STANDARD SUMMARY PROJECT FICHE

1. Basic Information

1.1 Désirée Number: 2002/000-315.01.04
1.2 Title: Combating exclusion from the world of work
   Local initiatives for labour market re-integration of the long-
   term unemployed and of people living on regular social
   assistance, with special emphasis on the Roma population
1.3 Sector: Social cohesion
1.4 Location: Hungary

2. Objectives

2.1 Overall Objective(s):

To Reduce poverty and social exclusion through local employment initiatives.

2.2 Project purpose:

- To improve employability and labour market reintegration of long-term unemployed and people living on regular social assistance, with special emphasis on the Roma population
- To development local community and public services including social services through the employment of long term unemployed and people living on regular social assistance schemes

2.3 Accession Partnership and NPAA priority

2.3.1. Accession Partnership

- **Political criteria** Human rights and the protection of minorities „Improve the integration of the Roma minority in the Hungarian society through more efficient implementation and impact assessment of the medium-term Roma action programme, with particular emphasis on …fighting discrimination in society …, fostering employment opportunities…”
- **Ability to assume the obligations of membership** Regional Policies and co-ordination of structural instruments „Ensure effective inter-ministerial co-ordination and appropriate partnership at central and regional level with a view to both programming and future implementation of structural and cohesion Funds assistance.”
- **Ability to assume the obligation of membership** Social Policy and Employment ”Continue to support social partners’ capacity building efforts, in particular with a view to their future role in the elaboration and implementation of EU employment and social policy, including the European Social Fund. Particular attention should be paid to enhancing the social partners’ capacity to conduct social dialogue and to ensuring due process also in the tripartite social dialogue.
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2.3.2. NPAA

- **Chapter 5.2** A continuation of comprehensive institutional preparations for developing and managing ESF type programmes
- **4 Fight against racism** “The ministries shall initiate concrete projects in their respective scope of authority in order to improve the situation of the Roma minority”
- **6/7 European Social Fund** “Implementing Social Fund type pilot projects.” 6/7a “Combatting exclusion from the world of work”
- **7 Fight against poverty and social exclusion** “Launching a pilot grant scheme aiming at fighting against poverty and social exclusion (under the professional guidance of MoEL)

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 aiming at targeted and differentiated support measures for multiple disadvantaged population groups with special regard to the Roma population.

Area I. Employment and Social Inclusion

Priority 3. Improving employability and access to labour market of target groups facing difficulties

- **Measure 3.3** Improving employability and labour market integration of the long-term unemployed
- **Measure 3.4** Improving employability and labour market reintegration of the Roma

2.5. Cross border impact:

Not applicable.

3. Description

3.1 Background and justification:

**JAP conformity**
In accordance with the findings of Joint Assessment of the Employment Policy Priorities of Hungary unemployment has disproportionally hit low skilled and less educated population groups. Among them, the unemployment rate of the Roma has been much higher than the national average, up to three-four times of the rate of the non-Roma unemployed.

**Labour market situation of the Roma**
The size of the Roma population is estimated to be half a million people. Demographically, the age composition of the Roma is younger, fertility and mortality rates are higher than in the non-Roma majority which forecasts a growing number of Roma people on the labour market in the forthcoming decades.
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Whilst in the 80’es 60-80% of Roma men and 50% of Roma women in the active age group had stable employment, the structural changes in the industry made low qualification workplaces redundant and by the 90’es primary education or vocational education in those professions typically acquired by the Roma (heavy industry, mechanical and construction industry) devaluated rapidly. Moreover, taking up employment in cities for the Roma residing in small settlements was also seriously hit by the considerable rise in transport costs, though formerly 60% of Roma travelled daily and 30-35% of them travelled on a weekly basis to work.

By 1993, activity rate for Roma men declined from over 80% to 26,2 %. 40% of the Roma live in those two counties (Borsod-Abaúj-Zemplén and Szabolcs-Szatmár-Bereg) with the lowest activity and highest unemployment rates. Only 40% of the Roma live in cities whilst this rate is 60 % for the non-Roma. The small settlements where Roma people reside belong to the most disadvantaged ones where unemployment rates are up to three-four times higher than the county average rates.

