

ANNEX 1: IMPLEMENTATION OF COUNTRY-SPECIFIC RECOMMENDATIONS

Country-specific recommendation No.1: Financial stability

„Reinforce the budgetary measures for 2014 in the light of the emerging gap relative to the Stability and Growth Pact requirements, namely the debt reduction rule, based on the Commission 2014 spring forecast. In 2015, and thereafter significantly strengthen the budgetary strategy to ensure reaching the medium-term objective and compliance with the debt reduction requirements in order to keep the general government debt ratio on a sustained downward path. Ensure the binding nature of the medium-term budgetary framework through systematic ex-post monitoring of compliance with numerical fiscal rules and the use of corrective mechanisms. Improve the transparency of public finances, including through broadening the mandatory remit of the Fiscal Council, by requiring the preparation of regular macro-fiscal forecasts and budgetary impact assessments of major policy proposals.”

Number	Description of measure	Brief introduction of measure	Status of implementation	Further schedule of implementation - next 12 months	The relation of the implementation to any other CSR or Europe 2020 target	Resources of measure	Budgetary effect	European Union funds available for the implementation of the measure (where relevant)	Consistence with the programming period 2014-2020 (OP, description of the construction)	Description of expected effects
1.	Providing a sustainable and stable budgetary status	The government ordered to freeze HUF 110bn in the central budget in July 2014 in order to maintain the deficit target. Due to the economic growth in 2014 being faster than expected by both the government and the European Commission, the government in November and December released HUF 60bn.	The sum was frozen in July 2014. Altogether HUF 60bn was released by the government in November and December							The growth of the Hungarian economy and the reduction of general government debt to a sustainable level.

2.	<p>Planning budgetary balances complying with the MTO and the debt rule in 2015 and henceforward, strengthening the binding nature of the medium-term budgetary framework</p>	<p>General government shall be reduced according to the debt criterion set out by the Fundamental Law and the Act CXCV of 2011 on Economic Stability of Hungary (Gst.). Moreover, Council Directive 2011/85/EU (Directive) on requirements for budgetary frameworks of the Member States was transposed in December 2013, the amendments went into effect at the end of December 2013. As prescribed in the Directive, new numerical fiscal rules were introduced, which fulfil the complex requirements of the Fundamental Law and EU provisions through the regulations regarding the balance of the general government sector. It is set out by the rule to set the balance of the general government sector so that the general government debt-to-GDP ratio (calculated according to the Gst.) decreases. The general government balance shall also be in line with the target rate defined as the medium-term objective of the structural balance. Section V of the Directive, entitled Medium-Term Budgetary Frameworks, prescribes to make the budgetary framework binding.</p>	<p>The budget deficit was in line with the debt rule last year as well.</p>	<p>The central budget act of 2015 is planning the budget deficit complying with the debt rule</p>						<p>Sound fiscal policy: reducing general government debt, keeping national economy on a sustainable growth path. Applying a credible medium-term budgetary framework in the planning process by expanding the planning horizon beyond the fiscal year.</p>
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3.	Increasing transparency of the central budget	<p>Council Directive 2011/85/EU (Directive) on requirements for budgetary frameworks of the Member States sets out that the budgetary planning of the member states shall be based on real macroeconomic and budgetary forecasts using the latest information. The Directive was transposed in December 2013. In line with the above-mentioned facts, the minister responsible for public finances shall prepare the forecast with the underpinning methodology, presumptions and relevant parameters until 30th April, and until submitting the proposal on central budget to Parliament, while also publishing it on the website of the ministry.</p> <p>Article 44 of the Fundamental Law of Hungary provides for the Fiscal Council (FC); detailed regulations concerning the FC are included in Section IV of Gst., which provides a special jurisdiction and veto power to the FC regarding the budget. As per the regulations of Gst., the FC may give an opinion about any questions regarding central budget planning, implementation, or allocating public funds any other way. In line with this, the FC has also made such proposals regarding the draft 2015 budget according to which the Government modified the bill.</p>	<p>In accordance with the Directive, legislations ensuring the implementation have been in effect since 31st December 2013.</p>							<p>Increased credibility, transparency and efficiency of the budgetary framework.</p>
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Country-specific recommendation No.2: Financial sector

