STANDARD SUMMARY PROJECT FICHE

PROJECT NUMBER HU0008-03

1. Basic Information
1.2 Désirée Number: HU0008-03
1.3 Title: Employability and long-term employment of multiply disadvantaged groups (ESF type pilot project)
1.4 Sector: Economic and Social Cohesion
1.5 Location: Hungary - NUTS II regions Northern Hungary, Northern Great Plain and Southern Great Plain

2. Objectives
2.1 Wider Objective(s):
The wider objective of the project is to increase the economic activity in the selected target regions.

2.2 Immediate Objective:
The first immediate objective of the project is the improvement of employability and the reduction of the long-term unemployment amongst disadvantaged youth, people living with disabilities and other marginalized groups of the population with special emphasis on the Roma.
The second immediate objective is a Hungarian institutional system well prepared to participate in European structural policies of the kind carried out with the support of the European Social Fund (ESF).

2.3 Accession Partnership and NPAA priority
One of the AP objectives is to provide the basis for the participation of Hungary in the Structural Funds. This is stated in the objectives chapter of the AP Annex. It is exhaustively dealt with in the AP medium-term priorities for the field of economic and social cohesion.
The NPAA affirms in its Chapter 5.2 on Employment and Social Affairs that a comprehensive institutional preparation for receiving funding from the European Social Fund as well as for developing and managing programmes has to be started.

2.4 Contribution to National Development Plan
This pilot project is targeted at the three NUTS II regions of
• Northern Hungary;
• Northern Great Plain; and
• Southern Great Plain
The Hungarian Government has identified the three as priority regions in its Preliminary National Development Plan (PNDP). The project will carry out priority actions described in the Human Resources Development chapter of the PNDP.
Target groups and activities of the project are prioritised by the Regional Development Plans of the three target regions. All three Plans identify as high priority the provision of differentiated, special support to improve the employability and fostering labour market integration / reintegration of multiply disadvantaged groups of the population. Disadvantaged or multiply disadvantaged groups are defined to include the following:
• young people entering the labour market,
• disadvantaged youth,
• long-term unemployed,
• members of the Roma minority,
• people living with disabilities.

More specifically, the three Regional Development Plans contain the following references to the project priorities:

**Northern Hungary:**
- Chapter 2.4.1: Broader inter-sectoral priorities; 1. Human Resources Development; point 1.7 and 1.11,
- and
- Chapter 3.: Priority interventions within the frame of the Phare programme; 3.2.2 Human Resources Development; proposed Phare intervention 1, 2 and 3.

**Northern Great Plain:**
- Chapter 3. Regional priority interventions, II. Development of Human Resources and services; second sub-programme, and
- Chapter 5. Operative programmes – Phare 2000 programme; 2. Employment and Human Resource development; 2.1 Labour market developments; Regional priority II. sub-programme no.II/1

**Southern Great Plain:**
- Chapter 3. Priority interventions within the Phare programme; Priority 2.

3. **Description**
   The project will provide innovative assistance to those disadvantaged groups, which face most serious difficulties in entering the labour market and finding stable employment. Routine labour market measures have proved to be either ineffective or insufficient to change their plight. Well-targeted additional support, often at sheltered workplaces will be needed to increase social cohesion in Hungary.
   The project will yield practical experience with alternative methods, models, and institutional systems that will be consistent with participation in the Structural Funds after membership. They will be fully developed, pilot-tested, and will be ready for use in the context of the structural policies of the European Union.

3.1 **Background and justification:**
   The project addresses very specific social needs as illustrated by the statistical annexes of the Human Resources Development Chapter of the PNDP. The following gives a brief interpretation of these data to provide a justification of the project activities specified in section 3.4 below.
   In all three target regions, the rate of employment is below the national average of 47.7 percent. Two of the three regions, namely Northern Hungary and Northern Great Plain, have the highest unemployment in Hungary. The two have also the highest long-term unemployment. Moreover, since 1990 two counties in Northern Hungary (Borsod-Abaúj-Zemplén and Nógrád counties) and one in Northern Great Plain Region (Szabolcs-Szatmár-Bereg County) have the highest rate of unemployment in Hungary.
Focusing only on the rate of unemployment, the situation appears better in the Southern Great Plain. Yet, the rate of the inactive population is above the national average in this region as well.