Lacking education and financial reserves the Roma could not encounter these rapid changes and mass unemployment by any relevant coping strategies. Not having access to even the lowest-paid formal economic activities lowest-paid informal economic activities were taken by them. Self-employment was and is hindered by the unfavourable geographic situation, low education level, bad health status, lack of information and access to loans to start up business activities, and a traditionally bad relation with state or municipal officials The majority of the unemployed Roma are long term unemployed with a limited chance to have access to labour market again.

Government policy framework

Role and obligations of local governments in handling unemployment

Legal framework of public utility employment was introduced by the Act IV of 1991 subsidising up to 70% of the direct costs of employment. In 1996 public work schemes were introduced by the Government. From 2000 onwards income support scheme for the unemployed has been changed in order to stimulate labour market reintegration of those for whom the period of unemployment benefit has expired. Period of unemployment benefit was reduced, minimum duration of previous employment entitling for receiving unemployment benefit was raised, income support scheme following the period of unemployment benefit was abolished. By virtue of the modification of Act III of 1993 on Social Services municipalities are obliged to ensure short, fix term, 30-day-long public utility employment for those claiming regular social assistance. This new obligation requires strong co-operation between the municipalities, its family and social care services and the local employment offices. Only those unemployed persons will be entitled for regular social assistance that co-operate with the municipality and undertake the short-term employment for public benefit.

As a consequence of the above changes role of local governments in handling long term unemployment of disadvantaged groups has become very significant in the past few years.

Secondary labour market has considerably developed due to intensive government support to local governments and to non-profit organisations acting locally and many forms of public utility employment
have been stabilized. These secondary labour market measures public utility employment, public work schemes and employment form public benefit have different regulatory and financing framework though, yet they all aim to activate long term unemployed for the benefit of the individual and of the public and keep them in the world of work at least for a fix period. Out of these measure public work schemes and employment of public benefit fall under the competence of the Ministry of Social and Family Affairs.

Public work schemes

The general objective of the public work schemes established in 1996 in Hungary was to organise a new employment scheme to support local initiatives of the municipalities in handling unemployment an in delivering municipal tasks and services at the same time. Public work schemes as an active secondary labour market measure were designed to activate long-term, low skilled unemployed and for those depending on social assistance who at present are not able to meet the requirements of the private segment of the open labour market by offering fixed term employment. The scheme is regulated by Gov. Resolution 49/1999 (III.26.) on the support scheme for public works

Fixed term employment especially if accompanied by complementary motivation, reintegration and training elements is expected to lead to new attitudes to regular work, motivation to improve skills and utilizing assistance in seeking permanent employment. Public works serve local interest and create values for the communities on its own initiative.

In the past years a number of public work schemes has been developed in co-operation and co-financing of other ministries aiming at integrated or specialised activities depending on the co-financing construction. These activities encompass small scale road construction and maintenance, environment protection and rehabilitation, waste management, forestry, protection against floods, anti-inundation works and drainage, reconstruction and rehabilitation works related to railways areas, resp. social services and infrastructural development programmes employing Roma for the improvement of their living conditions.

Regarding the responsibilities of MoEL development and further support for the social and the Roma public work schemes are of special priorities.

The social public work scheme involves a training element leading to qualification and enables a better coverage of the social responsibilities of the municipalities delivered either by municipal or non-governmental non-profit organisations. The types of services also enable the involvement and training of older participants and women in higher proportion. Further employment of the involved participants can be ensured in a higher proportion than in any other public work schemes.