"Help restore normal lending flows to the economy, inter alia by improving the design of and reducing the burden of taxes imposed on financial institutions. Adjust the financial transaction duty in order to avoid diverting savings from the banking sector and enhance incentives for using electronic payments. Investigate and remove obstacles to portfolio cleaning inter alia by tightening provisioning rules for restructured loans, removing obstacles to collateral foreclosure as well as increasing the speed and efficiency of insolvency proceedings. In this respect, closely consult stakeholders on new policy initiatives and ensure that these are well-targeted and do not increase moral hazard for borrowers. Further enhance financial regulation and supervision." .

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4.	Decreasing bank levy to boost lending	According to the Memorandum of Understanding between the Government of Hungary and the EBRD, the banking tax will be calculated based on banks' balance sheets as of the end of 2014, with the current percentage applied being reduced from 53 bps to 31 bps from the beginning of 2016 and to 21 bps from the beginning of 2017. As a result of the measure the tax burden on the sector is expected to decrease by about HUF 60bn in 2016 and by further HUF 22bn from 2017. From 2019 the level of the banking tax will be further aligned with the prevailing European Union norms. The reduction of the banking tax significantly contributes to ensuring the profitability of the banking system. Therefore, the capital position of banks may improve, which may be an impetus for credit supply. However, sufficient demand is also needed for the recovery of bank lending.	The Memorandum of Understanding between the Government and the EBRD about reducing the bank levy was signed in February 2015.	The Government of Hungary will take the necessary steps for developing and proposing appropriate legislation to its legislative body by June 2015.			As a result of the measure, revenue from the bank levy is expected to decrease by about HUF 60bn in 2016 and by further HUF 22bn in 2017. From 2019 some further decrease in revenue can be anticipated.			The reduction of the banking tax significantly contributes to ensuring the profitability of the banking system. Therefore, the capital position of banks may improve, which may be an impetus for credit supply.
5.	Restructuring card payment transaction tax	In line with the amendment of the legislation approved in November 2014, the transaction tax of the electronic payments was modified as of 1 st January 2015 so that only a lump-sum tax shall be paid annually on card transactions of the same card. The amount of tax has been distinguished between modern, contactless cards (e.g. PayPass), with a lower charge (HUF 500), and traditional cards (HUF 800).	The amendment came into effect as of 1 st January 2015.							Due to the measure, the cost of card payment has decreased (with the payment of lump-sum tax,, the marginal tax rate of card payment is 0%), therefore a faster increase in electronic payment can be expected.
6.	Facilitating the improvement of retail loan portfolio: active operation of the National Asset Management Ltd. (NET), settlement of retail loans, conversion of FX loans into forint	In case of the retail loan portfolio the recent settlement and conversion of FX loans may contribute to better portfolio quality via decreasing debt and lending interest rates, hence eliminating exchange rate risk. Besides, the National Asset Management Ltd. (NET) plays an active role in reducing NPL rate for households (NPL rate).	The Settlement Act has been in effect since 15 th October 2014. The FX-Forint Conversion Act has been in effect since 1 st February 2015. The "Fair Banking" Act has been in effect since 1 st February 2015.	Retail loans related settlement and forint conversion are going to be conducted until the summer of 2015. NET's purchase target of 25,000 real estates is expected to be achieved by the end of 2015.						The quality of retail loan portfolio improves.
7.	Facilitating the improvement of corporate loan portfolio	MARK Hungarian Restructuring and Debt Management Ltd. (MARK) established by the MNB in November 2014, is going to target commercial real estate exposure with the aim of reaching a significant drop in corporate NPL	MARK Hungarian Restructuring and Debt Management Ltd. (MARK) was established in November 2014.							Significant decrease of the corporate NPL rate.