Youth unemployment is a major problem throughout Hungary. Low educational level in general increases the risk of being unemployed. The ratio of people between 15-29 years, who do not continue their education, is the highest in the target regions. The increase in the number of young people at risk is also above the national average in the three target regions. This trend if not stopped will lead to even higher unemployment and long-term unemployment.

The rate of unemployment is much higher amongst the Roma than the national average, and it is growing. In some settlements 80-90 percent of the Roma population is unemployed. The situation can be illustrated by data from recent sociological surveys: The ratio of unemployed amongst Roma men in the working age group is estimated as 69.4 percent. Yet, 40.2 percent of the unemployed Roma are not even registered. The number of inactive population is very high amongst Roma in general and especially amongst Roma women. In all these cases, the principal reasons are the generally low educational level of the Roma and the fact that their places of residence and their typical places of work are concentrated in the crisis regions of Hungary.

The high share of Roma in the three target regions compounds the problem. Compared to national averages, the percentage share of the Roma population is the highest in Northern Hungary and Northern Great Plain where 24.2 percent of the entire Roma population of Hungary is living. Some 9 percent of the regional population are Roma, and in some micro-regions, the ratio of the Roma population can reach 30-40 percent of the entire population.

The number of people living with disabilities is estimated as 200,000-300,000 in Hungary. Only 15 percent of them are economically active. State-owned and state-funded institutions are their main employers. The estimated number of disabled people working in sheltered workplaces is approximately 30,000. So far, employers are not motivated in offering employment for people with disabilities. This is despite the fact that in many cases only minor adjustment of the working environment, or in the working tools, or use of alternative ways of communication could establish the base for an integrated employment.

### 3.2 Linked activities:

Since 1990, the Phare Programme has assisted the improvement of the employability of disadvantaged youth and/or the establishing of conditions for long-term employment of unemployed or marginalized groups of the population. The Phare support has included the following projects:

- **HU9008 Social Development**
- **HU9204 Employment and Social Development**
- **HU9209 Social Policy Development**

There are also ongoing Phare activities funded, for instance, by project no. HU9901-01. The project is directed at preventing the social exclusion of youth with multiplied disadvantages with special emphasis on the Roma. It will help eliminating discrimination within the education system. The present programme targets those cases where the disadvantaged situation on the labour market has been developed already. Thus, the activities of the present project are complementary to that of project HU9901-01.
Phare 2000 contains project no. HU0001 that will actively seek to harmonise the social integration of the Roma with the general development of the Hungarian society as well as ensuring justice and equality of social opportunities for the Roma.

Finally, co-ordination will be assured with horizontal Phare programmes open for NGOs in order to avoid overlapping and parallel financing of organisations considered as eligible for support. Such horizontal programmes are the by now finished LIEN, Democracy and Partnership Programmes, under which some projects are still under implementation, and the new horizontal programme ACCESS and the European Initiative for Democracy and Human Rights. All these past, current and future activities will be closely co-ordinated with the present project.

3.3 Results:
Employability of approximately 1,000 people will be improved and their labour market (re)integration will be achieved. Amongst them will be about
- 470-500 young people with (multiple) disadvantages,
- 430-460 Roma, and
- 70-75 people living with disabilities
Models for innovative policies concerning training and labour market integration or re-integration will be developed for subsequent application of the structural policies of the European Union in Hungary.

3.4 Activities:
The project will implement a grant scheme with activity clusters tailored to the needs of the different target groups. Each cluster will combine two measures: 1. training to improve employability/adaptability followed by 2. employment.

