1. Basic Information
1.1 Project Number: 2002/000-317-02
1.2 Title: Development of co-operation in the area of vocational education, qualification and science
1.3 Sector: Human Resource Development
1.4 Location: Western Transdanubian Region, Hungary and Burgenland, Wien, Niederösterreich-Süd, Wien-Umland Süd, Austria

2. Objectives
2.2. Overall Objective:
Preparing the border region for the challenges of the knowledge-based society by developing human resources and enhancing research and development.

2.2. Project purpose:
• Increase in the labour force’s educational level and the skills in line with the labour-market demands of the region by strengthening cross-border co-operation in the field of training.
• Increase in the efficiency of research and development activities in order to broaden the knowledge on the border region by strengthening co-operation between research and science institutions and the economic sector

2.3. Accession Partnership and NPAA priority
The objectives of this grant scheme are in line with the short- and medium-term objectives of the Accession Partnership, chapter 3.2 on “Employment and social affairs”. The same applies to the relation of the grant scheme to the NPAA, which covers the following objectives: “implementation of training activities, development of necessary human resources.” in its chapter 2.1 (Education and Training).

2.4. Contribution to National Development Plan:
According to the revised PNDP (2001), based on the regional development strategies, the project reflects to one of the most important priorities of the region: Priority 1”Development of human resources” measure 2 of “Esély” (Chance) – for the development of the labour market”, and measure 3 of “Szikra” (Spark) – to increase research and development capacity. (PNDP 2001, Chapter 5.5.6, priority 1).

2.5. Cross Border Impact :
This project is consistent with priorities defined by the Joint Programming Document (JPD) Austria-Hungary 2000-2006 for Interreg IIIA-Phare CBC. It belongs to priority P4 Human resources measure M2. Development of Co-operation and Infrastructure in the fields of Education, Training and Science.

This grant scheme is designed to implement the common HR strategies defined in chapter 5.5.2 of the JPD, namely:
Increase co-ordination and networking in the fields of vocational education, qualification, training and researches in the cross-border region and thereby establishing knowledge-based society in the border region. In order to tackle the international challenges facing the common region, education, -and to a growing extent, further education- has to be adapted and developed on an ongoing basis in a concerted effort. Co-operation and an exchange of know-how between interest groups in the partner regions should focus on qualification, vocational education and training measures harmonising with the labour market demands, establishing of a modern, research-oriented infrastructure, shall increasingly become a joint effort over the course of time, as well as intensified networking in researches. Support for adult education by organisations providing vocational
education, qualification and training measures is of particular importance in this context, especially bearing in mind the motto of “life-long learning”. Establishment of the flexible, innovative and demand-lead vocational education, qualification and training system may help considerably to prevent labour markets both in Austria (risk of social and wage dumping) as well as in the Hungarian partner region (risk of brain-drain) from overheating, and to develop an integrated regional labour market on both sides of the border.

3. **Description**

3.1 **Background and justification:**

In the Lisbon Strategy the EU set the goal of „establishing of a dynamic, knowledge-based and welcoming open economy“. To achieve this objective the *European Employment Strategy* specified that a harmonised strengthening of education, training and employment is necessary, along with the utilisation of new information technologies. The same requirements is defined in the *JAP (Joint Assessment of the Employment Policy Priorities of Hungary, 2001)* titled „Identifying actions needed on the labour market“ (section 3, page 9), and „Continuing vocational education and training“ (section 3, page 20). Furthermore, according to the *Human Relations Development Strategy* of Western-Transdanubian Region, the future vision for human resource development is: “forming a region where the composition and qualification of the population, the economic structure and the regional training system provides an adequate framework and basis for the establishment of a knowledge-based and innovative society.”

To implement these objectives and thereby prepare the region for the challenges of the knowledge-based society, it is necessary to focus development actions to two relevant fields: increasing the general qualification level of the labour force by modernising the regional training system and improving research and development capacity.

The general qualification level of the population of the Western-Transdanubian Region is higher than the national average. The overall educational level has increased over the last decade, and the number of students in secondary and higher education has also risen. The employment rate (44.1%) is around the national average, but it is relatively low compared to the EU level. After the political transition, which was soon followed by a far-reaching reform of the labour market structures, the unemployment figures of the Western Transdanubian Region also reflect problems, resulting from the transition such as the loss of jobs in agriculture due to restructuring measures and changes in ownership. In Western Transdanubia the rate of unemployment reached a maximum of 9% in 1993 (when the national level: topped 12.1%). The rate of unemployment in the Western Transdanubian Region has always been lower than the national average, and it has been the second lowest after the Central Region. The newcomers large foreign multinational companies providing most of the job opportunities gave the labour market a mainly industrial character. In 2000, the rate of unemployment was 5.5% in the region (4.6% in Győr-Moson-Sopron, 5.2% in Vas and 7.2% in Zala counties.), characterised by disparities between urban and rural areas. The unemployment rate of several small regions, which not benefit from FDI is nearly as high as the national average.¹

In spite of the favourable labour market statistics in a national comparison, the Western-Transdanubian region knows important structural problems. While the 10% of the companies settled in this region indicate labour shortage as the prime reason for the under-utilisation of their capacity, people lacking relevant skills and competences continue to face difficulties in finding jobs. The region is characterised by an emerging mismatch between unskilled labour supply and the demand for labour with specific skills. There are 153 vocational and re-training institutes in the Western-Transdanubia, and some secondary technical schools are also organising various training programmes Employment statistics show that the regional education and vocational training system does not sufficiently respond to the labour market needs. Besides the general deficiencies of the vocational training system and higher education, few training programmes provide special knowledge and skills necessary for the labour market actors to prepare them for the EU accession.

¹ (The estimated national unemployment rate was 9.9% in the year of 2000)
Structural differences in skills can be reduced by improving the educational level and skills of the labour force through the development of curricula, as well as through the modernisation of the adult and vocational training system in close co-operation with actors of the regional economy.

In addition to the development of training system, it is crucial to promote innovation by enhancing R+D activities in the region to achieve a knowledge-based society and sustainable economic growth. Western Transdanubia is the most dynamic region after Central Hungary in terms of growth in exports, GDP per capita and FDI inflow. These quantitative indicators, however, hide a fragility of this newly accelerated dynamism. Although the FDI per capita is the double of the national average, the R&D expenses per GDP as well as the ratio of researchers in the population is half of the national level. The presence of research and development capacities in the region is relatively weak compared to the national average. Only 8.4% of the national R&D activities take place in the region. The links between research institutes, higher educational institutions and the economic sphere are also weak. The "R&D gap" may only be bridged by enhancing regional innovation, through the support of developments in the research infrastructure and common research projects between research and science institutions, higher educational institutions and businesses.

The "Common Labour Market Strategy Austria-Hungary" was approved in 1997 defining the goals of harmonisation of the labour market policy between the two border regions and establishing co-operation network among labour market organisations on the county level. The co-operation in the field of training, higher education, as well as R&D between actors from both sides of the border, contribute to the integrated development of the cross-border region.

3.2. Linked activities:
Other important projects have been successfully implemented in connection with human resource development on the border region such as following:

Two pilot projects were implemented in the fields of training, HU 95 "Joint training of Socio-economic Project managers" and HU 96 "Joint training of Career Orientation Advisors". Both projects supported better chances of the disadvantaged groups to access to the labour market through establishment of special training programmes for labour market experts, in a strong co-operation with Austrian partner organisations.

In the framework of HU 95-03-05 Phare CBC Hungary-Austria project "Co-operation in labour market policy" the Common Labour Market Strategy Austria-Hungary was prepared for defining the main and strategic objectives of the common labour market policy as well as the most important development fields and measures.

Contributing to the improvement of the quality of regional education system was the subject of HU project entitled "European Studies and Documentation Centre". Within the framework of this project a new education programme was started in the Berzsenyi Dániel College and the modern infrastructural background have been ensured.

In the context of the 2000 programme, Phare CBC has allocated funds for development of services of the regional labour market organisations, strengthening cross-border information and know-how transfer such as reducing the obstacles in the different systems and information transfer in the social sphere, through the project HU0015.04, "Integrated regional information system". This project, with 2 MEUR Phare contribution, is fully covering objectives and activities of measure M2 Development of the regional labour markets within the context of EU enlargement defined by the Joint Programming Document (JPD) Austria-Hungary 2000-2006 for Interreg IIIA-Phare CBC (priority P4 Human resources). The project will provide the inhabitants and institutions of the cross-border region with accurate and timely information on labour market activities and on topics relevant for the development of the Hungarian target region for establishing two sub systems: the regional employment information system and the regional development information system. The project will contribute to creating fruitful dialogue and action on labour market issues. (This project is under preparation.)

3.3. Results:
- Implemented vocational training, retraining and educational programmes adapted to the demands of the cross-border region with special regard to the challenges of the EU accession.
- Developed curricula for vocational training, higher educational and EU-focused training programmes adapted to the demands of the cross-border region.
• Implemented co-operation and exchange programmes in the field of research and development

3.4. Activities:

The project will be implemented through a grant scheme with two windows corresponding to the results described under 3.3. The budget allocation between windows is indicative and can be revised during the project selection according to the quality of projects.

The non-refundable grant is limited to a maximum of 500.000 EUR per project. The minimum amount of the non-refundable grant is 50.000 EUR.