As regards the Roma public work scheme Government Resolution No. 1047/1999 (V.5.) sets forth the medium-term action programme for the improvement of the living conditions and the socio-economic situation of the Roma, with special emphasis on extending the employment opportunities by fostering local and micro-regional co-operation among municipalities and Roma ethnic self-governments, on assessing the efficiency and accessibility of available active measures, and on improving and extending the tailor-made employment schemes in synergy and/or supporting local development programmes. Special attention is to be devoted to those complex employment programmes which discharge segmented Roma colonies in settlements and improve infrastructural conditions. The Roma public works scheme aims at involving as high as possible number of Roma unemployed into public works serving first of all the benefit of the Roma community itself.
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Further development of the public works schemes

Detailed surveys of the public work scheme of the past years demonstrate that over 80% of the involved participants were unemployed for more than 6 months, over 30% unemployed for over a two-year period, over 66% of them have either primary school or lower education, and the overall participation of the Roma population in the schemes is between 30-70%.

Further development of the schemes has to be based on the findings of external assessment and net impact analyses alongside the below priorities:

- prioritising those schemes where the labour market position of the participants improves
- promoting the employment of the Roma
- promoting the participation of multiply disadvantaged, socially and economically backward micro-regions
- promoting social public work schemes
- promoting those schemes which involve women in higher proportion

To prevent the circulation of the target groups in the unemployment registers of the public employment service and in subsidised employment forms those elements of these public work schemes need further development which can lead to the reintegration to the open labour market.

These elements involve strong co-operation between public employment centres and offices, family care institutions, local social welfare offices, training institutions and NGOs and include job readiness and motivation trainings, communication and job search training, individual counselling in co-operation with the family care centres, general skill improvement and finding individual pathways for further training and/or employment.

The present programme with a special focus on improving the living condition of the Roma and the delivery of social services aims at further developing the public work scheme by strengthening those training and reintegration elements of the programmes, which efficiently support reintegration of the target group to the open labour market.

3.2 Linked activities:

Since 1990 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
  The programme created workplaces by co-operation of small local governments and NGOs. A network of NGOs active in the field of employment was developed. The network is still operating and supports local employment initiatives and social services.

- HU9904-01 Social Integration of the Disadvantaged Youth with Particular Emphasis on the Roma Minority programme in the implementation phase promotes equality of chances in education by programmes to reduce drop-out rate, supports secondary education with supportive schooling and stimulates the social promotion of the talented young Roma.

- HU0008-03 Employability and long-term employment of multiply disadvantaged groups. The programme – at present in evaluation phase of the call for proposals - supports employability by training and contributes to employability of disadvantaged groups by creating transit employment. One of the target groups supported is the Roma community.
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- HU0101-01 Promoting Social Integration of disadvantaged groups with particular emphasis on the Roma minority continues successful initiatives of HU9904-01 in the field of education, supports pathways to integrated education of Roma and non-Roma children, training of mediators, development of Romology curriculum and training. Sub-project HU0101-01/03 launches a grant scheme which support experimental initiatives to help reintegration of Roma to the open labour market and to combat discrimination based on ethnic reasons in the labour market in partnership with EU MS organisations to prepare Hungarian participation in the EQUAL community initiative.

- Under the 2002 National programme the project "Promote anti-discrimination and tolerance towards the Roma minority" also tackles the problem of discrimination in relation to the labour market.

3.3 Results:

- Long-term unemployed participate in training leading to qualification in the social sector
- Basic social and community services are further developed through the reintegrated long-term unemployed
- Local social cohesion improved with special regard to the Roma community
- Local complex partnership schemes in the field of employment are further developed through the delivery of social and community services
- Decreased number and rate of people living on regular social assistance in the area covered

3.4 Activities:

The programme will be implemented in the framework of a grant programme for complex projects (Component I-II) based on local initiatives of local governments or associations of local governments or NGOs. The projects aim at labour market reintegration of the registered and non-registered long-term unemployed and inhabitants of the area covered who live on income support or regular social assistance and who are at the risk of social exclusion. The projects have professional training (Component I), resp. reintegration element (Component II) in order to improve the employability of the project’s target group and its social reintegration through individualised assistance. Supporting programmes for social reintegration shall be rendered in local partnership between local ethnic minority self-governments, family care and other social institutions, labour market institutions, professional organisations, training institutions and NGOs to find individual pathways for the stable reintegration to the labour market. External evaluation under Component III. aims at promoting dissemination and further development of labour market reintegration programmes with analysing, evaluation and publication of experiences and results of supported programmes.