The three activity clusters are the following:
Cluster 1: Programme to foster the social and labour market (re)integration of (multiply) disadvantaged youth
Cluster 2: Programme to foster labour market (re)integration of people belonging to the Roma minority
Cluster 3: Retraining and employment programme to foster labour market (re)integration of people living with disabilities

General features of the grant scheme:
Eligible organisations as main applicants: Non-governmental organisations
Local co-operation partners: public employment services, child- and youth protection services, local governments, minority local governments, professional organisations, chambers of commerce, social partners and private (mostly SME) or public sector for-profit or non-profit actors as future employers

Individual non-governmental organisations and consortia with local co-operation partners will equally be eligible for support. In all cases only non-governmental organisations will be eligible as lead applicants. Individual non-governmental organisations will be eligible for support only in case they themselves are ready to offer stable employment for the target group following the training period. Those projects will be supported that are based on local initiatives and co-operation and are
in line with the policies of the concerned region. Co-operation of different local actors will be encouraged. Eligible projects must obtain financial support equal to 10% of total project costs from local resources. Public Employment Services, Local Governments, Minority Local Governments, Chambers of Commerce, professional organisations, social partners other private or public sector actors may contribute to the local co-financing.

Special eligibility requirements towards the main applicant organisations:
7. must be established before December 31, 1998 according to all formal requirements of the Hungarian legislation;
8. must prove stable financial situation;
9. must not have any public dept;
10. must ensure a guarantee for employing members of the target group participating in the project for at least 18 months following the preparation(training) period.

Approach:
The project promoters shall demonstrate as part of their application that the projects they proposed are based on local needs. Applicants will carry out a proper needs assessment including methodology how the target group will be reached and how they will select project beneficiaries. Project applicants will also have to demonstrate in their proposal how the principle of equal opportunities will be taken care of in this regards. NGOs can provide training and act as future employer for the target group as well but can also establish co-operation with future employers from the private (mostly SME) or public sector for-profit or non-profit actors. Each project will include the following elements: job-orientation, motivation, close up training or retraining carried out in organic unity with employment. Training will be outside the school system, nevertheless after completion of the training period trainees will be able to obtain qualification recognised by the National Training Register (OKJ). Special tailor made service provisions will support the labour market (re)integration of the target groups. These will include: training modules for personality development, mental training, training targeting future employers, support to keeping up employment like transportation service to work place and medical conditioning in case of disabled, continuous counselling and follow up.

Project period:
24 months comprising of 6 months preparatory phase, 12 months employment phase, 6 months follow up phase;

Sustainability:
Applicants will have to present a detailed financial plan as part of the application in which they will have plan and provide guarantees for the sustainability of the project.

Special features of the Activity clusters:
Activity cluster 1 will increase or establish employability of (multiply) disadvantaged people between 16 and 24 years of age, and support their labour market (re)integration. The number of organisations to be supported will total 32 approximately. Their regional distribution will reflect actual needs.

A disadvantaged or multiply disadvantaged person is defined to belong to one or more of the following groups:
7. unemployed who have completed primary education (or not even that), but did not obtain any qualification;
8. who have completed secondary education but are more than one year out of work;
9. unemployed who have completed primary or secondary education, and who are for any reason in danger;
10. those living in institutional care or will leave institutional care soon;
11. those who have just left institutional care;
12. those who have just completed an imprisonment;
13. those whose imprisonment has been suspended;
14. those recovered (or on the way to recovery) from an addiction;
15. homeless,
16. those living in marginalized families;
17. those living in a one-parent family, or in families without a breadwinner.

The project will offer training and transit-employment programmes that will be practice oriented including personality development modules. Training will take into account the special position, skills and possibilities of the specific target group and provide a tailor-made solution for their special problems. A special methodology and curricula will be developed. Once the training programme has been completed, the employability and the access to the labour market of the trainees will be improved. They will obtain a qualification recognised by the National Training Register (OKJ). They will have become capable to join further education if they wish so. In a wider context, they will no longer need to live on social assistance, and they will not place their own families in the same disadvantaged position they have been living in. Graduates of the training programme will be offered stable employment to practice the skills learnt and to stabilise and strengthen their “work ethic”. Future employers will be from the private, public or non-profit sector.

It is expected that in total some 470-500 young people will benefit from the project.

Activity cluster 2 concerns a programme to improve employability and to foster long-term employment of the Roma. The following groups of the Roma population will be especially targeted:
• those with very low educational level, who are not able to get access to the labour market and who are for that reason unemployed over a long-term;
• those young Roma entering the labour market who have completed primary education but failed to reach qualification; and
• those young Roma entering the labour market with qualification.