3.4.1. window 1. Training programmes adapted to the demands of the cross-border region

The following activities will be financed:
• Establishment and implementation of vocational training, re-training and educational programmes with a cross-border focus that answer the labour market demands of the cross-border region
• Curricula development in vocational training and higher education with special regard to transfer of methodologies, harmonisation of training content, mutual recognition of certificates
• Focused training programmes and curricula development for labour market actors from both sides of the border (e.g. experts, labour centres, economic actors, employers, SME’s, social partners etc) to prepare them for the challenges of EU accession

Organisations eligible for support:
• Non-profit organisations (associations, foundations, public bodies, and non-profit companies)
• Municipalities, public institutions
• County Labour Centres
• Chambers of industry and commerce, foundations for enterprise promotion
• Association of counties and small regions
• Institutions of vocational training, adult training
• SME-s as partners only in case of training projects
The applicant organisations must be registered in the Western-Transdanubian Region.

Projects for support will be selected according to the following criteria2 (Indicative selection criteria, in accordance with the evaluation grid of the PRAG):

General criteria for eligibility
• Results of the proposal are in line with the objectives of the grant scheme.
• Vocational educational, training, re-training programmes could be implemented with a minimum of 5 participants in each programme.
• Applicant organisations must have at least one project partner from the other side of the border.
• At least one economic actor (firms, SME’s etc.) or other potential employer (local governments, non-profit organisations, etc) must be involved in the project activities as a partner.
• If supplies and works components are necessary to reach the project purpose, justification must be available in the application. Works can include modernisation or construction of the closely related infrastructure such as technical training places, laboratories and presentation rooms and the related public utilities. Projects including only works or supplies components will not be supported.
• The total cost of the works and the equipment purchase necessary for the successful implementation of the training programmes cannot exceed 50% of the total project costs. If the cost of the works and supply components is higher than 50%, a strong justification, providing evidence that the works and supply elements in question are absolutely necessary to reach the project purpose, must be attached to the application.

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2 The selection criteria will be further developed with the preparation of the call for proposals.


**Required documentation**
- Training/curricula plan
- Studies (feasibility study, cost-benefit analyses, environmental impact study) justifying the rationality of the infrastructural developments in case the works element exceeds 30% of the total project costs.
- Availability of the necessary permits and construction plans

**General selection criteria:**

*Relevance*
- Relevance to the particular needs and constraints of the cross-border region (including conformity with regional development plans and the Joint Programming Document for the HU-AU CBC-Interreg programme). The applicants must justify that the proposed programmes are adapted to the demands of the cross-border region with special regard to the labour market.
- The training programme/curricula includes a practice module (involvement of the “potential employer” in the project proposal)
- Clearly defined, strategically chosen target groups
- Relevance of the project to the needs of the target group.
- Coherent, appropriate and practical activities
- Added value, new, innovative approaches

*Methodology*
- The preparedness of the proposal and readiness for implementation
- Involvement and activity of the CBC partners and economic actors in the elaboration and implementation of the project activities.
- Clear and feasible action plan, and training plan and/or curricula plan
- Objectively verifiable indicators for the project outcomes, methodology for follow up of the project results

*Sustainability*
- Guaranteed (Financial and Institutional) sustainability of the developments implemented through the grant scheme.
- Possible multiplier effects of the project results (including possibilities for replication and extension of project outcomes).

*Budget and cost-effectiveness*
- To what extent is the budget clear and detailed?
- To what extent are the proposed expenditures necessary for the implementation of the project?

*Management capacity and expertise*
- Availability of personal and organisational capacity requirements for implementing the project
- Previous experience in similar projects

3.4.2 window 2. Cross-border research and development programmes

**The following activities will be financed:**
Establishment and implementation of cross-border co-operation and exchange programmes in the field of research and development including the implementation of research programmes, organisation of workshops and seminars, preparation of studies, exchange of experts, development of joint curricula for and PhD programmes.

**Organisations eligible for support:**
- Institutions of higher education
- Research Institutions
- Non profit organisations involved in research and development

**Organisations only eligible as partners**
- Municipalities, public institutions
• Chambers of industry and commerce, foundations for enterprise promotion
• Association of regions, counties and small regions
• SMEs, and other firms and companies
• Other non-profit organisations

The applicant organisations must be registered in the Western-Transdanubian Region.

Projects for support will be selected according to the following criteria\textsuperscript{3} (Indicative selection criteria, in accordance with the evaluation grid of the PRAG):

**General criteria for eligibility**

- Results of the proposal are in line with the objectives of the grant scheme.
- Applicant organisations must have at least one project partner from the other side of the border.
- At least one economic actor (firms, SME’s etc) must be involved in the project proposal as a partner.
- If supplies and works components are necessary to reach the project purpose, justification must be available in the project proposal. Works can include modernisation or construction of the closely related infrastructure such as technical training places, laboratories and presentation rooms, related public utilities etc. Projects including only works or supplies components could not be supported.
- The total cost of the works and the equipment purchase necessary for the successful implementation of the training programmes cannot exceed 50% of the total project costs. If the cost of the works and supply components is higher than 50%, a strong justification, providing evidence that the works and supply elements in question are absolutely necessary to reach the project purpose, must be attached to the application.

**Required documentation**

- Research and/or curricula plan
- Studies (e.g. feasibility study, cost-benefit analyses, environmental impact study) justifying the rationality of the developments in case of the works component
- Availability of necessary permits and construction plans

**General selection criteria:**

*Relevance*

- Relevance to the particular needs and constraints of the cross-border region (including conformity with regional development plans and the Joint Programming Document for the HU-AU CBC-Interreg programme).
- Clearly defined, strategically chosen target groups
- Relevance of the project to the needs of the target group.
- Coherent, appropriate and practical activities
- Added value, new, innovative approaches

*Methodology*

- The preparedness of the proposal and readiness for implementation
- Involvement and activity of the CBC and other partners in the elaboration and implementation of the project proposal.
- Clear and feasible action plan and research plan and/or curricula plan
- Definition of objectively verifiable indicators

*Sustainability*

- Guaranteed (Financial and Institutional) sustainability of the developments implemented through the grant scheme.
- Possible multiplier effects of the project results (including possibilities for replication and extension of project outcomes).

\textsuperscript{3} The selection criteria will be further developed with the preparation of the call for proposals.
Budget and cost-effectiveness

- To what extent is the budget clear and detailed?
- To what extent are the proposed expenditures necessary for the implementation of the project?

Management capacity and expertise

- Availability of personal and organisational capacity requirements for implementing the project
- Previous experience in similar projects

3.4 Lessons learned

This programme is the first Austrian-Hungarian PHARE CBC programme to be implemented in the form of a grant scheme, nevertheless during the preparation of this project fiche, the experiences of previous PHARE CBC programmes, especially in the field of human resource development (HU 95 “Joint training of Socio-economic Project managers” and HU 96 “Joint training of Career Orientation Advisors”) were considered.” The recommendations of the 2001 OMAS Report Final Assessment (e.g. concerning the necessity of verifiable indicators) were also taken into account during the programming phase and will be carefully watched in course of the implementation of the programme.

4. Institutional Framework

- IA (Implementing Agency): Retains full responsibility for programme implementation
- PAO (Programme Authorising Officer): Professional leader of the Implementing Agency, responsible for the programme implementation.
- Intermediary: The West Pannon Regional Development Agency (RDA), to be contracted by the IA. Undertakes the task of day-to-day technical management of implementation of projects and monitoring activities under the authority of the IA. The relationship between the IA and the Intermediary shall be defined in a Cooperation Agreement, which will reflect the institutional framework given in this fiche. The EC Delegation should be able to comment on the Co-operation Agreement between the IA and the RDA.
- Rules, procedures and formats: As described in the Rules of Procedures of the Monitoring and Steering Committees of the Austria-Hungary Interreg IIIA Phare CBC programme, the selection of projects within Grant Schemes will strictly follow the Grant Section of the Commission Practical Guide and will be approved by the EC Delegation.

- Monitoring Committee: The MC is constituted on the Austrian side of the representatives of Federal Chancellery, the relevant federal ministries, chambers and the regional governments, on the Hungarian side of the representatives of relevant line ministries, the county development councils and the Regional Development Council, as well as the EC Delegation. The MC defines a common set of Phare CBC projects (SPF and Grant Schemes) once a year.

- Steering Committee: The SC is constituted on the Austrian side of the representatives of the Federal Chancellery, the relevant federal ministries and the regional governments, on the Hungarian side of the representatives of relevant line ministries, the county development councils, and the EC Delegation. In terms of Grant Schemes financed by Phare CBC, the Steering Committee endorses the Guidelines and timetables for implementation, which is subject to approval by the EC Delegation.

- Inter-ministerial Co-ordination: Experts from the line Ministries in charge of Education and Research & Development will be consulted for the final definition of the selection criteria and will participate to the technical Evaluation Committees, which will give the final recommendations on the projects selection.
5. **Detailed Budget (€ Million)**

<table>
<thead>
<tr>
<th>Phare support</th>
<th>National Co-funding</th>
<th>IFI</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Investment support</td>
<td>Institution Building</td>
<td>Total Phare (=I+IB)</td>
</tr>
<tr>
<td>Training programmes adapted to the demands of the cross-border region</td>
<td>2.1</td>
<td>-</td>
<td>2.1</td>
</tr>
<tr>
<td>Cross-border research and development programmes</td>
<td>0.9</td>
<td>-</td>
<td>0.9</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>3.0</strong></td>
<td>-</td>
<td><strong>3.0</strong></td>
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</tbody>
</table>

The allocation between windows is indicative and can be revised during the project selection according to the quality of projects submitted in terms of preparedness, CBC impact etc.

**National co-financing:**
The grant scheme will be jointly co-financed between Phare and government resources to be provided by the Ministry of Agriculture and Regional Development and the Ministry of Education. The rate of Phare support within the total support will be 75%, while the Hungarian government will contribute 25%. The ratio between the Phare and the national amount is binding and has to be applied to the "final contract price".

The rate of the generally available maximum support (Phare and national co-financing) is 90% of the total cost of the projects to be supported, and at least 10% has to be provided as own resources by the beneficiaries in cash.