The grant scheme will be announced with unchanged conditions in two rounds (2002 and 2003 budget). Applicants of Component I and II have to oblige themselves for either further employment of the target group or for arrangements which ensure further employment.

Component I: Labour market reintegration programme based on local initiatives of local governments and associations of local governments or NGOs to improve delivery of social services

Improving the employability of and providing employment to unemployed people and to people living on regular social assistance in social services, which, pursuant to Act III. of 1993 on social services and social administration, are defined as local governmental responsibilities.
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Such activities include amongst others the following:
1. developing new types of social services and increasing the quality of existing local social services;
2. increasing the quality of institutional and day care;
3. widening and increasing the quality of social services delivered by non-governmental organisations

Employability shall be improved by involving at least 30% of the participants into training leading to qualification in the field of delivery of social services (social assistant, social caretaker, nursing assistant, social and child protection administrator, social caretaker and organiser, infant and baby educator, infant and baby caretaker, foster parent, labour market instructor, and the following, non-registered qualifications in the National Training Register (OKJ), but regulated by MoEL, like village caretaker, leader of family nursery, etc.) and by involving all other participants into training/supporting reintegration programmes

Special, tailor-made labour market reintegration services, programmes may be for example:
- exploring family, social, mental, educational, communication and other obstacles of employment, promoting solution of them,
- motivation for reaching stable, long-term employment of participants (members of target group) on the open labour market,
- developing employment skills, teaching job-matching techniques,
- organising training programmes for development of personality, key skills and promoting integration to the labour market,
- recommendation of training and retraining programmes, institutions for participants which are advantageous on the labour market,
- supporting participation in different kinds of training programmes (e.g. knowledge renewal, employment-related training to acquire or renewal of work skills and processes and/or practical training, vocational training) and promoting to attain relevant support for participation in the above mentioned training programmes, supporting learning process
- exploring workplaces
- administration, active co-operation in job-matching
- mediation between service user (member of target group) and the potential employers,
- supporting employment
- supporting integration to the work place

Applicants: local governments and associations of local governments, non-governmental organisations.

In case the applicant is a local government, an implementor (public utility company owned by the applicant or NGO) contracted by the local government for organising the implementation of the project may co-apply, if necessary. In this case the implementor is signatory party of the contract.

In case the applicant is a non-governmental organisations, it shall involve the local government/s or association of local governments and they shall actively co-operate during project implementation in selection, employment, supporting of job matching and further employment of target group. Local governments or association of local governments shall be signatory parties of the contract.

Project period: max. 22 month
Content of project period:
- selection of the participants,
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- employment (12 months) (within this period practice part of vocational training can be implemented)
- training and reintegration period (6 months) can be implemented in any phase of the project, according to the needs and the logic of the project
- exploring workplaces, promoting employment, follow-up the of the target group
- closing the project, dissemination of experiences and results

Co-operation partners: state or municipality owned social institution, NGOs, charity organisations, labour market institutions, social partners, social care institutions, NGOs, professional organisations, ethnic minority self-governments, local Roma organisations, or any other organisations not excluded as such by PRAG.

Target group: Long-term unemployed, non-registered and registered unemployed, people living on regular social assistance or income support. Priority will be given to the projects, where the members of the target group are long-term (at least 6 months) unemployed.

Eligible activities
- Selection, preparation and motivation of target group and participants
- skill assessment
- professional orientation
- preparatory training (therapeutic and self-knowledge training programmes, remedial modules)
- organising and or implementing vocational training and re-training programmes leading to qualification recognised by the National Training Register (OKJ), supporting participation in the training programme
- organising and providing employment activities
- Employment-related training to acquire work skills and processes and/or practical training
- Services aimed at providing assistance to participate in the training and employment, and designed to prevent participants from dropping out
- Establishing special, tailor-made services promoting target group’s integration to the labour market and improving existing services
- Assistance to help participants find and retain jobs matching their qualifications
- project management (different forms of partnership, co-ordination, preparation of partners to participate in the programme, administrative tasks, financial duties, providing data systematically for survey and promoting external evaluation)
- Dissemination of the experiences and results of the project to the local and regional public, as well as among institutions and organisations to whom it is of direct relevance