The scheme supports the improvement of employability and labour market (re)integration of the target group. The project will offer training for those without qualification. A special methodology and curricula will be developed according to the needs of the target group. Those without qualification will be able to obtain one recognised by the National Training Register (OKJ). Graduates of the training programme will be offered stable employment. Future employers will be from the private, public or non-profit sector.
Altogether some 430-460 Roma will be trained and their access to employment will be supported. The expected number of projects supported under the grant scheme is 30 all together in the three regions approximately.

Activity cluster 3 concerns a retraining and employment programme to foster labour market integration of people living with disabilities. The target group is comprised of mentally and physically disabled. In both cases, only people with slight or medium degrees of disabilities will be targeted.

The programme will include training / retraining, and mental training and may contain elements supporting keeping up employment like medical services and transfer service to work place. Organisations employing disabled person that are trained within the programme will also receive support. This will include training of the personnel to tolerate being different, development or adjustment of working tools and working environment to the type of disability of the future employees.

The programme will provide support for establishing the basic conditions for integrated employment of disabled, which is a grass-root initiative and is based on urgent needs of the target group and also required by the law on equal opportunities for disabled people. Establishing conditions for becoming self-employed will also be encouraged.

It is expected that approximately 70-75 disabled people will be retrained and reintegrated into the labour market. The estimated number of projects supported under the grant scheme is 6 approximately.

4. Institutional Framework

**DEFINITIONS:**

- **RDCs (Regional Development Council):** Composition of the RDC is determined by the amended Act on Regional Development
- **RDAs (Regional Development Agency):** Executive and management organisation of the RDCs
- **DPC (Decision Preparation Committee):** Drafts selection criteria and responsible for project selection. The DPC is to be limited to 10 voting members comprising:
  - 1 representative of PAO,
  - 1 representative of the co-financing ministry (Ministry of Social and Family Affairs),
  - 1 representative of County Public Employment Services (Labour Centres),
  - 1 representative of Minority Local Governments,
  - 1 representatives of county or major town self-governments,
  - 1 representative of social partners,
  - 1 representative of County chambers of commerce,
  - 2 representatives of the EC Delegation.

The DPC will include a chair from the RDC and a non-voting secretary from the RDA. IA collects recommendations for representatives from the relevant authorities/ institutions. The list of the Committee members (with CVs attached) is subject to the ex-ante approval of the PAO of the co-financing ministry (Ministry of Education) and the EC Delegation.
• National Monitoring Committee for PNDP measures co-chaired by the National Aid Co-ordinator and the Ministry of Agriculture and Regional Development comprising:
  • 1 representative of the Ministry of Education
  • 1 representative of the Ministry of Social and Family Affairs
  • 1 representative of the Ministry of Economy
  • 1 representative of each RDC of the target regions
  • 1 representative of social partners
  • 1 representative of chambers of commerce
  • 1 representative of the EC Delegation
  • IA (Implementing Agency): Retains final responsibility for programme implementation

1. PREPARATION OF THE PACKAGE OF CALL FOR PROPOSAL, EVALUATION CRITERIA, AND APPLICATION FORM BASED ON THE PROVISIONS OF THE ‘VADEMECUM ON GRANT MANAGEMENT’
• Initiated and co-ordinated by IA, RDA drafts the call for proposal, the evaluation criteria and the application form in consultation with Labour Centres and the Regional Centre for Evaluation and Examination on Public Education as the entities concerned in that field at regional level. RDA will be responsible for local social dialog and liaise with social partners and chambers of commerce.
• IA must liaise with the RDC and the co-financing Ministry of Social and Family Affairs, then submits the final version of the documents to the EC Delegation for approval. The consultation shall also involve the representatives of universities and colleges of the region, chambers of commerce and industry, county and major town self-governments as members of the DPC.
• EC Delegation endorses the documents

2. PUBLICATION OF THE CALL FOR PROPOSAL
The IA takes all appropriate measures to ensure that the regionally publicised call for proposal reaches the target groups