8.	The introduction of the Electronic Sales System, (EÉR) as of 1st January 2015	EÉR provides an online platform for selling the assets of debtors in liquidation.	The Government Decree of 17/2014. (II. 3.) on the sales of debtor assets in the liquidation procedure came into effect on 11th February 2014. EÉR was launched on 1 st January 2015.	Further development and optimal operation of EÉR as a sales interface in line with user needs.				The central budget provides funds as advances for the development and the operation in the initial phase. However, these costs return as users pay a fee for network access and to launch a bid; bidders pay a registration fee when they first log in, and winning bidders pay 1% of the net purchase price as commission.			Routine use of EÉR means to ease the administrative burden, the review of auctioned assets and the comparison of prices. Under the liquidation process, such assets are sold at a reasonable price that serve as a beneficial purchasing opportunity for production and service companies, which indirectly has an impact on businesses to stimulate and support them, and also to promote investment and maintain jobs. The anonymity of the application/bidding is expected to increase the price of assets, and may lead to higher return ratio of creditor claims.
9.	Strengthening financial regulation and supervision	Due to the bank resolution act adopted last year including the detailed regulations of the national resolution framework, the resilience of the Hungarian financial sector was strengthened. According to the amendments including the new deposit-guarantee regulations as a transposition of the new EU directive on deposit-guarantee schemes accepted in April 2014, as of 1 st January 2015, if a credit institution becomes insolvent, depositors may receive their deposits faster than before.	The bank resolution act entered into force as of 16 th September 2014. The Parliament adopted the proposal package including the new deposit-guarantee regulations in December 2014, which went into effect as of 1 st January 2015.								The resilience of the Hungarian financial sector increases.

Country-specific recommendation No.3: Taxation

“Ensure a stable, more balanced and streamlined tax system for companies, including by phasing out distortive sector-specific taxes. Reduce the tax wedge for low-income earners, inter alia by improving the efficiency of environmental taxes. Step up measures to improve tax compliance — in particular to reduce VAT fraud — and reduce its overall costs.”

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10.	Job Protection Act	<p>Within the framework of the Job Protection Act, in the cases of the most disadvantaged employees regarding the labour market (workers under 25 years and over 55 years, people with jobs requiring no qualification, long-term unemployed , employees returning after childcare leave,) full or 50% allowance on public imposition related to employment is provided for the employers (27% from the social contribution tax and 1.5% from the vocational contribution), which are applicable to monthly gross income not exceeding HUF 100.000. The reliefs have general force, they do not depend on the employer's size or scope of activity.</p> <p>From 2015 part-time employees with children may receive total allowance on social contribution tax and vocational contribution (the HUF 100,000 limit of the allowance does not need to be proportionate due to part-time employment).</p> <p>The Government broadens the scope of the allowance to agricultural employees in the age group of 25-55 years from 1st of July this year, which can affect 30-35,000 employees and can help to whiten agriculture.</p>	The use of allowances increased constantly in 2013 and 2014.	Targeted allowances are sustained permanently. From 2015 part-time employees with children may receive total allowance on social contribution tax and vocational contribution (the HUF 100,000 limit of the allowance does not need to be proportionate due to part-time employment). The Government broadens the scope of the allowance to agricultural employees in the age group of 25-55 years from 1st of July this year, which can affect 30-35,000 employees and can help to whiten agriculture.	Related to CSR No.4: (employment policy).		Employers in the private sector saved about HUF 222bn on allowance due to the Job Protection Act in 2013 and 2014 (HUF 97bn in 2013, HUF 124,7bn in 2014).			<p>Within the framework of the Job Protection Act, in the cases of the most disadvantaged employees from a labour market perspective (workers under 25 years and over 55 years, people with jobs requiring no qualification, long-term unemployed , employees returning after childcare leave) full or 50% allowance on) full or 50% relief on public imposition related to employment is provided for the employers (27% from the social contribution tax and 1.5% from the vocational contribution), which are applicable to monthly gross income not exceeding HUF 100.000. The reliefs have general force, they do not depend on the employer's size or scope of activity.</p>
11.	Family contribution allowances									