Expected number of projects: 4-5 - 2002 Budget
8-10 2003 Budget
Project size: 600,000 - 750,000 EUR / 50 people

Component II: Labour market integration programme based on local initiative to improve the living conditions and social inclusion of the Roma population
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Supporting the social and labour market integration of Roma communities with labour market integration projects based on local initiatives of local governments, associations of local governments and NGOs. The projects have a training and/or reintegration programme element aiming at improving the employability of the project’s target group through individualised assistance and are in line with government decision no. 1047/1999. (V.5) on the “Medium-term action plan on improving the living conditions and social status of the Roma population”.

Activities in which employment for the target group will be assured include amongst others the following:

1. environmental health, environmental rehabilitation activities;
2. municipal infrastructure maintenance and development;
3. discharging and rehabilitating segregated Roma colonies within the settlements;
4. social services

Applicants: local governments and associations of local governments, non-governmental organisations.

In case the applicant is a local government, an implementor (public utility company owned by the applicant or NGO) contracted by the local government for organising the implementation of the project may co-apply, if necessary. In this case the implementor is signatory party of the contract.

In case the applicant is a non-governmental organisations, it shall involve the local government/s or association of local governments and shall actively co-operate during project implementation in selection, employment, supporting of job matching and further employment of target group. Local governments or association of local governments shall be signatory parties of the contract.

Project period: 13 month

Content of project period:

− selection of the participants,
− employment period 7 months
− 1,5 months for compulsory services in order to support labour market reintegration, which can be implemented in any phase of the project, according to the needs and the logic of the project
− exploring workplaces, promoting employment, follow-up the of the target group
− closing the project, dissemination of experiences and results

Co-operation partners: ethnic minority self-governments (if it exists in interested settlements, shall be partner of the applicant) local Roma organisations, labour market institutions, social partners, social care institutions, NGOs, professional organisations, training organisations, state or municipality owned enterprises, for-profit enterprises, NGOs.

Target group: Roma registered or non registered unemployed people, and/or persons living on regular social assistance. Priority will be given to the projects, in which the members of target group are long-term (at least 6 months) unemployed.

Expected number of projects: 23-33 project/ 2002
37-57 project/2003

Project size: 200,000-300,000 EUR/50 employed persons
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Eligible activities:

- Selection, preparation and motivation of target group and participants
- Organising and providing employment activities
- Employment-related training to acquire work skills and processes and/or practical training – compulsory
- Services aimed at providing assistance to participate in the employment, and designed to prevent participants from dropping out
- Establishing special, tailor-made services promoting target group’s integration to the labour market and improving existing services – compulsory to establish or develop social and mental care services, and services for coaching participants find and retain jobs on the open labour market
- Project management (different forms of partnership, co-ordination, preparation of partners to participate in the programme, administrative tasks, financial duties, providing data systematically for survey and promoting external evaluation)

Component III: External evaluation and, if necessary, support to the potential applicants

External evaluation aimed at promoting dissemination and further development of public work scheme as developed under the present programme in COP ESC 2002-2003 with analysing, evaluation and publication of experiences and results of supported programmes.

Scope of activities:

- Designing data collection for measuring efficiency and impact of projects and programme
- Data collection, systematize, analyzing data (statistical data, interviews, questionnaires, field-work)
- Follow-up efficiency measuring, monitoring and analysing labour market career of participants (members of target group)
- Analysing method and motivation of partnership, and measuring how the partners contributed to the results
- Analysing impact of projects on the members of target group, their environment, habitat, and on members of participants of local partnership
- Analyzing impact of projects on local employment relation, development of services and settlements
- Rendering analysed data and studies made on the basis of them periodically, preparing and publishing final study in order to promote further development of labour market reintegration programmes
- Organising a closing conference

In case there is a recognised need to support the potential applicants in the preparations of the Grant application, funding for that purpose might be made available in the context of this component.

