1. Basic Information

1.1. Désirée Number: HU0105-02
1.2. Title: Promoting access of people with disabilities to the labour market
1.3. Sector: Social and economic cohesion
1.4. Location: Hungary, Regions of Northern Hungary, Northern Great Plain, Southern Great Plain

2. Objectives

2.1. Overall Objective(s):
Promotion of equal opportunities of the disabled and of people with decreased working abilities in terms of access to the open labour market in the 3 regions of Eastern Hungary through the systematic improvement of the repertoire of interconnected instruments of vocational rehabilitation.

2.2. Project Purpose:
- Development of human resources and personal services in the field of vocational rehabilitation, through support to rehabilitation institutions and labour centres, as well as complex programmes of civil organisations;
- Expansion of modern vocational and re-training opportunities for the disabled and for people with decreased working abilities;
- Establishing conditions for therapeutic occupational programmes in rehabilitation/social care institutes for the disabled;
- Establishing conditions for transit and integrated employment of disabled and people with decreased working ability through supporting so called target organisations and economic organisations;

2.3. Accession Partnership and NPAA priority
Accession Partnership
- 4.2 – Economic and Social Cohesion “…prepare for the implementation of regional development programmes…improve administrative structures and procedures, in particular interministerial co-ordination for structural funds and clarify responsibilities for regional policy issues; improve the budgetary system and procedures to allow for pluri-annual commitments and management according to EU standards, including appraisal and evaluation.”
- 5.1 – Investment support, point ‘b’: “investment in…social cohesion through measures similar to those supported in Member States through …European Social Fund.”

NPAA
- **Chapter 5.2** A continuation of comprehensive institutional preparations for developing and managing ESF type programmes
- **Point no. 6/7** “Implementing Social Fund type pilot projects.”
2.4. Contribution to National Development Plan

The project implements priorities of the "Human Resource Development" chapter of the Preliminary National Development Plan for Hungary. The aims and measures of the PNDP are further substantiated by a draft Regional Development Plan for each of the Phare target regions. All four plans contain the objectives of improving employability, promoting equal opportunities and strengthening social cohesion. All of them foresee targeted and differentiated support measures for multiple disadvantaged population groups, with special regard to people living with disabilities.
Specific references to the individual Regional Development Plans are given in Annex 6.

3. Description

3.1. Background and justification:

On January 1st, 1999, 600,000 working age people in Hungary received disability pension and different benefits for rehabilitation groups. The total cost spent for disability pensions by the National Health Fund exceeded an amount of 150 billion HUF, in 1998.

Based on a representative data collection (20%) of latest Hungarian Census, 3.5% of the total population (i.e. 368,265 people) are living with disabilities. In addition, 2.3% of the national population (238,620 people) have decreased working abilities. The sociological structure of the target group can be characterised as follows:
- **Age**: children (0-14 years): 9%; working age (15-65): 61,9%; elderly (65+ 29,1%
- **Type of disability**: physical: 40%; mental: 19,8%; hearing: 11; communication: 3,5%; optical: 19%; other 6,7%
- **Economic Activity**: On the national average, 43,6% of the population, but only 16,6% of those disabled, is economically active. The share of the active group population is 43,6% of the national average. From those disabled, only 16,6% are working. Overall, the share of active among disabled women is lower than among disabled men. (6,1% vs. 10,5%)

The share of people with disabilities in the three target regions is above national average:

<table>
<thead>
<tr>
<th>Population and share of disabled in the PNDP target regions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Residents</td>
</tr>
<tr>
<td>Northern Hungary</td>
</tr>
<tr>
<td>Northern Great Plain</td>
</tr>
<tr>
<td>Southern Great Plain</td>
</tr>
<tr>
<td>TOTAL</td>
</tr>
</tbody>
</table>