3. PROJECT SELECTION PROCESS
• RDA collects and registers incoming project proposals. RDA checks the proposals for conformity with the formal requirements and basic eligibility criteria determined in the call for proposal. RDA administers the process, forwards its report and a copy of the proposals to the members of the DPC.
• DPC discusses the report and compiles a package of projects proposed for support within the available budget. A reserve list – not exceeding 15% of the value of the package – may be proposed within the package. The DPC meetings are to be minuted and the minutes annexed to the proposed project list.
• RDC discusses the project list and makes a final project selection from within the list(s) drafted by the DPC, then forwards the final list to the IA
• IA in liaison with the co-financing Ministry of Social and Family Affairs approves the selection process and the project list proposed for support
• EU Delegation endorses the selection process and the project list

4. CONTRACTING (PAO DESIGNATED IN THE MINISTRY OF SOCIAL AND FAMILY AFFAIRS)
Grant contracts will be drafted according to a format approved by the Commission using the model of the SCR grant contract format. A copy of the signed grant contract is to be sent to the EC Delegation for ex-post control.

- The PAO representing the co-financing ministry signs the Grant Contracts with the beneficiaries based on the project list approved by the IA and the EC Delegation

5. **IMPLEMENTATION OF THE SELECTED PROJECTS BY THE BENEFICIARIES**

- Beneficiaries subcontract suppliers of goods and services or works, in line with Phare procurement regulations annexed to the Grant Contract
- The decentralised system established for CBC is to be applied to the entire programme, i.e. no ex ante control of the procedure is undertaken by the EC Delegation for projects under 300,000 Euro (or any increased threshold to be fixed by EC Headquarters in the meantime for small project funds under CBC programmes)
- Contracts above 300,000 Euro (or any increased threshold) must be sent to the EC Delegation for endorsement

Financial control will be executed by the RDAs under the authority and the responsibility of the IA.

6. **FINANCIAL MANAGEMENT OF THE SELECTED PROJECTS**

- The supplier invoices the beneficiary who checks it
- The invoice is submitted to the RDA which checks it and submits it to the IA
- IA prepares the Payment Order and submits it to the National Fund
- The National Fund makes the transfer to the supplier.

7. **MONITORING OF THE PROJECTS IMPLEMENTED BY THE BENEFICIARIES**

Project monitoring is undertaken by the RDA with the involvement of County Public Employment Services (Labour Centres) as relevant regional institutions based on the monitoring and evaluation principles elaborated by the IA. The RDA prepares regular reports to the IA and the Ministry of Social and Family Affairs. The reports will be discussed by the DPC and approved by the RDCs. IA is responsible for discussion of reports with the EC Delegation. Any new action requires the approval of the EC Delegation and the co-financing ministry.

8. **MONITORING OF PNPD MEASURES FINANCED BY PHARE**

IA is responsible for elaboration of regular monitoring reports on the measures implemented under its responsibility in all target regions based on the regional monitoring reports. The reports will be discussed and approved by a National Monitoring Committee for PNPD. In order to ensure an integrated approach to planning and implementation, this committee shall be responsible for the monitoring of all Phare measures 2000 for Economic and Social Cohesion, as well as the proposed Phare 2000 Regional Preparatory Programme for the Structural funds. It will be chaired by the Ministry of Agriculture and Regional Development, co-chaired by the Minister for Phare, and includes representatives of the line ministries concerned (Economy, Education, Social and Family Affairs) as well as the target regions.

The results of monitoring will be discussed with the Commission (Delegation, Joint Monitoring Committee).
9. **SUPPLEMENTARY LEGAL DOCUMENT TO BE PREPARED**

A Co-operation Agreement is to be signed between the IA, the co-financing Ministry of Social and Family Affairs and the RDC regulating the role and the responsibilities of RDC/RDA and the parties involved in the project selection, tendering, implementation and contracting process, according to the processes defined in the present project fiche. The Co-operation Agreement is to be endorsed by the EC Delegation.
5. Detailed Budget (M EURO)

Abbreviations:
I = Investment into economic and social cohesion
IB = Institution Building
N= National
L= Local
P= Private

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5.1 Justification of the Breakdown of Budget