3.5 Lessons Learned

The efficiency of Roma-related Phare programmes in the context of relevant national policies was recently evaluated by an independent evaluator assigned by the European Commission. The two recommendations below were particularly relevant in the case of the current projects and were taken into account during the design of the current fiche:
1. Roma-related projects should always clearly relate to medium and long-term national strategies on social policy and territorial development.

2. Special attention should be paid to the long-term sustainability of projects. Where necessary, this should be ensured by continued government support after the completion of Phare assistance.

ESF type projects, and in particular HU-0008-03 quoted under para 3.2 above have been evaluated in March 2002. Most of the recommendations of the assessors touched on the management structure and in particular on the ESF implementing Agency. Following a Gap assessment report an action plan is currently being finalised with the steps necessary to arrive the acceptance of the ESF Agency as a Phare Implementing Agency. The report also recomended to "link closely assistance for Regional Development with the emerging NDP". This point has been addressed strengthening the link of the project with the pNDP and including it in a framework aimed at preparing for the implementation of structural funds.

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 management and monitoring organisation 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 and the professional guidance and supervision of MoEL. Besides administrative and financial tasks the intermediary renders professional monitoring and methodological support for the implementation of the reintegration and training elements. The relationship between the IA and the Intermediary shall be defined in a service contract which will reflect the institutional framework given in this fiche. The relationship between the IA and MoEL shall be defined in a Co-operation Agreement and a Financing Contract.

- **Programme Monitoring Committee:** involving major stakeholders including MoEL, IA, other relevant ministries, National Employment Service, Political State Secretariat for Roma Issues under the Prime Minister’s Office, regional development councils, professional and national Roma organisations to be established for the government level monitoring of the programme.

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

5. Detailed budget

<table>
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<tr>
<th>COP 2002 ESC</th>
<th>Phare Support</th>
<th>Total Phare</th>
<th>National co-financing*</th>
<th>IFI*</th>
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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 the national amount is also binding and has to be applied to the final contract price.

It is planned that the project will receive funding from two consecutive Phare National Programmes (2002 and 2003). There will be two financing memoranda, one for 2002, to be signed in September 2002, and one for 2003, to be submitted for approval before the end of this year.

6. Implementation Arrangements

6.1. Implementing Agency

Upon condition of successful accreditation the European Social Fund Implementing Agency will be responsible for all aspects of tendering and contracting as well as administrative and financial matters of the implementation. The PAO will be nominated upon accomplishment of accreditation.

The implementation arrangements of the project are outlined in Annex 6 of the present fiche.

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 200 000 EURO and maximum amount is
750 000 EURO. Minimum number of involved unemployed per project is 50 persons. Expected project duration of Component I *employment in social care provision* is max. 22 months; expected duration of Component II, Roma employment projects is max. 13 months.

IA will subcontract external evaluation organisations (selected under Component III) aimed at promoting dissemination and further development of labour market reintegration programmes with analysing, evaluation and publication of experiences and results of supported programmes. IA will subcontract regional technical assistance organisations to provide administrative and financial management services under the responsibility of IA, furthermore professional monitoring and methodological support services under the guidance and supervision of MoEL.

### 7. Implementation Schedule

<table>
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<tr>
<th>Contract</th>
<th>Start of Tendering</th>
<th>Start of Project Activity</th>
<th>Completion</th>
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<tr>
<td>Component I</td>
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<td>Component III</td>
<td>September 2002</td>
<td>January 2003</td>
<td>June 2005</td>
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### 8. Equal Opportunity

Equal access to participation of men and women will be assured in the programme.

*Component I*: the principles of equal opportunities in terms of gender equality will apply throughout the entire application and selection process and in relation to target groups for Component I. 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 the principle of equal opportunities will be an evaluation criterion.

*Component II*: the majority of the activities likely to be undertaken under Component II by the applicants require physical work by the target group, therefore male participation is expected to be proportionally more significant under Component II.