Overall, people with disabilities were particularly hard-hit by the negative social effects of the economic transformation process. A disproportionately high number of them have lost their jobs. Incentives for employers to provide jobs to disabled were not effective enough. As a result, people with disabilities were forced to use passive social care benefits (social support, disability pension, etc.) According to national statistics, the number of applications for disability pensions rapidly increased in the first half of the nineties. Although the trend was reversed from 1995 onwards - with the number of new applications falling to around 100 000 per year - people with disabilities are still facing many difficulties to find a regular job.
The establishment of the medical, legal, financial and institutional background of vocational rehabilitation, in close connection with the transformation of the disability pension scheme has just started in the last few years. Since 1995, the number of new applicants became more steady (about 100,000 per year). Approximately 50% of the applicants become eligible for disability pension or annuity based on a diagnosed decrease of working ability while 76% of them could undergo vocational rehabilitation (1999 statistics) from a medical point of view.

The national framework for vocational rehabilitation was laid down by the 1997 Amendment of the Act on Employment and Unemployment Benefits (1991). The amendment envisages a system of vocational rehabilitation that is independent from the employers, and allocates new tasks to the Labour Centres in the area of rehabilitation. In order to increase employment opportunities for the disabled, a new decentralised allocation was introduced into the rehabilitation sub-fund of the national Labour Market Fund. Rehabilitative employment became a general obligation of employers. These measures were underpinned by a modification of taxation laws, creating new incentives for employing disabled.

The Act on "Rights and equal opportunities for people with disabilities" - (Act No. XXVI/1998) - and the National Action Programme on Disability Issues - (Parliamentary Resolution 100/1999 (XII.10)) – provide for the creation of sheltered workplaces and support programmes for integrated employment of disabled. The need for a co-operation between the national social and labour policy institutions and civil organisations active in these areas is also emphasised.

Overall, in line with Guideline Nr. 2 of the Employment Guidelines for 2001 for Member States’ employment policies (aiming at a transition from passive to active labour market instruments), as well as with Guideline Nr. 8 (on promoting re-integration of disabled and other disadvantaged groups through preventive measures), the creation of human and institutional capacities and support for the physical adjustment of working premises necessary for such a transition, will require considerable material resources.

A differentiated vocational rehabilitation system, based on the specialties of the local open labour market can be formed only through wide-based inter-institutional and inter-sectoral local co-operation, and demands establishment and provision of special conditions for vocational education and employment, transmitting modern technology, as well as a range of subsidiary services. This includes a diversification of occupational therapies, improvement of personal supporting services based mainly on the civil sector, consolidation of systematic mentoring network (work assistants, occupational manager) for employability preparation, the exploration of job opportunities for supporting study period and follow-up and initiating opportunities for job try-outs.

The present project will provide support to the attainment of these objectives through establishing a complex grant scheme targeted at an integrated development of four key elements of the system of vocational rehabilitation, based on local initiatives.

3.2. **Linked activities:**

Since 1990, the Phare Programme has been supporting the establishment of conditions for permanent employment and improvement of employability of disadvantaged groups of the population. Phare aid includes the following projects:

- HU9008 Social Welfare Programme
  Supporting establishment of workplaces by co-operation between local communities and civil organisations
- HU9209 Social Policy Development Programme
  Innovation Fund for implementing initiative services, targeting equal opportunities of the disabled and decreased ability people;
• HU0008-03 Employability and long-term employment of multiply disadvantaged groups (ESF type pilot project)

In the framework of HU0008-03 programme, cluster 3 ("Retraining and employment programme to foster labour market (re)integration of people living with disabilities") provides support for post training employment and supporting personal services for 70-75 mentally and/or physically disabled persons of slight or middle level disabilities, through assisting bottom-up initiatives to be realised by approximately 6 projects, without the demand for systematic development. Training is foreseen as on the job type training with less emphasis on providing accredited qualification in contrary to the present project. Training under the HU0008-03 programme is to be implemented within a max. 6 months time period. Adjustment of working tools and environment may also be supported in the HU0008-03 programme, as well. However, the high number of people with disabilities or decreased working ability who could undergo vocational rehabilitation, yet live on benefits or annuities, justify further support in a more systematic development framework of the present project.