The national co-financing included in the above budget table indicates the governmental co-financing amount of the project.

6. **Implementation Arrangements**

6.1. **Implementing Agency**
The Ministry of Agriculture and Regional Development, through its Phare Regional Development IA, has been defined as the Implementing Authority for all measures to be implemented on the Hungarian side of the border in the framework of the IJP. It will have the overall responsibility for all aspects of tendering and contracting as well as administrative and financial matters of the implementation. The PAO will be Mr. Peter Szaló Deputy Secretary of State of the Ministry of agriculture and Regional Development.

**Address:**
Ministry for Agriculture and Regional Development
Phare Regional Development Implementing Agency
H-1016 Budapest, Gellért tér 30-32.
Phone: +36-1-488-7171
Fax: +36-1-488-7188

6.2. **Twinning**
Not applicable.

6.3. **Non-standard aspects**
The Practical Guide to PHARE, ISPA & SAPARD contract procedures (PRAG) valid from January 2001 will strictly be followed.

6.4. **Contracts**
The grant scheme with two windows will be implemented through an open call for project proposals according to the stipulations of the PRAG on Grant Schemes. Beneficiaries will sign Grant Contracts with the PAO laying
down the rules of the project implementation based on the list of supported projects approved by the IA and endorsed by the EC Delegation in case of the Phare co-financed projects. Tendering and contracting of the required services, supplies and works will follow the PRAG manual.

7. Implementation Schedule

<table>
<thead>
<tr>
<th>Financing Memorandum</th>
<th>Publication of call for proposals</th>
<th>Start of Project Activity</th>
<th>Completion</th>
</tr>
</thead>
</table>

8. Equal Opportunity

Projects focused on ensuring equal opportunities between men and women will be preferred during the whole selection and decision-making process. In addition to this focus on equal opportunities between men and women this grant scheme is supporting the integration of people with disabilities into working life. Concerning the European Employment Strategy this is an important first step towards the recognition that the full integration of the disabled people is a fundamental issue of equal opportunities.

9. Environment

Only projects complying with the environmental regulations of the EU will be eligible. Projects supporting activities in the fields of environment protection, using or developing environmentally friendly technologies or products and will be preferred during the whole selection process.

10. Rates of return

In the case of human resource development initiatives and investments, only the economic rate of return does shows the real socio-economic benefits of the project. The size of the projects to be supported in the framework of this grant scheme does not justify these calculations because of they are expensive in comparison to the information they add during the appraisal of applications.

11. Investment criteria

11.1 Catalytic effect:

Support to innovative and pilot projects in the field of vocational education, qualification and science will raise the awareness of common concerns and chances across the border region. It will also strengthen the positive attitude towards co-operation in solving common concerns, establishing common structures in human resources development, and thereby increasing competitiveness of the whole cross-border region. For increasing the concrete actions and ongoing co-operation in the area of vocational education, qualification and research in both side of the region is the only way for establishing an integrated, flexible and European-level competitiveness labour market with a strong research network in the cross-border region.

11.2 Co-financing

The grant scheme will be jointly co-financed between Phare and government resources to be provided by the Ministry of Agriculture and Regional Development and the Ministry of Education. The rate of Phare support within the total support will be 75%, while the Hungarian government will contribute a with 25%.

The rate of the generally available maximum support (Phare and national co-financing) is 90 % of the total cost of the projects to be supported, and at least 10 % has to be provided as own resources by the beneficiaries in cash.

The national co-financing included in the above budget table indicates the governmental co-financing amount of the project.
11.3 Additionality:
The Phare intervention will not displace any other financiers.

11.4 Project readiness and Size:
A draft of the Co-operation Agreement, Call for Proposal, Application form, Guidelines for applicants and Grant Contracts will be elaborated by all concerned organisations by the time of signing the Financing Memorandum. All documents shall be prepared according to the PRAG template and submitted to the Delegation for endorsement prior to the launch of the Call for proposals. Only projects ready for tendering can be supported.
The Fund will provide grants to projects in an amount of €50 000-500 000 in line with the document Programming Phare 2002 issued by the Commission. The Phare contribution to the Grant Scheme is €3 million and meets the minimum project size requirements.

11.5 Sustainability:
The beneficiaries will be responsible for the sustainability of the project and will provide the administrative staff and the necessary funds for the operational costs. The ability of the applicant to finance the long-term operation and maintenance of the infrastructural instalments shall be proved in the application and checked at the project selection phase.

11.6 Compliance with state aids provisions
All components financed by Phare will be carried out in line with the PRAG and will respect the state aid and competition provisions of the Europe Agreement.

11.7 Contribution to National Development Plan
The project proposal is in line with the priorities identified in the National Development Plan.

12. Conditionality and sequencing
The Sopron Regional Office of the National Agency for Regional Development will ensure the necessary human resources for the technical management of the Grant Scheme. The Office will ensure that the project staff is fully conversant with the target group requirements and with the operation of the Phare Programme. The Office will make certain that the recipients make their financial contributions as planned.
The planned 2003 national budget includes the amount of national co-financing of the programme.
Preparation and application of a standardised procedure of co-operation between the IA and the RDA's in order to ensure efficient management. All organisational preparations will have been completed, and the first funding operations will be carried out in July 2003.
Good quality project proposals are available at February 2003.
The call for proposals can be launched as planned in November 2002.
ANNEXES TO PROJECT FICHE

1. Logical framework matrix in standard format
2. Detailed implementation chart
3. Contracting and disbursement schedule by quarter for full duration of programme (including disbursement period)
4. Reference to feasibility /pre-feasibility studies. For all investment projects, the executive summary of the economic and financial appraisals, and the environmental impact assessment should be attached
5. List of relevant Laws and Regulations
6. Reference to relevant Government Strategic plans and studies
7. Template for the institutional framework/implementation arrangements in case of grant schemes
8. Addendum to the “Background and justification” (8A: Summary of the Human Resources Development Strategy of the Western Transdanubian Region, 8B: Summary of the Common Labour Market Strategy Austria-Hungary)
<table>
<thead>
<tr>
<th>Overall objective</th>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preparing the border region for the challenges of the knowledge-based society by developing human resources and enhancing research and development.</td>
<td>Decrease in the number of unemployed and the number of vacancies</td>
<td>Central Statistical Office, Chambers of commerce and industry, County Labour Centres</td>
<td>Ongoing commitment of local, regional and central authorities and various institutions to enhance the knowledge-based society, Favourable economic and social environment, Unpredictable local hindrance impeding economic activity in the target area does not exist or will not emerge</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project purpose</th>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in the labour force’s educational level and the skills in line with the labour-market demands of the region by strengthening cross-border co-operation in the field of training.</td>
<td>Rate of trainees employed as a consequence of the training, 6 and 12 months after project completion, Decrease in the average time (120 days)-period of being employed among trained unemployed people, Increase in the number of CBC research projects, in which the supported institutions participate</td>
<td>Central Statistical Office, Project holders, County Labour Centres, Survey carried out by the beneficiary on the employment of the participants 6 and 12 months after the completion of the training.</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Results</th>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implemented vocational training, retraining and educational programmes adapted to the demands of the cross-border region with special regard to the challenges of the EU accession. Developed curricula for vocational training, higher educational and EU-focused training programmes adapted to the demands of the cross-border region. Implemented co-operation and exchange programmes in the field of research and development.</td>
<td>Number of training courses generated by the Cross-border co-operation, Number of curricula elaborated, Number of co-operation and exchange programmes implemented, Number of Jobs generated by the practice module, Number of research programmes generated by the Cross-border exchanges</td>
<td>Implementing Agency, County labour Center statistics, Survey carried out by the beneficiary on the employment of the participants 6 months after the completion of the training.</td>
<td>The participants complete the training course successfully, The participants of the training programmes find employment after the completion of the course, The participants obtain useful knowledge for the labour market The elaborated curricula is used in training courses, High quality of research programmes, whose findings are beneficial for the region, Intensive co-operation between research and science institutions</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training programmes adapted to the demands of the cross-border region, Cross-border research and development programmes.</td>
<td>3 MEUR as Phare contribution supplemented by 1 M EUR as national co-financing from the Hungarian Government and 0,44 MEUR from the beneficiaries</td>
<td>Sufficient number of project proposals, Own financial resources available at project beneficiaries, Time schedule respected during the programme and project implementation, Sufficient number of participants for the training programmes</td>
</tr>
</tbody>
</table>
Preconditions

- Properly prepared projects based on partnership.
- Institutional structure in place to implement the project.
- Quick decision-making and comments according to the time schedule.
ANNEX 2

Development of co-operation in the area of vocational education, qualification and science
Detailed implementation chart

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<td>Implementation and disbursement</td>
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ANNEX 3

Development of co-operation in the area of vocational education, qualification and science
Cumulative contracting and disbursement schedule (€ Million)

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ANNEX 4

Development of co-operation in the area of vocational education, qualification and science
Reference to feasibility/pre-feasibility studies


11. Transition from initial education to working life. OECD Study. Analysis of the education/training system in Hungary. (with particular emphasis on its relevance to the market economy) focusing on the economic and social background, unemployment of young people, learning methods, educational and employment policies. 1998.

ANNEX 5

Development of co-operation in the area of vocational education, qualification and science
List of relevant Laws and Regulations

1. Hungarian Law No 101 of 2001 on Adult Education
ANNEX 6

Development of co-operation in the area of vocational education, qualification and science
Reference to relevant Government Strategic plans and studies

15. General Development Plan
17. Joint Assessment of the Employment Policy Priorities of Hungary (16 November 2001)
ANNEX 7

Template for the institutional framework/implementation arrangements in case of grant schemes

1. PREPARATION OF THE PACKAGE OF CALL FOR PROPOSAL, GUIDELINES FOR APPLICANTS AND APPLICATION FORM ACCORDING TO THE PRACTICAL GUIDE

- IA drafts the call for proposal, the guidelines, the guidelines for applicants and the application form in consultation with the entities concerned in the given field (at national – e.g. Ministries and regional level).
- IA submits the final version of the documents to EC for approval.
- EC Delegation endorses the documents.