The breakdown of the budget reflects specific regional need and the needs of the different target groups. The main objective is to increase the economic activity within the three regions. This means in other terms reduction of unemployment and reduction of economically inactive. The characteristic statistical figures (rate of unemployment and rate of economically inactive) in the statistical annexes of the Human Resources Development Chapter of the PNDP justify a breakdown of the budget as follows:

7. Northern Hungary 34%
8. Northern Great Plain 34%
9. Southern Great Plain 32%

As far as the breakdown of the regional budget/Activity Cluster is concerned the statistical figures characteristic for each target group were taken into account. These are the following:

Activity Cluster 1: youth unemployment (rate of unemployed below 21 years and between 21 and 25 years), rate of young people not continuing their education, increase in the number of young people at risk.

Activity Cluster 2: unemployment and inactivity amongst Roma. The target group Roma will receive support justified by their representation within unemployed and economically inactive.

Activity Cluster 3: as disability is a problem equally effecting all regions, this activity will receive the same support in all three regions.

6. Implementation Arrangements

6.1 Implementing Agency:

Government Resolution 2073/1999 (IV.21) (See Annex 5) on the tasks related to receiving Community support from the Structural Funds and Cohesion Funds establishes the order of responsibilities related to each fund and includes actions concerning institutional development. According to article 3.c) of the resolution the Minister of Social and Family Affairs in co-operation with the Minister of Education is responsible for preparation for receiving Community support from the European Social Fund.

The project will be implemented under the overall co-ordination and supervision of the Ministry of Social and Family Affairs. According to the above Government Resolution, the two ministries will establish an ESF-type Implementing Agency that will be responsible for all administrative and financial matters of the implementation. The representative of the Ministry of Social and Family Affairs, Mr. Gyula Pulay, administrative secretary of state, Address: H-1051 Budapest, Roosevelt tér 7-8.

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will be designated as PAO. The PAO will nominate the official heading of the IA as well as a representative of the Ministry of Agriculture and Regional Development as Deputy PAOs. Should this Agency not be established and fully operational by the date of the signature of the Financing Memorandum, the Implementing Agency for this project would be located in the Ministry of Agriculture and Regional Development. Should the new ESF type Implementing Agency not be established and fully operational by the date of signature of the Financing Memorandum, the Implementing Agency for this project would be located in the Ministry for Agriculture and Regional Development.
6.2 Non-standard aspects
The EC Vademecum on grant management and the standard RELEX grant contract developed by SCR, will be followed for the implementation of the grant scheme. The grant scheme financed by Phare will be operated on the basis of a Co-operation Agreement between the IA, the Ministry of Education and the RDCs approved by the Commission regulating the role of the parties in the project selection, tendering and contracting process. Beneficiaries will sign grant contracts with the PAO laying down the rules of project implementation.

6.3 Contracts

The average size of individual grants is expected to vary between 100,000 and 140,000 EUR according to the target groups. In all activity clusters 50% co-financing of the grants will be ensured. 10% of the total cost of the project will be financed from local (regional) resources while additional 40% from national resources.

The estimated number of contracts under the grant scheme (in all three regions) is 68.

7. Implementation Schedule

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8. Equal Opportunity

The principles of equal opportunities will apply throughout the entire application and selection process and in relation to all target groups.

Operation mechanism that will reflect equal opportunity principles will be put in place as part of the call for proposal and through the establishment of priorities for project selection. The call for proposal will contain provisions for sensibilisation of project promoters. Throughout the project selection process the equal representation of men and women as project beneficiaries will be taken care of.

Respecting of the project of the principle of equal opportunities will be an evaluation criteria.

Roma will receive support proportional to their representation within unemployed and economically inactive. (See point 5.1 Justification of the Breakdown of Budget) Roma will be eligible project beneficiaries in the target group of (multiply)disadvantaged youth and people living with disabilities as well. Equal opportunities of men and women in the Roma target group will be similarly taken care of as in all other target groups.

The above mechanism will have to ensure that approximately the same number of men and women will benefit from the project in all target groups and in all regions.

9. Environment

All actions within the project will follow the principles of sustainable and environmentally sound development enshrined in Article 2 of the Amsterdam Treaty. In case of all employment programmes, only those programmes will be eligible for support that respects these principles. The project will not have discernible effect on the environment.