### 9. Environment

Under the grant scheme it will be assured that no projects will be supported that may have a harmful effect on the environment.

### 10. Rates of return

If under the grant scheme the forecast of rates of return is applicable, a full feasibility study is going to be requested.

### 11. Investment criteria
11.1. **Catalytic effect:** Phare support will help local initiatives for labour market re-integration of the long-term unemployed with special emphasis on the Roma population. Without Phare support the problems would be tackled with more limited resources.

11.2. **Co-financing:**

The project has a co-financing contribution of 45 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. **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.

11.5. **Compliance with state aids provisions**

All actions financed by Phare will respect the state aid and competition provisions of the Europe Agreement Contribution to National Development Plan: see above under 2.4

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
5. Reference to relevant Government Strategic plans and studies (may include Institution Development Plan, Business plans, Sector studies etc)
6. Institutional Framework/Implementation Arrangements for Phare grant schemes
## Annex 1.

### LOGFRAME PLANNING MATRIX FOR

#### Project

**COMBATING EXCLUSION FROM THE WORLD OF WORK**

Local initiatives for labour marketer- integration of the long-term unemployed and of people living on regular social assistance, with special emphasis on the Roma population

### Programme name and number

Combating exclusion from the world of work  2002/315-01-04

### Contracting period expires:

30 June 2004

### Disbursement period expires:

30 November 2005

### Overall budget: € 10.8 Million

Phare budget: €  6 Million

<table>
<thead>
<tr>
<th>Overall objective</th>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
</tr>
</thead>
<tbody>
<tr>
<td>To Reduce poverty and social exclusion through employment initiatives</td>
<td>Decreased number and rate of people living on regular social assistance in the region based on project start date (2002) and project completion.</td>
<td>Statistical data provided by the Hungarian Central Statistical Office, the Public Employment Service and the Regional Public Finance Offices</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sociological surveys</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Regular reports of MoEL</td>
</tr>
<tr>
<td></td>
<td></td>
<td>External assessment on behalf of the European Commission</td>
</tr>
</tbody>
</table>

### Project purpose

- To improve employability and labour market reintegration of long-term unemployed and people living on regular social assistance, with special emphasis on the Roma population
- To development local community and public services including social services through the employment of long term unemployed and people living on regular social assistance schemes

<table>
<thead>
<tr>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decreased number and rate of registered long-term unemployed in the region based on project start date (2002) and project completion.</td>
<td>Statistical data provided by the Hungarian Central Statistical Office and the National Employment Service and Regional Public Finance Offices</td>
<td>Economic growth preserved in Hungary, stable socio-economic environment</td>
</tr>
<tr>
<td>Decreased unemployment rate among the Roma minority based on project start date (2002) and project completion.</td>
<td>Sociological surveys</td>
<td>Stable regulatory framework</td>
</tr>
<tr>
<td>Decrease of people claiming Social Assistance based on project start date (2002) and project completion.</td>
<td>Regular reports of MoEL</td>
<td></td>
</tr>
<tr>
<td>Increased quantity of community and social services based on project start date (2002) and project completion</td>
<td>External assessment on behalf of the European Commission and MoEL</td>
<td></td>
</tr>
</tbody>
</table>

### Results

- Long-term unemployed participate in training leading to qualification in the social sector
- Basic social and community services are further developed through the reintegrated long-term unemployed
- Local social cohesion improved with special regard to the Roma community
- Local complex partnership schemes in the field of employment are further developed through the delivery of social and community services

<table>
<thead>
<tr>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>number of long-term unemployed participants in trainings/ supporting services to promote employability</td>
<td>Project monitoring documentation</td>
<td>Accreditation of the ESFNIA.</td>
</tr>
<tr>
<td>number of people who received qualification</td>
<td>External monitoring reports</td>
<td>Efficient inter-sectoral and inter-professional co-operation of local, regional and sectoral level</td>
</tr>
<tr>
<td>quantity and quality of public utility services delivered and works accomplished by the target groups</td>
<td>Statistical accounts of the local governments</td>
<td></td>
</tr>
<tr>
<td>increased quality and quantity of services delivered by the increased human capacity of care providers</td>
<td>Statistical reports and professional accounts of the care providers</td>
<td></td>
</tr>
<tr>
<td>number of well documented, monitored and evaluated projects which achieved their stated objectives</td>
<td>Sociological survey</td>
<td></td>
</tr>
</tbody>
</table>
**Combating exclusion from the world of work**