2. PUBLICATION OF THE CALL FOR PROPOSAL

The IA takes all appropriate measures to ensure that the nationally and regionally publicised call for proposal reaches the target groups in line with the requirements of the Practical Guide.

3. PROJECT SELECTION PROCESS

- The RDA collects and registers incoming project proposals
- The IA (PAO) selects (in agreement with the co-financing ministry/ies involved, if relevant) and approves the assessor team for the assessment of administrative compliance, eligibility and assessment of technical and financial quality of proposals.
- The IA (PAO) nominates the Evaluation Committee (non-voting chairman and secretary, and voting members) with the co-financing ministry/ies involved, if relevant. Austrian experts can also be nominated as voting members in the Evaluation Committee.
- The IA (PAO) nominates the members of the assessment team and Evaluation Committee exclusively on the basis of technical and professional competence in the relevant area of development. In addition to technical and professional expertise a clear balance between regional-specific, local knowledge and independent non-targeted region expertise shall be ensured in the selection of the assessors and the members of the Evaluation Committee in order to guarantee the objectivity of the process.
- The EC Delegation endorses the team of assessors and the composition of the Evaluation Committee. The Delegation nominates an observer to follow all or part of the proceedings of the Evaluation Committee. Prior approval is needed from the Delegation for the participation of other observers.
- The Steering Committee (SC) shall give strategic guidance to the evaluation committee and shall identify projects with high cross-border effect within the Grant Scheme. The SC will ensure full transparency and fairness towards all potential applicants. Its conclusions concerning the recommendation of projects for support under Phare CBC grant schemes will remain indicative and shall not bind the decision of the Evaluation Committee.
- The Evaluation Committee draws up its recommendations and decisions according to the assessor team’s written assessment of each proposal on the basis of the published evaluation grid and can take into account the recommendation of the Steering Committee as concerns the CBC impact.
- The PAO approves the evaluation report prepared by the evaluation committee and forwards the evaluation report and any award proposals to the Delegation.
- The Delegation endorses (ex-ante) the evaluation report on the selection process and the final list of grants to be awarded.
• The IA notifies each applicant in writing of the result of the selection process.

4. CONTRACTING (PAO DESIGNATED IN THE RESPONSIBLE IMPLEMENTING AGENCY)

• The format of the grant contract is drafted according to the Practical Guide using the standard grant contract format and its annexes.

• The format of the grant contract is to be approved by the Delegation (in cases where the call for proposals results in the award of a large number of grants which all have the same grant contract conditions).

• The PAO signs the grant contracts with the selected beneficiaries based on the final list of grants approved by the Delegation. The language of the grant contract is English and the official Hungarian translation of the contract is attached to the signed English language contract.

• In case of a scheme which results in a small number of larger grant contracts (defined as those with a Phare contribution of over 300,000) the Delegation endorses the individual contracts (after its signature by the PAO and the beneficiary).

• Copy of the signed grant contract is sent to the Delegation.

5. IMPLEMENTATION OF THE SELECTED PROJECTS BY THE BENEFICIARIES

• Beneficiaries subcontract suppliers of goods, services or works, in line with Phare procurement regulations annexed to the Grant Contract and under the Practical Guide.

• Tender documents and contracts above 300,000 Euro (Phare contribution) will be subject to the ex-ante endorsement of the EC Delegation pursuant to the Practical Guide.

6. FINANCIAL MANAGEMENT OF THE SELECTED PROJECTS

The IA with the technical assistance of the RDA receives and verifies the invoices and requests payment by the National Fund.

7. MONITORING OF THE PROJECTS IMPLEMENTED BY THE BENEFICIARIES

Standard Phare monitoring instruments will be used for monitoring purposes. Attention is drawn to the special duty of the RDA with regard to the day-to-day monitoring of the selected projects.

In case the conditions of Article 12 of the Council Regulation (EC) No. 1266/99 of 21 June 1999 on co-ordinating aid to the applicant countries in the framework of the pre-accession strategy concerning the co-ordination of the pre-accession instruments are met, new procedures may be introduced in due time, providing for a delegation of the selection of projects and approval of funding for PHARE-CBC in agreement with the Commission.
Human Resources Development Programme
of the Western-Transdanubian Region
2000-2006
SUMMARY

1. Introduction

The shaping of the human resource development programme for West Transdanubia began at the beginning of 2000 and was finished in May 2001 and is essentially based on the approved Regional Development Programme. The Regional Development Programme of Western-Transdanubia was developed for a seven-year period, between 2000 and 2006; thus the human resource development programme also refers to a medium term period, in accordance with the Union's planning cycles and the Regional Development Programme.

The major objective of the programme is to improve the region's general position, more specifically, to reach the competitiveness of the EU member states through the development of human resources and based on the maximum utilisation of Hungarian and international development assistance. Despite its name, the present programme does not cover the entire field of human resource development, i.e. it is not identical with the first priority of the Regional Development Programme. The first priority consisted of the operative programmes (measures):

Measure 1.1: "Kútöl" – for innovative community initiatives
Measure 1.2. "Esély" – for the development of the labour market
Measure 1.3: "Szikra" – increasing research-development and higher education capacities.

2. Situation analysis

The position, economic prosperity and the relevant economic tendencies of Győr-Moson-Sopron, Vas and Zala Counties, i.e. the Western-Transdanubian region are defined by the unique geographical location. The economy of Western-Transdanubia, the significant part of which was considered an internal periphery before 1990, has undergone dynamic development, primarily because of its beneficial geographical situation. The positive consequences of this situation, the quality of human resources, inherited, fortunate economic situation, the relatively moderate level of social conflicts and additional circumstances, this region displays prosperity at a way above average level and develops in above average circumstances.

2.2. SWOT analysis

2.2.1. Strengths

- The more beneficial health conditions for human resources which is represented in higher values of life-expectancy (especially for men), the low rate of infant deaths, the low rate of suicides and causes for death are closer to the EU levels.
- An increasing migration activity, primarily to Győr-Moson-Sopron County, as a result of which individuals with families and high qualifications settle in Western-Transdanubia.
- Quality of human resources primarily on the bases of high qualifications and the knowledge of foreign languages. The above average qualifications of the population ensure a more beneficial human resource picture. In Western-Transdanubia, the ratio of the population with a high-school diploma or, above the age of 25, with a degree is the highest.
- Despite the decline in the 80s, the economic activity of the region's population is relatively high, similarly to the employment rate among the active population, which will grow in the future. Regarding all aspect, the rate of unemployment is low which will further decrease in certain areas. Among the registered unemployed, the number of recent graduates is lower, at the same time, the number of individuals provided for is higher.
- Although, there is an oversupply of workforce in the region, there are more workplaces per 100 registered unemployed than nationally. In the region's labour market, the instruments of the Employment Fund have great significance. More and more individuals participate in the programmes and the ratio of individuals taking part in the trainings has risen.
• Professional co-operation along the Austrian-Hungarian border have traditions. The advantages are especially apparent in terms of the Hungarian adaptation of international experiences.
• Secondary-level educational institutions capable of providing education of a wide range.
• The significance of high-level working culture in the economy.
• The region's composite economic structure and relatively highly developed level compared to the Hungarian average. Favourable economic perspectives.

2.2.2. Weaknesses

• Particularly, because of the decline in the number of births and also due to the higher rate of mortality, the natural growth of the region's population is negative. According to the forecasts and calculations, the tendency will remain unfavourable in the future and the natural decline in the number of the population will continue.
• One of the most important problems is the already existing tendency of ageing among the population which is expected to be a continuing tendency. This is the consequence of unfavourable processes. The effect is twofold: on the one hand, the increasing of the ratio and number of old people means new, complicated and increasing tasks for the social and health system, and, on the other hand, the decrease in the number and ratio of children and youngsters has a strong impact on the region's schooling and educational system.
• Another weakness is the lack of mobility within the region.
• There are no universities in the region providing a wide range of higher education, the forces are split, the R+D capacity is low in education, in the academic institutions and the economy.
• While the country's economy is becoming tertiary similarly to the OECD countries, the region (particularly Vas and Zala counties) are seeing a late industrialisation. As a result, the employment structure of active workers is strongly industrial and the number of individuals employed in the tertiary sector is low.
• Regarding human resources, the disparities are significant within the region, which are primarily present on the level of the small regions. In certain small region's of Western-Transdanubia (Letenye, Lenti, Zalaszentgrót, Vasvár, Orség, Csorna), the human resources indicators are identical with the average values for the more backward regions in the country.
• Not only the basic data for the gypsy population are based on estimates, but there is a complete lack of information on the structure and labour market characteristics of the roma population. Without this, it is extremely difficult to develop programmes in the field of human resources development. What we know for sure: the quality of human resources for the gypsy population is much worse than the region's average. Life expectancy at birth is much lower, their health conditions are much worse and the level of schooling is very low, thus they have no chance to enter or remain in the labour market.
• Although the rate of unemployment in the region is favourable, there are small regions where the problem of unemployment is concentrated. Besides, it is unfavourable that the ratio of long-term unemployed has risen, the ratio of women is significant among the registered unemployed (Vas county), and the registered unemployed are older. In the labour market, the supply and demand are not balanced, most of the openings are for individuals with low levels of education and the availability of workplaces for qualified individuals is scarce.
• Statistical data cannot keep up-to-date with the labour market data, the county labour centres can provide information on only 1/3 of the labour market. There is a complete lack of information of gypsy unemployment.
• In the labour market, regarding the harmonisation of supply and demand, the co-operation between the (actors) of the economy and the educational market is inadequate and ineffective.
• Uncordinated professional training: co-operation among training facilities (especially with training workshops) is lacking not only at the regional level, but also within the counties. The present structure does not make it possible to settle the problem and to ease tensions in the labour market.
• Besides English and German, the number of individuals learning regional languages (Slovenian, Slovakian, Croatian, and Italian) is very low
• The high share of unskilled work within overall employment and underemployment are significant disadvantages. The expectations of multinational companies are not realistic for local workforce and, at the same time, they do not want to employ individuals with modified working capabilities and the elderly.
• The level of wages is relatively low, especially in certain sectors.
• There are significant regional disparities in the population's opportunities (training, employment, salaries, etc.)
• The structure and institutional system of adult education outside the schools is not established.
• The problem is that certain social partners (economic actors) do not take part in the labour market trainings.
• The inadequate level of civil employment systems in the region's labour market.
• The lack of information on and systematic education of youngsters quitting school or not receiving a diploma.