While the target group of that programme is limited to physically and mentally disabled, the present project will focus on the problems of people living with any type of disability and moreover, on people with decreased working ability. Furthermore, as long as project HU0008-03 supports temporary partnerships, the present project aims at supporting establishment of permanent local co-operations. The new project is expected to achieve sustainability of such strong local partnerships such that governmental financial instruments can be developed for their further support.

The co-ordination with other Phare programmes open for civil organisations will be ensured, in order to avoid overlapping and parallel financing of eligible organisations for support. These programmes are: LIEN that is now accomplished; in the framework of Democracy and partnership programmes, some projects are still in implementation phase, including the new horizontal programme, called ACCESS and the European Initiatives for Democracy and Human Rights.

3.3. Results:
Project objectives will be realised through the following outputs:

- Increased professional capacity related to vocational rehabilitation in the target region;
- Widened range of personal services supporting vocational rehabilitation, starting employment and job retaining for disabled and people with decreased ability;
- Increased number of people living with less severe disabilities employed in the open labour market;
- Increased vocational training opportunities for disabled and people with decreased working abilities;
- Conditions for therapeutic occupational programmes created in the supported day care institutions for disabled;
- Improved conditions created for transit and integrated employment in supported rehabilitation as well as for target organisations and other economic organisations in accessing the open labour market;
- Increased number of employers offering job opportunities for people living with disabilities or decreased abilities in the target regions.

3.4. Activities:
The programme will be implemented in the framework of a grant programme; submission of complex applications covering several activity groups based on extensive local co-ordination will be preferred during selection.

Involvement of the county labour centres and/or local labour offices is foreseen for members of the applicant consortia. At present, county labour centres are responsible for implementing decentralised rehabilitation programmes, financed by the decentralised budget line of the Rehabilitation Fund, which is a sub-fund of the Labour Market Fund. Detailed professional and financial accounts of the decentralised rehabilitation programmes are available. The present project, however, will be co-
financed from the central budget line of the Rehabilitation Fund and county labour centres, as well as local labour offices, can participate in the applicant regional consortia.

Activity groups are the following:

**Activity 1:** adapting curriculum for vocational training, establishment of personal and material background for starting and implementing training. Introducing vocational training and re-training programmes leading to qualification recognised by the National Training Register (OKJ), based on modern technology (e.g. information/communication related technology,) for disabled and people with decreased working abilities;

*Eligible applicants:* training institutions, with proven experience in vocational training for disabled and people with decreased working ability.

*Target group:* disabled young people, people with decreased working ability capable of undertaking integrated or sheltered employment

**Activity 2:** Establishing proper conditions for therapeutic occupational programmes in rehabilitation/social care institutes for disabled establishment of physical, material and professional/personal conditions for therapeutic occupational programmes;

*Eligible applicants:* rehabilitation institutes, social care institutes or civil organisations

*Target group:* disabled persons living in care institutions, people with decreased working abilities in rehabilitation institutes

**Activity 3:** Development of human resources and personal services in the field of vocational rehabilitation
- support for training, re-training and employment of professionals working in the field of rehabilitation (occupational therapist, mentor, job manager, work assistant)
- improvement of personal services, (vocational counselling, guidance) with special attention to preparation of job starting, exploration of job opportunities, support for study phase, transportation, health and psycho-social support for job retain, organisation of job try-out opportunities;

*Eligible applicants:* civil organisations, vocational rehabilitation, training, social or labour institutes;

*Target group:* qualified personnel of services for people with all types of disabilities capable of participating in therapeutic occupational programmes or undergoing vocational rehabilitation, including training and undertaking sheltered or integrated employment.

**Activity 4:** Establishing conditions for sheltered, transit and integrated employment and ensuring employment for disabled and for people with decreased working ability. Establishment of personal/methodological (adjustment of work processes to the beneficiaries’ skills and abilities) and material conditions (physical adjustment of premises, like ramps, lifts, etc.) for transit employment at rehabilitation institutes, target or other organisations, and ensure temporary, output-oriented and sheltered employment, initiation of integrated employment, ensuring post-training employment;

*Eligible applicants:* rehabilitation institutes, target or other organisation, social public employment services, other private (companies in the open labour market) or governmental profit-oriented or non-profit organisation.