10. Rates of return: Not applicable
11. Investment criteria

11.1 Catalytic effect:
Phare support will help developing and mobilising support for new employment policies. They will benefit for (multiply) disadvantaged youth, people living with disabilities and marginalized groups of the population such as the Roma in the target regions. Without Phare support the problems would be tackled on the national level only a much later date.

11.2 Co-financing:
The project has a co-financing contribution of 50 percent contributed by the Hungarian national and local resources.

11.3 Additionality:
Phare support does not displace other financiers from private sector or from IFIs.

11.4 Project readiness and size:
Project is fully developed and is ready for implementation. The grant scheme has a size of 4.0 M EURO

11.5 Sustainability:
The project complies with EU norms and standards. It is also fully in line with social sectoral policy of the European Union. Actions supported by the Phare grant will be sustainable after accession. Proper financial resources will be made available for financing from national and local resources.

11.6 Compliance with state aids provisions
All actions to be financed under this project will respect the competition and state aid provisions of the Europe Agreement.

11.7 Contribution to National Development Plan
The project is aimed at the three target regions identified in the PNDP. Its results will provide an important basis for the economic and social cohesion policies of the National Plan.

12. Conditionality and sequencing
Phare support will be conditional upon the availability of possibilities for integrated employment for disabled, and the availability of specific measures foreseen to transfer the graduates of the training programmes to stable employment in the private, public or non-profit sector. Another conditionality will be the provision of co-financing from Hungarian sources.
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. List of Relevant Laws and Regulations - Government resolution 2073/1999 (IV.21)
5. Reference to feasibility/pre-feasibility studies
LOGFRAME PLANNING MATRIX FOR PROJECT:

<table>
<thead>
<tr>
<th>Wider objective</th>
<th>Indicators of Achievement</th>
<th>Sources of Verification</th>
<th>Assumption and Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Increased economic activity in the three selected target regions.</td>
<td>• Increased rates of employment figures in the three target regions.</td>
<td>• Statistical data provided by the Hungarian Central Statistical Office and the National Labour Research and Methodological Centre; • Sociological surveys;</td>
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<td>Immediate Objectives</td>
<td>Indicators of Achievement</td>
<td>Sources of Verification</td>
<td>Assumption and Risk</td>
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<tr>
<td>• Improvement of employability and reduction of long-term unemployment of disadvantaged youth, people living with disabilities and other marginalized groups of the population with special emphasis on the Roma.</td>
<td>• Decreased rates of unemployment and rates of economically inactive in relation to young people, disabled and Roma. • Adjusted Hungarian employment policy to Community priorities both in contents and in methods; • Programming, controlling and evaluation procedures further developed and fully harmonised with ESF procedures.</td>
<td>• Statistical data provided by the Hungarian Central Statistical Office and the National Labour Research and Methodological Centre; • Sociological surveys; • Regular reports of the Hungarian Government to the European Commission on the adaptation of the acquis; • Annual reports of MoSFA;</td>
<td>• Stable economic growth preserved in Hungary. • Good co-operation of central and local level of the institutional system</td>
</tr>
<tr>
<td>Outputs</td>
<td>Indicators of Achievement</td>
<td>Sources of Verification</td>
<td>Assumption and Risk</td>
</tr>
<tr>
<td>• Employability and access to labour market of 470-500 (multiply) disadvantaged young people in the target regions increased via transit-employment programmes</td>
<td>• Number of young people in disadvantaged position who could obtain qualification and access to labour market via the project; • Number of unqualified Roma who could obtain qualification at the end of the project and could find employment afterwards; • Number of disabled people who could obtain qualification and access to labour market via the project; • Number of measures supported by the project that reached their stated objectives.</td>
<td>• Regular reports of grantees on the implementation of the project components; • Regular report of MoSFA on the implementation of the programme; • OMAS reports;</td>
<td>• A good co-operation with local partners, regional development councils, local governments, minority governments, NGOs, civil organisations, entrepreneurs can be established. • Hungarian State Budget approved by Parliament; adequate financial resources for co-financing are available in 2001 assured.</td>
</tr>
<tr>
<td>Inputs</td>
<td>Sources of Verification</td>
<td>Assumptions and Risk</td>
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<td>4.0 MEURO Phare + 4.0 MEURO Hungarian national and local co-financing = 8.0 MEURO</td>
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Employability and long-term employment of multiply disadvantaged groups
(ESF type pilot project)
Project Number HU0008-03