2.2.3. Opportunities
• The already characteristic migration activity towards the region indicates that the region is attractive to individuals living in other parts of the country. This trend shows an increase in the migration activity. This gives room for the improvement of demographic indicators, the ratio of births may increase, the aging of the region may slow down and the population's activity level may further increase.

• The change in the process of urbanisation, i.e. the modification of migration directions within the region (from the towns to the villages), provides the opportunity for the small villages with aging population structures to renew in terms of demography and socio-economics.

• The better utilisation of opportunities stemming from the border region in terms of human resources and mutual employment. The employment pact also enhances migration into the region, since one of the criteria of employment is one-year of permanent residence or stay in West-Transdanubia.

• The level of civility, the traditions and opportunities of cross-border corporations help adaptation. The opportunity for the settlement of quality workplaces with higher added-value and greater requirements is given in the region.

• The strength of the civil sphere, the high number and active participation of civil organisations provide great opportunities. At the same time, however, it must be mentioned that there are only a few of them which have become involved in human-resource development programmes.

• The settling of large international companies and the establishment of clusters may bring about complex (positive) labour market effects.

2.2.4. Risks

• The natural decrease of the population may become stronger which causes further aging and the lower rate of activity. All in all, the population structure may become less favourable.

• If the migration surplus will fall and the labour market will continue to see great disparities between supply and demand, this may have an impact on the region's economy, the settling of the companies, the investments and may strengthen the wage-work features of the economy.

• The high rate of unskilled work and under-employment are significant risks.

• If the region is not capable of retaining and/or attracting the most qualified population-labour force, this, on the one hand, may further decrease R+D capacities and, on the other hand, will not facilitate the settling of quality, knowledge-based activities.

• The increasing of regional (small regional) differences in the region which may in result in dangerous decline of certain areas and may influence the balanced development of the entire region.

• The disadvantageous position of local higher education compared to large university centres.

• Also in connection with the dual economic structure, the gap between groups of employees widens, significant groups of people cannot be employed.

• The outward migration of "rootless" economic actors with the risk of increasing the rate of unemployment.

• The rapid EU accession, without adequate preparations, may bring to the surface the deficiencies of small- and medium enterprises in the field of adaptability and competitiveness.

• The weakening renewability of mental potential in the region that is not adequately utilised (and inspired).

• If in the area of training the problems are not solved, serious labour market tensions may come about regarding a number of trades (metal workers, light industrial, agricultural areas).

3. Strategic and operative programme

3.1. The future vision for human resource development in Western-Transdanubia

Regarding human resources, the region's future vision is the target position that the Western-Transdanubian region wishes to attain in the upcoming period (one- one and a half decades). This is influenced by specific political frameworks and factors relating to geographical locations, economic development and relatively favourable human resources situation. The above factors provide the opportunity for the region to become a competitive region even at the EU level.

In the future vision, we can see a region where the composition and qualification of the population, the economic structure and the training system of the region provides an adequate framework and basis for the establishment of a knowledge-based and innovative economy. Where, in the medium-run, the rate of employment is complete, where being employed is available for everybody and today's disadvantaged employees are given a chance in their places of living or in the nearby. Where the structure of the training courses is in harmony with the demands of the economy and, finally, where today's disparities within the region are eased.

The slogan for the programme aimed at attaining this future vision is:
"The chance for work, the chance for a fuller life"

3.2. The strategy and measures of the Western-Transdanubian Region's Human resources development programme

When defining strategic objectives shaping the future vision, the programme relied on the EU's and the Hungarian employment policy principles. The region's human resource development (labour market) strategy and the long-term objectives are essentially based on the objectives and priorities of the European Employment Strategy, which was approved by the European Council on March 23-24 in Lisbon. It was specified that regarding individuals and human resources, the harmonised strengthening of education, training and employment is a basic goal, along with the utilisation of new information technologies.

The European Employment Strategy assigns four general objectives:

- the establishment of a dynamic, knowledge-based and welcoming open economy,
- achieving an accelerated and sustainable economic development,
- achieving full-scale employment,
- the modernisation of a social welfare-system

The Guidelines of the European Employment Strategy may be grouped along four "pillars":

1. The improvement of the ability to be employed
2. The development of business capabilities
3. The higher rate of adaptability
4. Providing equal opportunities

The medium-term intentions of Hungary's employment policy is as follows:

- increasing the rate of activity in the labour market,
- supporting recent graduates and new job-seekers in finding the appropriate work
- decreasing the number of young unemployed,
- improving the mobility and flexibility of the workforce,
- developing the spirit of enterprising,
- improving the labour market participation of disadvantaged groups (gypsies, individuals with modified capabilities, long-term unemployed),
- decreasing the labour market differences among regional employment and supporting the equality of opportunity between men and women in the labour market

Considering these EU and Hungarian principles and objectives, but also keeping in mind the specifications of the region's human resources, the following strategic objectives can be specified for West-Transdanubia:

- Increasing the average level of qualification for human resources, attaining competitive knowledge, disseminating the idea of and creating the conditions for lifelong learning.
- In the labour market, establishing the balance between supply and demand, easing the transition from school to the workplace through the modernisation of trainings inside and outside the school system as well as the widening of adult education.
- Attaining full-scale employment, preventing long-term unemployment, improving equality of opportunity in the labour market, especially among men and women.
- Decreasing tensions and regional differences within the region, attaining the employment and settling of young people in the region.

Based on the above, the following priorities were specified for the Human resources development programme:

1. **Improving the ability to be employed**, represent the existence and improvement of characteristics, which make them capable of finding a job. This priority primarily focuses on two groups of society: the employment of long-term unemployed and new employees. Lifelong learning, the establishment of regional labour market tool and information systems and the new distribution of working hours are promoted as tools.
2. Developing enterprises and enterprising capabilities, which will help strengthen the region's economic competitiveness. The priority focuses on developing enterprising capabilities and extending employment opportunities.

3. Increasing adaptability, which is based on the concept of a flexible labour market with the precondition of a better adaptability on the part of the employees and employers. Achieving this objective is served by the regional employment pact and the extension of non-typical employment opportunities.

4. The creation of equality of opportunity, primarily specifying the general equality of opportunity among men and women and for the population living in small settlements, but also refers to promoting the returning of individuals after a longer absence from the labour market.

3.2.1. The short description of planned measures

Priority 1: The improvement of the ability to be employed

Measure 1.1.: Supporting the employment and settling of young people

- In order to promote the studies, employment and settling of youngsters, the working out and operating of innovative scholarship systems (in co-operation among youngsters, employers and local governments).
- Operation of innovative internship systems to make the transition from school to work easier; supporting the new job-seekers in gaining work experience and becoming self-employed; implementing trainings and retrainings in accordance with labour market needs.
- Working out and implementing settlement model programmes (Cupertino between young people, employers, local-governments and financial institutions).
- Introduction and application of career-planning methods, emphasising a system for career orientation.

Measure 1.2: Preventing long-term unemployment

- By combining possible forms of assistance, supporting the layers of society facing the danger of long-term unemployment in order to support the returning to the primary labour market.
- Creating and supporting the conditions of transit employment.
- Support socio-economic projects and best practice programmes in Hungary by publishing programme descriptions on the Internet.
- Establishing and supporting the operation of the set of conditions for various forms of counselling aiming at the reintegration into the labour market. The main areas of counselling may be: integration into the community, exploring working capabilities, realisation of employment, managing workplace conflicts, counselling in terms healthy lifestyle.
- The creation of public work programmes which makes it possible to create workplaces for the unemployed. The public work programmes may be completed with community programmes with important goals operated in a number of municipalities (such as: protection of the environment, road maintenance, conserving architectural values, etc.).

Measure 1.3.: Supporting new forms of training and adapting the idea of lifelong learning

Emphasising the significance of lifelong learning:
- the development of effective educational and learning methods,
- the general availability of information and counselling relating to learning,
- making individuals aware of the importance of participating in learning,
- bringing learning into the homes by applying IT technologies.

Measure 1.4.: Making the transition from school to work easier

- Establishing the network of Employment Information Counselling services (FIT) in the region, with special respect to the Győr-Moson-Sopron county FIT; the establishment of professional Cupertino among existing FIT's.
- Supporting youngsters with incomplete education through career orientation counselling, training and employment as well as the creation of special (care-training-employment) institutional systems for youngsters with inadequate or no training at all.
• For senior students, the organisation of a labour-market information system and increasing the level of labour-market information by the headmasters with the help of further training.
• Organising courses in schools which serve the development of the students' ability to find work, start enterprises and have knowledge of the professions on which they can base their career choices. As a result, it will direct their attention to the fact that they are responsible for their own lives and they can take on this responsibility.
• The organisation of forums which make it possible for the youngsters, families and schools to increase their knowledge about the labour-market and to improve the chances of finding work for new job-seekers (e.g.: training and career fairs, job fairs etc).