*Target group:* people with disabilities and with decreased working abilities capable of undertaking sheltered, transit/integrated employment
4. **Institutional Framework**

The institutional framework to be followed during the implementation will be in accordance with annex 7 of this fiche, with the following specific characteristics:

- **IA (Implementing Agency):** (See 6.1) Retains full responsibility for programme implementation.

- **Intermediary:** *Regional Development Agencies of the three beneficiary regions; 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 Cooperation Agreements which will reflect the institutional framework given in this fiche.

- **Rules, procedures and formats:** The grant section of the Commission Practical Guide will be strictly followed.

5. **Detailed Budget**

<table>
<thead>
<tr>
<th></th>
<th>Phare Support</th>
<th>National Co-financing</th>
<th>IFI</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Management</strong></td>
<td></td>
<td></td>
<td>0.3</td>
<td>0.3</td>
</tr>
<tr>
<td>(1-1 technical assistance service contract per region)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Grant scheme</strong></td>
<td>3.00</td>
<td>3.00</td>
<td>2.7</td>
<td>5.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3.0</td>
<td>3.0</td>
<td>3.0</td>
<td>6.0</td>
</tr>
</tbody>
</table>

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

**Notes:** All figures are net expenditure expressed in million EURO i.e. expenditures were calculated without taxes, VAT, custom, custom duties, contribution to Insurance Fund etc. The amounts will be divided equally among the three target regions.

The project will be jointly co-financed between Phare and Government resources. The Phare amount is binding as a maximum amount available for the project. The ratio between the Phare and national amount is also binding and has to be applied to the "final contract price".

6. **Implementation Arrangements**

6.1. **Implementing Agency:**

The Ministry for Agriculture and Regional Development, through its Phare Regional Development IA, will be responsible for all aspects of tendering and contracting as well as administrative and financial...
matters of the implementation. The PAO will be Mr. Peter Szalo 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, Gellérthegy u. 30-32.
Phone: +36-1-488-7171
Fax: +36-1-488-7188

6.2. Twinning

Not applicable.

6.3. Non-standard aspects

The rules of the Practical Guide for Phare, ISPA and SAPARD Contract procedures will be strictly followed during the implementation of the grant schemes.

6.4. Contracts

The rules of the standard grant contract according to the PRAG, will be strictly followed during the implementation of the Phare co-financed component. The selected beneficiaries will sign grant contracts with the PAO. Minimum amount of grants is 50 000 EUROs and maximum amount is 300 000 EURO in case of applications for a single activity group. Maximum duration of one grant project is 18 months.

IA will subcontract regional technical assistance organisations to provide management and specific monitoring services and specialised expertise in disability and vocational rehabilitation issues to supplement the role of the RDAs.

7. Implementation Schedule

<table>
<thead>
<tr>
<th>COMPONENT</th>
<th>Start of tendering</th>
<th>Start of project activities</th>
<th>Completion</th>
</tr>
</thead>
</table>

8. Equal Opportunity

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

Operational mechanisms 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 sensitisation 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 criterion.

9. Environment

Not relevant.

10. Rates of return

Not relevant.
11. **Investment criteria**

11.1. *Catalytic effect:* Phare support will help the complex development of a systematic vocational rehabilitation, based on local partnership. 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 25 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:*

11.5. *Sustainability:* The project complies with EU norms and standards. It is also fully in line with social sector 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.

Grant applicants will have to present detailed financial or business plans as part of the application in which they will have strategy and provide guarantees for the sustainability of the project.

