The implementations of the relevant programmes have various deadlines, but they will be implemented until the end of 2022.	Altogether about HUF 79bn	
b)	Basic rehabilitation service provided for visually impaired people	On the basis of Gov. decision 1653/2015 (IX.14) on the Medium-term Action Plan of 2015-2018 of the National Disability Programme the aim of the measure is that the people who became visually impaired in their adulthood shall learn basic, everyday activities aiding their individual lifestyles, which promote their social integration and provides the basis for their employment rehabilitation.	Annual tender Commencement: 1 March 2016 End: 30 October 2017	HUF 100m: Act C of 2015, Annex 1, Chapter XX MHC 20/20/8 - Supporting sign language interpretation service and basic visual rehabilitation, HUF 100m: Act XC of 2016 on the 2017 Central Budget of Hungary, Annex 1, Chapter XX MHC 20/20/8 - Supporting sign language interpretation service and basic visual rehabilitation.	
c).	Programme supporting disabled people's participation in higher education	Supporting disabled people's participation in higher education; joining and supporting the work of the coordinators responsible for disability affairs.	The call for tender was announced in 2016, the implementation is expected between July 2017 and June 2018.	HUF 5m	
d)	Housing first	The reduction in the number of people living in the streets, developing services in order to achieve the goals in encouraging them to give up their homeless lifestyle (complex social and healthcare services, special knowledge for deviant target groups, safe and long(er) lasting stable housing for people living in the streets, helping those who have just become homeless (have just lost their housing), avoiding institutional service (thereby the risk of hospitalisation)).		HUF 1.7bn HDOP 1.1.4 (HUF 1.4bn and CCHOP resource (HUF 0.3bn)	
e)	Providing benefits in kind for poor families with children and people with extremely low income	Providing benefits in kind for poor families with children, homeless people and people with extremely low incomes.	years between 2017 and 2023	total: HUF 33.94bn SPNOP-1.1.1.-16 SPNOP-2.1.1.-16 SPNOP-3.1.1.-16 SPNOP-4.1.1.-16	
f)	5% increase in the basic amount of care allowance from 1 January 2017	The basic amount of the care allowance has been increased by 5% (HUF 31,000 instead of HUF 29,500) since 1 January 2017. Due to the increase in the basic amount the amount of the care allowance has	Ongoing since 1 January 2017	The budget is available in the centrally managed appropriation of Chapter XX MHC 21/1/3/8 Fulfilling district social tasks.	

		increased (from HUF 44,500 to HUF 46,500), and the amount of the priority care allowance has also increased (from HUF 53,100 to HUF 55,800).			
<b>g)</b>	5% increase in old-aged allowance from 1 January 2017	Old-aged allowance is a support for elderly people without income providing for a living. The amount of the allowance depends on the age, family status and income. The amount of the allowance has been increased by 5% on average since 1 January 2017. About 7,000 persons have been positively affected by the measure.	Ongoing since 1 January 2017.	The budget is available in the centrally managed appropriation of Chapter XX MHC 21/1/3/8 Fulfilling district social tasks.	
<b>h)</b>	The amount of old-aged allowance is going to be increased to the same extent as the increase in pension from 2018	In order to improve the quality of life of the people socially in need, every year the amount of the allowance will increase to the same extent as the increase in pension from 1 January 2018.	Ongoing from 1 January 2018.	The budget is provided by the centrally managed appropriation of Chapter XX MHC 21/1/3/8 Fulfilling district social tasks. (The measure is set in Art. 32/C (1a) of Act III of 1993 on social governance and social benefits.)	