**Measure 1.5: Involving the disadvantaged unemployed in the world of labour**

• Supporting work assistance and mentor programmes.
• The establishment of rehabilitational and information centres in the region and supporting the operation of a rehabilitation system.
• Launching and operating training courses in rehabilitational counselling in the region's institutions of higher education.
• The establishment of more transit and protected workplaces, primarily for the employment of the handicapped as well as supported employment programmes in the primary labour market for the employment of individuals with modified working capabilities.
• Training and employment programmes for gypsies out of work.
• Training gypsy local government leaders and community organisers.
• Special and complex small regional programmes where the share of the gypsy population is high and the programme promotes the improvement of their conditions by applying the instruments of employment policy.

**Measure 1.6: Development and improvement of a regional labour market tool and information system**

• Provision of IT counselling, supporting an internet-based exchange system.
• Establishing of information points at the labour market offices through the involvement of telehouses and other community institutions, civil organisations in the professional dissemination of labour market information. Provision of the necessary training courses.
• Developing the training network of REMEK in the entire area of the region and the establishment of a new labour market institutional system with the participation of the social partners and the chambers.
• Provision of labour market information to employers.

**Priority 2: Development of enterprises and enterprising capabilities**

**Measure 2.1: Working out of self-employment programmes, developing enterprising capabilities**

• Working out and supporting the realisation of self-employment and innovative training programmes
• Expanding the scope of teaching enterprising knowledge and developing business skills both within and outside the school-based education.
• The programme for facilitating the start of small and medium enterprises at the regional level.
• Working out the support programmes for training courses preparing for EU accession.

**Measure 2.2: Expanding employment opportunities by utilising the new capabilities of the information society**

• Establishing new distance workplaces, creating new workplaces in the field of information and communication technologies as well as the environment.
• Improving the employment capabilities as well as the general support of civil organisations for a higher level of social and human provisions
• Supporting the IT and legal conditions of distant workplaces.
• Supporting the employment of disadvantaged unemployed in workplaces created in the area specified by the measure.

**Priority 3: Increasing the ability to adapt**

**Measure 3.1: Working out a regional employment pact**
• Improving employment through the co-operation of regional actors, creation of new workplaces, keeping workplaces.
• Developing and concluding regional employment pacts.
• The development of action programmes through the more effective co-ordination of resources in order to curb unemployment.
• Laying the foundations for the region's development strategies regarding the labour market as well as the harmonisation of regional development and employment policy objectives in the given region.
• Supporting the operation of a consultation network which promote the establishment of regional employment pacts.

Measure 3.2: Extending alternative, non-typical employment opportunities

• Developing publications for experiences related to non-typical employment opportunities
• Supporting part-time workplaces and rotational projects.
• Supporting on-going re- and further trainings, should part-time employees or workers on holidays and seasonal workers want to spend their time on.
• Creating new workplaces through alternative employment.
• Study on updating the legal frameworks for seasonal work.

Measure 3.3: Supporting the adaptability within the company

• Supporting training within the company
• Preparing SMEs for EU accession.

Priority 4: Establishing equality of opportunity

Measure 4.1.: The general realisation of equality of opportunity between men and women

• Establishing and operating a monitoring system to measure inequalities among the sexes.
• Realising a research on equality of opportunities in order to get to know the situation in the region (training, labour market, differences in income, enterprises, balancing work and family life, a more balanced participation in decisions, access to services, etc. Initiating measure stemming from the research results.

Measure 4.2.: Supporting the returning to the labour market

• Supporting training programmes for the returning of disadvantaged groups to the labour market.
• Supporting consultation programmes and labour market information for disadvantaged groups.
• Supporting labour market integration programmes for individuals leaving the assistance programme for the handicapped
• Creation of workplaces for individuals with changed capabilities.
• Supporting the programme for women enterprising.

Measure 4.3.: Ensuring the equality of opportunity for small settlements and disadvantaged small regions

• Supporting activities for the co-operation of existing actors in the small regions (family assistants, village masters, small-regional and development managers, MEH managers.
• Working out a regional development programme for telehouses.
• Working out local employment programmes for disadvantaged small regions
• Supporting the launching small- and medium enterprises and self-employment programmes

3.3. Programme implementation

3.3.1. Financial resources

The operative programme consists of quantifiable objectives that can also be scheduled in time. Thus, programme elements will constitute a part of the annual budgets, business plans of the participants. EU and Hungarian sources will both participate for the financing of the programme. Among EU sources, it is primarily the Phare CBC, as well as the Leonardo, Socrates and the Erasmus Funds, among national sources, the OFA, the Labour Fund and the available financial sources of the Social and Family Ministry are used. Besides, the measures can be supported from regional, local and other (especially employer's, chamber) funds.

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3.3.2. Institutional system

The Western-Transdanubian Regional Council is responsible for the implementation and co-ordination of the human resources programme for Western-Transdanubia. The strategic management for the programme is undertaken by the Human Resources Working Committee, one of the 4 committees established at the conference of the Western-Transdanubian Regional Development Council on May 8, 2000. This Committee is responsible for the operation, assessment and evaluation of the regional Human Resources programme and, by modifying priorities and reallocating funds among the measures, it ensures the successful implementation and quality of the programme. The operative management of the programme is carried out by the "Chance" Working Group also formed as one of the 4 groups established on May 8, 2000, by the Western-Transdanubian Regional Development Council, but tasks of implementation and realisation will remain with the Western-Transdanubian Regional Development Agency until the institutional system for the labour market is established. The measures which are implemented through project will be managed by the Agency itself, but for a number of measures, additional organisations involved in the region's human resources development will carry out this function. Thus, it is primarily the County Labour Centres, the Regional Labour Development and Training Centres, the Regional Social Resources Centre, the Euro-regional Co-ordinating Office, the County Chambers and the Regional Telehouse Region. Some of the activities of companies responsible for the implementation of individual organisations will be consultation on project development and implementation and technical assistance, as well as, ensuring the management of supported projects in accordance with regulations on the use of funds, information on the implementation of measures and making the programme, its measures and the projects popular.

The programme can only be implemented if, besides the organisations listed above, local governments and their associations, organisations for the representation of economic interests and professional associations, roma minority local governments and civil organisations are involved and partnerships are formed.

3.3.3. Monitoring and assessment

The analysis and assessment of programme implementation will belong to the scope of activities carried out by the Human Resources Development Committee created by the Regional Development Council. This Committee is responsible for passing decisions on modifications, if necessary, as well as the provision of all sufficient and adequate capacities required for the implementation of the programme. It is expedient to review the entire programme following Hungary's accession to the EU, since Hungary's and our region's position as well as the system of financing instruments will change. For the operative programmes worked out in the region, a unified monitoring system will be developed in the future.
ANNEX 8B

Introduction

After one year of work, the joint employment policy of Burgenland, Steiermark, Győr-Moson-Sopron county and Vas county has been developed within the framework of the PHARE CBC program.

The strategy's territorial validity is defined and flexible:
- It expresses the needs of the three NUTS II regions, it is EU conform and, in this context, it is connected to regional development, institutions for the conciliation of interests and processes.
- It lays the foundations for the connection of the three NUTS II regions with respect to employment strategy.
- It is open towards other NUTS II regions and the establishment of new, interregional connections.
- It identifies conditions for the NUTS III regions and even smaller units, open towards the NUTS I region in a bottom-up approach.

The strategy follows the EU's basic regional development principles and the objectives identified in the strategy are in compliance with the European Union's proposals for employment policy and the relevant national employment guidelines.

Situation Analysis

VAS COUNTY

Not considering the decline that took place nationally following the transition to market economy, the county's economic background is characterized by dynamic development and, as a result of a high level participation of foreign-owned companies, the significant increase in export. The indicators for industrial production and export were above the national average. The share of the private sector further increased, the role of foreign capital became more enhanced and infrastructural development accelerated. A significant share of all investments was directed towards the processing industry, more specifically individual sectors of the machine industry (vehicle production, office furniture and computer technology). As a result of the changes in the county's economy, both the rate and the structure of employment have been significantly modified. Along with the decrease in the number of employment, the share of workers employed in the primary sector fell (8.9%), the share of employees in the secondary sector increased (46.4%), while that of the tertiary sector more or less remained the same (44.5%) ⁴

Due to the privatization and/or liquidation of the former state companies, a significant number of employees were made redundant which, in 1993, lead to the peak of the rate of unemployment. The most unemployed were registered in 1993 when the number exceeded 14 000. At that time, the rate of unemployment in Vas County was 9.1%. Until today, the number of unemployed has shown a decreasing tendency. However, this decreasing trend is temporarily halted by the seasonal fluctuation: the number of people out of work is increased by the influx of fresh graduates in summer, and the dismissal of employees working in seasonal sectors in winter.

For years, Vas County has been listed as one of the most advantaged regions in terms of the labour market situation. However, in terms of the rate of unemployment, there were significant disparities between the individual regions of the county, which have slightly eased over the years. The rate of unemployment at the county level sunk under 6% in 1997.

In Vas County, the most adversely affected target groups in terms of unemployment are, on the one hand, the fresh graduates who possess up-to-date knowledge, but their qualifications fail to be in line with the labour market demand. For certain professions, the county has seen a serious over supply and, at the same time, the harmonization of training and labour market demand, the on-going tracing of corporate needs and a flexible adaptation to them are missing. Within the number of registered unemployment, the share of so-called long-term unemployment (i.e. those out of work for more than 6 months) is significant. This number showed a strong rise especially between 1993 and 1994 and fails to lose its significance even today. In 1997, the share of long-term unemployment was 20% within all registered unemployed.