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: see above.*

12. **Conditionality and sequencing**

- Adequate co-financing provided by the Hungarian government when needed.
- Sequencing will be scheduled as stated in implementation chart of Annex 2.
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 studies
6. Reference to relevant Government Strategic plans and studies
7. Institutional Framework
<table>
<thead>
<tr>
<th>Logframe Planning Matrix for Programme for</th>
<th>Programme Name and Number</th>
<th>Systematic improvement of rehabilitation instruments in the area of employment HU0105-02</th>
</tr>
</thead>
<tbody>
<tr>
<td>Systematic improvement of rehabilitation instruments in the area of employment</td>
<td>Contracting Period Expires:</td>
<td>30.06.2003</td>
</tr>
<tr>
<td></td>
<td>Disbursement Period Expires:</td>
<td>30.11.2004</td>
</tr>
<tr>
<td></td>
<td>Total Budget:</td>
<td>6 M€</td>
</tr>
<tr>
<td></td>
<td>Phare contribution:</td>
<td>3 M€</td>
</tr>
</tbody>
</table>

**Overall Objective**
Promotion of equal opportunities of disabled and decreased ability people in the 3 region of Eastern Hungary, through systematic improvement of complex instrument repertory of vocational rehabilitation, based on modern technology.

**Objectively Verifiable Indicators:**
Indicators of unemployed disabled or decreased ability people in the beneficiary target group.

**Source of Verification**
Statistical data of NLRMC
Independent monitoring report on efficiency of the programme

**Assumptions**
By the end of the programme, the development of the equal opportunities in the labour market will have a measurable effect.

**Project Purpose**
- Improvement of human resources and personal services in the field of vocational rehabilitation, through support for social and rehabilitation institutions and public employment services, as well as complex programmes of civil organisations;
- Expansion of modern vocational and retraining opportunities for disabled and decreased ability people;
- Establishing conditions for therapeutic occupational programmes in the rehabilitation institutes for disabled people;
- Establishing conditions for transit and integrated employment through supporting targeted rehabilitation organisations;

**Objectively Verifiable Indicators:**
Developed service models sustained for at least one more year after the mandatory period; number of vocational training programmes introduced; qualification received by the trainees; employment of the trainees according to their new qualification for at least one more year after the mandatory period; number of newly established personal services; number of created job opportunities for participants (sheltered, transit, integrated workplaces); percentage of drop-outs does not exceed 20%; jobs created (sheltered, transit and integrated employment) will be sustained for at least one more year after the mandatory period.

**Source of Verification**
Statistical data of NLRMC
Independent monitoring report on efficiency of the programme
OMAS report
Sociological surveys
Reports on workshops
Follow-up statistical data of local labour agencies

**Results**
- Increased professional capacity related to vocational rehabilitation in the target region;
- Widened range of personal services supporting vocational rehabilitation, starting employment career and job-keeping opportunities for disabled and decreased ability people;
- Increased vocational training opportunities for disabled and decreased ability people;
- Established conditions for therapeutic occupational programmes in the supported day care institutions for disabled and decreased ability people;
- Ensured and well-developed conditions for transit and integrated employment in the supported rehabilitation target and other organisations.

**Objectively Verifiable Indicators:**
Increased number of professionals dealing with vocational rehabilitation, at least three civil organisations per region are involved in the programme. 3 vocational training per region are implemented, the number of participants are minimum 30 per region. Min. 150 disabled person are involved in the therapeutic occupational programmes in the three regions. Min. 180 people are in transit or integrated employment in the three regions.

**Source of Verification**
Reports of RDAs
Reports of TAOs
Follow-up statistical data of local labour agencies

**Assumptions**
Efficient co-ordination among all the beneficiaries.

**Activities**
- Adapting curriculum for vocational training, establishment of personal and material background for starting and operating training;
- Establishment of physical, material and professional/personal conditions for therapeutic occupational programmes;
- Support for training, re-training and employment of professionals working in the field of rehabilitation;
- Development of personal services, with special attention to preparation of job starting, exploration of job opportunities, support for study phase, transportation, health and psycho-social support for job retain, organisation of job try-out opportunities;
- Establishment of personal/methodological and material conditions for transit employment at rehabilitation target institutions, and ensure temporary, output oriented and supported employment, initiation of integrated employment, ensure post-training employment;