<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>Assumptions</th>
</tr>
</thead>
</table>
| • delivery of training leading to qualification  
• supporting programmes promoting employability of the target group  
• organisation and delivery of social care, community, communal and environment hygienic services | • Grant scheme with two components:  
Component 1.: Labour market reintegration programme based on local initiatives of local governments and associations of local governments to improve delivery of social services  
Component 2.: Labour market integration programme based on local initiative to improve the living conditions and social inclusion of the Roma population | • Good co-operation among local partners, local governments, association of municipalities, minority governments, NGOs, social care providers, labour market organisations, public and private companies  
• Hungarian state budget approved by Parliament; adequate financial resources for co-financing are available in the programme period. |

## Annex 2.

### Combating exclusion from the world of work

<table>
<thead>
<tr>
<th>COMPONENT</th>
<th>Combating exclusion from the world of work</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2002</td>
</tr>
<tr>
<td>Grant component I</td>
<td></td>
</tr>
<tr>
<td>Grant component II</td>
<td></td>
</tr>
<tr>
<td>Component III</td>
<td></td>
</tr>
</tbody>
</table>

### Notes:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>D</td>
<td>Design</td>
</tr>
<tr>
<td>T</td>
<td>Tendering and contracting</td>
</tr>
<tr>
<td>I</td>
<td>Implementation</td>
</tr>
</tbody>
</table>
Combating exclusion from the world of work

**CUMULATIVE CONTRACTING AND DISBURSEMENT SCHEDULE** (million EURO)  
Annex 3.

Combating exclusion from the world of work

**Project number:**

<table>
<thead>
<tr>
<th>2002 Budget</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>I</td>
<td>II</td>
<td>III</td>
<td>IV</td>
</tr>
<tr>
<td>Contracted</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Component I</td>
<td>1,83</td>
<td>1,83</td>
<td>1,83</td>
<td>1,83</td>
</tr>
<tr>
<td>Component III</td>
<td>0,5</td>
<td>0,5</td>
<td>0,5</td>
<td>0,5</td>
</tr>
<tr>
<td>Disbursed</td>
<td>3,45</td>
<td>3,45</td>
<td>4,65</td>
<td>5,01</td>
</tr>
<tr>
<td>Component I</td>
<td>1,098</td>
<td>1,098</td>
<td>1,464</td>
<td>1,464</td>
</tr>
<tr>
<td>Component III</td>
<td>0,15</td>
<td>0,15</td>
<td>0,25</td>
<td>0,25</td>
</tr>
</tbody>
</table>

Only for the Phare funded components of the project

**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

1) Act IV. of 1999 on promoting employment and on the unemployment benefit and support schemes
2) Gov. Resolution 49/1999 (III.26.) on the support scheme for public works
3) Gov. Decree 1031/1999 (III.26.) on the operation of public works
4) Act III. Of 1993 on social services and social administration (Title II, § 62-65 defining basic social services, Title III. § 75-79 defining specialised institutional care services
5) Gov. Resolution No. 1047/1999 (V.5.) „Medium-term action plan on improving the living conditions and social status of the Roma population”
Reference to Relevant Government Strategic Plans and Studies

Assessment and monitoring studies on the implementation of public work support schemes 1999, 2000, 2001
Annex 6

TEMPLATE FOR THE INSTITUTIONAL FRAMEWORK/IMPLEMENTATION ARRANGEMENTS IN CASE OF GRANT SCHEMES

• **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
Combating exclusion from the world of work

- 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
Combating exclusion from the world of work

- The IA with the technical assistance of the RDA / TAO 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 / TAO with regard to the day-to-day monitoring of the selected projects.