⁴ The data refer to January 1, 1996. Source: KSH
ZALA COUNTY

In terms of economic indicators, Zala County shows the most disadvantageous situation within the West-Transdanubian Region. Structural changes brought about by the transition to market economy caused serious losses in almost all areas of the industry, primarily in the machine industry. The county’s economy began to get back on track by the second half of the decade. The increase of GDP/capita between 1994 and 1996 was 56.1%. The number of all registered economic organizations more than doubled in the past 6 years. A contrast can be observed between the development of the economic organizations and the number of employees. This can be explained by the continuous decrease in the economically active population, also present at the national level. When we examine the distribution of employment among the economic sectors, the situation is similar to those of the other two West-Transdanubian counties. 8.7% of all employees work in the agriculture, 41.8% in the industry, while the share of workers employed in the tertiary sector amount to 49.4%.

In Zala County, the rate of unemployment reached its maximum in 1993 as well (10.8%), when 16,725 individuals were registered as unemployed. Similarly to Vas County, the decreasing tendency of unemployment is also influenced by the seasonal effects, primarily due to the seasonal employment of the recent graduates and in the building industry, agricultural and tourism sectors.

Similarly, among the target groups most adversely affected by unemployment, the group of long-term unemployed stands out in Zala County. Regarding gender composition, it can be stated that the unemployment of men is more characteristic (the long-standing share being of men being 60% to that of women). The number of recent graduates has been continuously decreasing within the unemployed. However, data regarding highest qualification do not show significant changes: The number of individuals with elementary school education is around 40% and the share of college/university graduates is approximately 3% among all unemployed.

GYŐR-MOSON-SOPRON COUNTY

The county’s economy is characterized by continuous growth. In terms of economic indicators, the county boasts of outstanding results even in national comparison, primarily due to the significant presence of foreign capital and multinational companies in the region. In the productive sectors, production and sales have risen more intensively than in previous years and the demand for technical workers, skilled workers and unskilled workers significantly increased in the machine industry, mainly in the Győr area..

Regarding the period in question, the rate of employment shows a decreasing tendency (between 1994 and 1996, this number fell by more than 7 thousand, i.e. 6%), while in 1997 the number of employed shows a slight increase.

The largest group of the unemployed was that of the long-term unemployment. Regarding gender composition, significant changes did not take place, men represent a steady 53-55%. Unemployment has especially negative impact for individuals with low levels of schooling. 36% of all registered unemployed had only elementary school education. The share of recent graduates continuously decreases in the labour market (6.0% in December, 1997). The cooperation between the labour center and the county’s institutions of higher education highlighted the need to establish a dynamic balance between the demand of the labour market and education and training.

BURGENLAND

The improving economic indicators had a positive effect on the labour market. In Burgenland 77,099 (43,934 men and 33,166 women) employees were registered which means a rise compared to the previous year. The decreasing tendency in the area of positions wanted (open positions) could be halted. In Burgenland, 1.9% of the workforce is employed in forestry and agriculture, 33.1% in the industry, while 65% work in the service sector.

Despite the favourable trends in employment, the further increase of the rate of unemployment is expected. In 1997, an annual average of 7,596 individuals (4,094 men and 3,502 women) were registered as unemployed at the regional offices of the Burgenland Labour Center which exceeded the previous year’s data by 395 individuals, i.e. 5.5%.

Regarding unemployment, special attention must be paid to the increasing number of the long-term unemployed. In 1997, a yearly average of 1,790 individuals were registered as being out of work for more than 6 months, which shows an increase of almost 20% compared to the previous year. While the rise in the share of the young unemployed (under 25 years) eased (+46 individuals, that is +3.4%), the labour market position of the older unemployed (50 years and older) unexpectedly weakened (+250 individuals, that is +25%): In 1997, 16% of all registered unemployed were 50 years old or older.
The structural changes, i.e. the relocation of low-paying workplaces to Eastern European countries mainly impacted women. The women’s return to work was impeded by their limited mobility, their role in rearing children and their low level of schooling. In 1997, the rate of unemployment among women clearly surpassed that of men. The labour market of Burgenland is characterized by a weakening tendency from north to south: in the northern part of the province, the labour market situation displays more favourable data than that in the southern region of Burgenland. These conditions are due to the vicinity of the northern areas to Vienna.

**STYRIA**

The Styrian economy has shown a high rate of development since 1991 which, according to the data of 1997, contributed to the strong rise in the number of employed and the decrease in unemployment. Among the sectors of the economy, the rate of employment changed most favorably in the service industry (65% in 1997). 1.0% of the workforce is employed in the agricultural and forestry sector while 34% works in the industry. New workplaces opened particularly in the metal and building industries, commerce and tourism. Between 1991 and 1997, the number of employees grew by 11 000 which was characteristic for women employees only, while the number of men employees fell during the same period. The latter decrease took lace due to the structural changes in the Upper-Styrian heavy industry. The rise in the number of women employees, along with the emerging flexibilization, plays a decisive role in shaping the new data. According to the results of the latest study on part-time employment of women, the share of women working with such time-schedules is almost at 30%. At the same time the share of long-term unemployed (those out of work for over 6 months) also increased. While in 1991, an annual average of 29% of the unemployed were jobless for more than 6 months, the same data for 1997 showed an increased share of 33%.

<table>
<thead>
<tr>
<th>Strengths:</th>
<th>Weaknesses:</th>
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<tbody>
<tr>
<td>• Advantageous geographical location, the Hungarian and Austrian areas constitute one geographical unit</td>
<td>• The Austrian provinces display the highest rate of unemployment in the country.</td>
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<tr>
<td>• Low rate of unemployment in the Hungarian areas</td>
<td>• Aging population, decreasing active population.</td>
</tr>
<tr>
<td>• Decrease in the number of registered unemployment</td>
<td>• Decline in employment</td>
</tr>
<tr>
<td>• Increase in the number of new workplaces</td>
<td>• High percentage of long-term unemployed, extended time-period of unemployment.</td>
</tr>
<tr>
<td>• The decisive presence of foreign capital especially in the Hungarian counties</td>
<td>• Relatively high rate of unemployment among recent graduates</td>
</tr>
<tr>
<td>• Dynamic economic growth</td>
<td>• Low schooling of the jobless</td>
</tr>
<tr>
<td>• Well-trained workforce</td>
<td>• Seasonal unemployment</td>
</tr>
<tr>
<td></td>
<td>• In certain areas, the number of workplaces requiring higher qualifications is low</td>
</tr>
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<td></td>
<td>• Areas with small villages</td>
</tr>
</tbody>
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**Opportunities**

- Establishment of a flexible training structure
- Harmonization of the demand and supply structures of the labour market
- Mutual exchange of experiences, know-hows transfer
- Joint transfer and application of EU best practice models
- Improvement and development of the infrastructure for adult education
- Extended application of active employment policy instruments
- Establishment and strengthening of interconnections between the economy, education/training

**Risks**

- Labour market disparities within the region
- Lack of a local suppliers’ system
- Relative lack of workforce in certain trades
- Innovative potential is low
- The share of wage work within the industry is high
- Higher education in economy is missing
- Weak business services
- Low number of part-time workplaces especially in the Hungarian counties
CONCEPT

I. General objective

Decreasing the rate of unemployment

The most important objective of the cross-border labour market cooperation is to use the experiences gained during the application of instruments used to manage unemployment and to solve problems on both sides of the border by developing and operating joint instruments that considers regional conditions, as well as to ensure the harmony between demand and supply in the labour market.

II. Main target areas

- Active labour market policy to support structural change and transition, harmonizing the demand and supply structure of the labour market
- Creation of a labour market policy supporting net
- Establishment of a joint European dimension, the support of training, adult education and re-training
- Creation of new workplaces

III. Strategic objectives

2. Fighting youth unemployment.
3. Professional integration of employees with modified capabilities
4. Exploration of new employment areas.
5. Supporting professional mobility.
6. Establishment of services offered to the jobless and ensuring the financial security of the unemployed in accordance with the labour market's level of development
7. Coordinated procedure between the social partners, regional bodies, educational/training institutions and the labour administration, the adjustment of the educational/training structure and the labour market demand
8. Creation of a positive climate for investments.
9. Establishment of structures for the creation of the EUREGIO

1. Hindering long-term unemployment

The percentage of long-term unemployed is growing on both sides of the border. As a result of poverty and outdated professional skills/knowledge which are often consequences of long-term unemployment, individuals in this situation often face the danger of social exclusion. Besides applying the labour market and employment policy instruments, further steps must be taken to hinder the emergence of long-term unemployment in a forward-looking vision of labour market policy. The precondition for early intervention and successful reintegration is the establishment of a quality consulting service and adequate special educational structures, especially the combination of education/training with work experience.

2. Fighting youth unemployment

The key to protect the youth from unemployment, especially from long-term unemployment is timely intervention. The danger of unemployment for unskilled youth is several times higher than for the qualified individuals. Timely steps have to be taken against backwardness in and falling out of schooling, one of the effective methods being the creation of career-orientation programs providing help in choosing a career. The professional training of young people shall be adjusted to the current training standards, and, if possible, the training shall be ensured to all young individuals.