**Means:**
3.0 Million Euro of the year 2000 Phare Programme to be matched by a local co-finance contribution of 3.0 Million Euro = 6,0 MEUR

**Source of Verification**
Reports of RDAs
Reports of TAOs
Monthly / Quarterly reports of beneficiary organisations

**Assumptions**
Suitable beneficiary organisations, and agencies available. People with disabilities or decreased abilities, participating in the vocational training are motivated. People with disabilities or decreased abilities, participating in the therapeutic occupational programmes are motivated, day care institutions are suitable. Civil organisation and rehabilitation organisation are capable for programme implementation. Necessary equipment is available.
### Systematic improvement of rehabilitation instruments in the area of employment

#### Standard summary project fiche

<table>
<thead>
<tr>
<th>Preconditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financing Memorandum will be signed by the latest of June 30, 2001. Planned national co-financing is available. The ESF NIA has sufficient and qualified staff to ensure the proper management of the programme according to the established time schedule. The service tender and the selection of TAOs completed successfully before launching the grant scheme.</td>
</tr>
</tbody>
</table>
## IMPLEMENTATION CHART

### COMPONENTS (RESPONSIBLE)

<table>
<thead>
<tr>
<th>YEAR AND MONTH (m/y)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>COMPONENTS</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>3 service contracts for management (NH, NGP, SGP TAOs RDAs)</td>
</tr>
<tr>
<td>Grant scheme (RDA/CO)</td>
</tr>
</tbody>
</table>

Notes: D- design, T- tendering and contracting, I- implementation, *- follow-up period, I: preparatory implementation actions

RDA-Regional Development Agency, CO- Local Consortia

NH-Northern Hungary, NGP- Northern Great Plain, SGP- Southern Great Plain
## Systematic improvement of rehabilitation instruments in the area of employment

### Annex 3.

**CUMULATIVE CONTRACTING AND DISBURSEMENT SCHEDULE** (million EURO)

<table>
<thead>
<tr>
<th>Date</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>I</td>
<td>II</td>
<td>III</td>
<td>IV</td>
<td>I</td>
</tr>
<tr>
<td><strong>Contracted</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Disbursed</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

NB: 1. all contracting should normally be completed within 6-12 months and **must** be completed within 24 months of signature of the FM.

2. all disbursements **must** be completed within 36 months of signature of the FM.
List of relevant Laws and Regulations

- 1998. XXVI. Act on the rights and equal opportunities of people living with disabilities
- Parliament Resolution 100/1999. (XII.10) on the National Action Programme for Disability Issues
- Parliament Resolution 75/1997. (VII.18.) on the modification of social insurance and care system for people living with disability or decreased ability
Annex 5.

Reference to feasibility studies

1. Proposal for the Government on the transformation of social security and social care system related to the decreased working ability and eligibility for disability pension (1999)
Annex 6

Reference to relevant major studies

INSTITUTIONAL FRAMEWORK/IMPLEMENTATION ARRANGEMENTS

- **IA (Implementing Agency):** Retains full responsibility for programme implementation

- **Intermediary:** shall be identified either as a Regional Development Agency (RDA) or any Technical Assistance Organisation (TAO) 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 either in a Cooperation Agreement (RDA) or in a service contract (TAO) which will reflect the institutional framework given in this fiche.

- **Rules, procedures and formats:** The grant section of the Commission Practical Guide will be strictly followed.

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 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**

   - RDA (or TAO) collects and registers incoming project proposals

   - The IA 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

   - The IA nominates the members of the assessment team and evaluation committee exclusively on the basis of technical and professional expertise in the relevant area
Systematic improvement of rehabilitation instruments in the area of employment

• The 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 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.

• 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.

• Projects under 300,000 Euro (Phare contribution) will be subject to ex-post control by the EC Delegation pursuant to 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
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 / TAO with regard to the day-to-day monitoring of the selected projects.