Detailed Implementation Chart

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Activities

**Activity cluster 1.**

**Activity cluster 2.**

**Activity cluster 3.**

_Tendering_

_Implementation_
### Contracting and Disbursement Schedule

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The end of the contracting period is 30/09/2002.
The end of the disbursement period is 30/09/2003.
Reference to feasibility studies

The goals of the project are in line with the relevant chapter of the NPAA.
Annex 5

Employability and long-term employment of multiply disadvantaged groups
(ESF type pilot project)
Project Number HU0008-03

Government Resolution 2073/1999. (IV.21.)
on the tasks related to the accommodation of the
Structural Funds and the Cohesion Fund

In the interest of preparations to accommodate the supports provided through the Structural Funds and the Cohesion Fund of the European Union, and in line with and taking into consideration the provisions of Act XXI of 1996 on regional development and regional planning, as well as the envisaged amendment to the Act, furthermore the provisions of Government Decree 2307/1998. (XII.30.) concerning the EU-conform transformation of Hungary’s support system, the Government adopts the following resolution:

1. The Government assigns the responsibility of co-ordinating preparatory activities related to the Structural Funds and Cohesion Fund of the European Union to the Minister of Economic Affairs, with the involvement of the Minister without Portfolio in Charge of the Governmental Co-ordination of PHARE Programs.

2. With the involvement of the Minister without Portfolio in Charge of the Governmental Co-ordination of PHARE Programs and in order to make appropriate preparations to accommodate the Funds, an action plan shall be drawn up, that shall include the operational rules of co-ordination and the establishment of institutional arrangements.

   Responsible: Minister of Economic Affairs
               Ministers and Heads of Agencies with national authority concerned

   Deadline: 30 June 1999

3. The Government establishes the order of responsibilities related to the Structural Funds of the European Union as follows:

   a) the responsibility for the European Regional Development Fund (ERDF) shall be vested in the Minister of Agriculture and Regional Development, with the participation of the Ministers of the Interior, of Health, of Economic Affairs, of Environment, of Transport, Communication and Water Management, of the National Cultural Heritage, of Education, the Minister without Portfolio in Charge of the Governmental Co-ordination of PHARE Programs, the Minister of Finance, and the Minister of Social and Family Affairs;

   b) responsibility for the European Agricultural Guidance and Guarantee Fund (EAGGF) and the Financial Instrument for Fisheries Guidance (FIFG) shall rest with the Minister of Agriculture and Regional Development,
c) responsibility for the European Social Fund (ESF) shall rest with the Minister of Social and Family Affairs, with the participation of the Minister of Education;

d) responsibility for the Cohesion Fund, in line with the provisions of Government Resolution 2307/1998. (XII. 30.), shall rest with the Minister of Economic Affairs, with the participation of the Minister of Environment, and the Minister of Transportation, Communication and Water Management.

4. The ministers responsible for accommodating the individual Structural Funds, with the involvement of the ministers concerned, shall elaborate operating rules and a detailed plan of action including institutional structure and legislative duties, in order to accommodate the support to be expected from the specific Structural Fund.

*Responsible:* as defined under 3. a), b), c) and d), with the involvement of Ministers and Heads of Agencies with national authority concerned

*Deadline:* 30 November 1999

5. Regular reports shall be prepared for submission to the Government on the review of preparation activities related to the accommodation of the Funds, based on the activities as provided for in paragraph 2., as well as on the status of preparation.

*Responsible:* Minister of Economic Affairs

*Deadline:* 31 December 1999; subsequently every six months
Annex 6

Employability and long-term employment of multiply disadvantaged groups
(ESF type pilot project)
Project Number HU0008-03

Reference to relevant Government strategic plans and studies

Preliminary National Development Plan attached to NPAA.