3. Professional integration of employees with modified capabilities

As a result of the low number of workplaces, labour market rivalry puts handicapped people in a losing position in the competition for jobs. According to current labour market analyses, the number of physically, mentally and psychologically handicapped is continuously rising. Thus, these groups must be strongly supported (positive discrimination) to enable them to participate in professional life similarly to healthy individuals. Ensuring that the public and the potential employers display higher sensitivity to these issues has special significance in this context. The same is true for establishing professional rehabilitation centers as well as the training and further education of the handicapped. New forms of support shall be created, such as accompanying the handicapped individual to the workplace (work assistance).
4. Exploration of new employment areas

Modern communication technologies or new professions relating to ecology and conservation can be mentioned as examples. Working out training programs in accordance with economic demand, maintaining continuous cooperation among economic, educational and labour organizations.

5. Supporting professional mobility

This objective can be reached through a permanent educational strategy and flexible methods helping the fast adaptation to the market. In order to make cross-border cooperation easier, career visions shall be adjusted and trainings shall be carried out with comparable content and form. The process of mutually acknowledging the qualifications shall be accelerated.

6. Establishment of services offered to the jobless and ensuring the financial security of the unemployed in accordance with the labour market’s level of development

On both sides of the border, the establishment of a comprehensive service and consultation system remains an important priority for individuals searching for work as well as the potential employers. This includes a regular information service and comprehensive consultation provided to those looking for work and the potential employers. Job-search and programs promoting the involvement of private resources shall be supported and comprehensive information shall be provided on opportunities for further training.

7. Coordinated procedure between the social partners, regional bodies, educational/training institutions and the labour administration, the adjustment of the educational/training structure and the labour market demand

One of the most important pre-conditions for successful employment policy is the coordinated procedure of regional actors. The existing instruments and employment policy actions on both sides of the border should be harmonized. Thus, the most important instruments and strategies could be transferred from one region to another. Moreover, it should help ensure that scarce resources are used where it is needed the most. As a result of these actions, "The roundtable of social responsibility" is created, which needs to become the starting point for social and labour market policy innovation.

8. Creation of a positive climate for investments

Importantly, the successful development of the border region depends on the attractiveness of the selected region. This includes the existence of a personnel qualified according to the needs, as well as the technical infrastructure, accessibility, economy-friendly services and the provision of financial support. For this end, appropriate areas and industrial parks, assistance programs supporting the establishment and extension of production plants as well as competent consulting systems must be made available. The legal pre-conditions must be made unified and easier for the investors. In the long run, a joint marketing strategy for the region must be worked out for the international investors. In order to achieve this, all institutions involved in the establishment and extension of production plants must work out a coordinated procedure. As an additional condition for a positive investment climate, the high-level cultural and leisure facilities shall be created for the prospective investors and managers.

9. Establishment of structures for the creation of the EUREGIO

The cross-border cooperation must attain that living and working conditions are equalized on the two sides of the border. Starting from the already existing initiatives, such as cross-border industrial park, nature parks, new structures shall be set up, i.e. particularly training facilities, schools, consulting institutions and employment-information centers. The cautious opening of the border for labour force (commuters, interns from the border region) has great significance. As a further step, the cross-border labour exchange shall be realized in practice through the establishment of the EURES Office (European Employment Service).

The region shall be made unified by building a network of partnerships, developing projects in a joint effort and exchanging experts.

IV. Instruments for implementing the strategic objectives

1. Labour exchange
2. Exploration of situations wanted
3. Information, consultation
4. Training, job-search club in Austria and Hungary
5. Training fair and job fair
6. FIT. Establishment of employment and career-orientation information centers
7. Special counseling for target groups on the periphery of society (alcohol and substance abuse, previously incarcerated, homeless, AIDS patients)
8. Market-oriented training for the unemployed
9. Re-training of individuals working (helping structural change), prevention
10. International labour exchange (EURES)
11. Promoting regional development
12. Helping mobility (workforce recruitment, rental flat market)
13. Development of the secondary labour market (social employment projects, community work, non-profit organizations)
14. Supporting self-employment and the creation of enterprises
15. New, innovative models for working hours and employment (part time, solidarity benefits, smooth transition)

| 16. Innovative professional workshops, future workshops |
| 17. Commuting in the border region |
| 18. Labour market measures in case of high scales of dismissals (Retraining courses, job-search courses, RAPID RESPONSE SYSTEM) |
| 19. Supporting employment (supporting young people in gaining work experience, salary assistance, employment assistance – may be implemented at the place of practice where the youngster spends at least one year) |
| 20. Support for the retaining of workplaces |
| 21. Modernization of information system (establishing an IT connection between the two countries). |

VI. Preparation for the eastward expansion of the European Union

It will be the task of the cross-border cooperation to create a stable labour market and employment policy framework for the EU integration process

**The following instruments are recommended**

- Joint conferences and seminars on essential employment and labour market policy topics
- Workshops on the innovations of labour market policy for the implementation of Best Practice transfers. Supporting and disseminating innovative instruments for the actions against unemployment
- Realization of mutual internship opportunities using EU programs (such as Leonardo, Phare, Interreg etc.)
- Establishing partnerships for the realization of concrete plans
- Implementation of cross-border pilot projects in the scope of training, community work and social projects
- Establishment of monitoring management systems.
- Establishment of cross-border labour exchange structures relying on the EURES practice.
- Cooperation in the framework of a cross-border industrial park
- Setting up a joint office for the planning, implementation and tracing of the planned cooperation.
- The cautious opening of the border for the supervised exchange of labour force (commuters, interns, quota regulation for joint ventures, separate regulations for the employment of foreigners).

**Joint conferences and seminars on essential employment and labour market policy topics**

The Austrian-Hungarian Labour Conference is held annually in Szombathely in order to make recent knowledge and experience accessible to the professional labour entities both in Hungary and Austria and to specify proposals to the labour management branch of the government.

In preparing for the EU accession, the traditional conference has to be complemented with additional conferences and seminars. Knowledge has to be gained on the policy of the EU and the operation of the European Social Fund in time.

The Social Fund of the EU (ESF) exclusively supports the connection between training and employment. Thus, in case of social projects, the ESF provides financing only in case of employment and training projects. In the project concept, the detailed content of the training must be described with special respect of the extension of the training part.

In case of solely employment projects, the ESF cannot provide co-financing.

As it is well-known, the EU does not want a second labour market in the long run, only transitions. The EU clearly specifies that support – i.e. training – must be provided to workers who are employed by economically threatened companies or in such regions. Thus, it is feared that employees are provided preventive and regional assistance, while adequate resources for the support of long-term unemployment is lacking.

**Workshops on the innovations of labour market policy for the implementation of Best Practice transfers. Supporting and disseminating innovative instruments for the actions against unemployment**
Labour market innovation, plays a great role in the strategy of West-Transdanubian counties, thus it is important to keep this position. The EU-member Austrian border provinces and the Hungarian counties jointly utilize experiences, innovation opportunities and ideas → the so-called professional future workshop is created. Since employment innovation is almost endless in the areas below:

Realization of mutual internship opportunities using EU programs (such as Leonardo, Phare, Interreg etc.)

The EU supports the establishment of connections between EU and non-EU states. It must be achieved that the use of existing and available resources are more effective. The opening of the border to the commuters takes place on the basis of a bilateral agreement. The same is true for the system of internship. By extending the internship system, the opportunity shall be created for understanding the projects and programs in practice and the implementation on the other countries shall be examined.

Thus, the exchange program for trainers and teachers working in training programs shall be emphasized. This is a method through which the EU’s concept of “life-long learning” is carried out in the regions taking place in the transition process.

Establishing partnerships for the realization of concrete plans
The cooperation of organizations on both sides of the border is very beneficial in developing and implementing specific labour market projects!

The partners can provide help to each other, which can help decrease the risks of projects and decrease the efficiency.

In the EU, during the development and realization of the projects, the ones which include a significant share of training and are capable of involving local funds are evaluated more favorably. The projects also aim to promote the cooperation of several institutions at the local and, in addition,

- to achieve the employment and social integration of the unemployed,
- to produce and provide goods or services that are marketable and useful to society.

In terms of social and employment policy aspects, it makes sense to use public funds for activities and services that are useful to society, thus creating work opportunities instead of using these funds for passive assistance and, at the same time, give up income stemming from such employment.

Implementation of cross-border pilot projects in the scope of training, community work and social projects
The 3 West-Transdanubian counties and Burgenland implemented one of the outstanding projects in cross-border project implementation in 1998.: 14 Hungarian and 14 Austrian career orientation trainers were trained in a joint effort. The project was financed by the PHARE CBC and the INTERREG II. and the training was carried out by the REGINNOV KFT. on the Hungarian side and BFI on the Austrian side. Based on the experiences of the pilot project, the planning and implementation of specific, cross-border projects must be promotes in the future in other areas as well, e.g. community work, social projects. Involving consulting firms in the preparations and realization would also help the process.

Establishment of monitoring management systems
The implementation of individual labour market projects shall be supported by a monitoring system. Experiences gained during this process shall be used and included in the planning and implementation of the next project.

Establishment of cross-border labour exchange structures relying on the EURES practice
Ensuring the flow of information between the labour market organizations on both sides of the border. A great challenge for the future is the provision of mutual information on the labour market situation, services and opportunities. In Austria, the EU’s information system (EURES) is used and experiences on the introduction and application of the system are already available. Establishing an IT connection between the two countries would show a great progress in the Austrian-Hungarian cross-border cooperation.

Cooperation in the framework of a cross-border industrial park
The cross-border industrial park is a special area of cooperation between the two countries. The Identifying the industrial sectors that settle in the region requires extended consultation Creating the free flow of goods and services is a highlighted area: the free movement of labour force shall be ensured in the area of the cross-border industrial park.

Setting up a joint office for the planning, implementation and tracing of the planned cooperation
For the better utilization of opportunities in cross-border cooperation, the establishment of a joint office is worth considering.

The objective is to prepare, implement and monitor the labour market projects in the border region.
Thus, the influx of national and EU assistance funds could be induced which would promote the development of the border region.