	a) Broadening the scope of people entitled to family contribution allowance, increasing its amount	<p>The scope of people entitled to family contribution allowance was further broadened from 1st January 2015. As a result, the spouse not entitled to the child benefit of a private person entitled to child benefit is entitled to the allowance, (the spouse of the foster parent or legal guardian may also be entitled).</p> <p>From 2016 the amount of family contribution allowance will gradually increase for parents with two children so that it doubles by 2019.</p>	<p>Family contribution allowance came into effect at the beginning of 2014. If private people cannot use the total amount of family tax benefit possible because their tax base is not large enough, they may deduct the allowance not applicable through personal income tax from their contributions (pension contribution, health care contribution). The scope of people entitled to family contribution allowances was broadened as of 1st January 2015.</p>	<p>According to plans, from 2016 the amount of family contribution allowance will double for parents with two children between 2016-2019, which will affect about 300,000 families</p>			<p>As a result of the planned increase of the allowance, the amount of benefits for families with children will increase by HUF 200bn in five years.</p>		<p>As a result, the spouse (not entitled to child benefit) of a private person entitled to child benefit became also entitled to the allowance, (the spouse of the foster parent or legal guardian may also be entitled).</p> <p>From 2016 the amount of family contribution allowance will gradually increase for parents with two children so that it doubles by 2019.</p>
	b) Introducing first marriage tax allowance	<p>From 2015, newly-wed couples – if it is the first marriage for at least one of the parties – may claim first marriage tax allowance for two years, which means the possibility to decrease the tax base (it is half the amount of the family allowance upon one child).</p>	<p>From 2015 newly wed couples may claim first marriage tax allowance for two years.</p>				<p>HUF 1bn in 2015, HUF 3bn in 2016, HUF 4.5bn from 2017</p>		<p>From 2015 newly-wed couples – if it is the first marriage for at least one of the parties – may claim first marriage tax allowance for two years, which means the possibility to decrease the tax base (it is half the amount of the family allowance upon one child).</p>
12.	Reduction of personal income tax	<p>Reduction of personal income tax by 1 percentage points (from 16% to 15%) from 2016</p>		<p>The reduction is expected to be carried out in 2016.</p>					<p>Cause more dynamic rise of net wages and more restricted rise of gross wages.</p>
13.	Expanding the range of products under environmental and public health taxes	<p>From 2015, the environmental product fee is imposed on some further new products (other plastic products such as artificial flowers, and other products of the chemical industry such as detergents, shower gels; office paper; and also on electrical and electronic equipment that are not involved in the current regulation such as industrial size equipment).</p> <p>Some alcoholic products are under the effect of public health product fee, charged with differentiated tax rate based on their alcohol percentage (the tax does not involve two types of alcoholic beverages with less harm to health).</p>		<p>Measures came into effect on 1st January 2015.</p>			<p>As revenue HUF 16bn.</p>		<p>From 2015 the environmental product fee is imposed on some further new products (other plastic products such as artificial flowers, and other products of the chemical industry such as detergents, shower gels; office paper; and also on electrical and electronic equipment that are not involved in the current regulation such as industrial size equipment).</p>

14.	VAT "whitening" measures									
	a) Expanding the use of online cash registers	From 2015, the use of online cash registers is expanded to the majority of the service sector. According to plans, it is going to be expanded to other service sectors – hairdressing, beauty care, improving physical condition, medical, other human health care, animal health care, market trade, physical training, other entertainment, sport facility operation, restaurant, other personal services, photography.	The online cash register system was operating in 2013, and installment of cash registers was completed in 2014.	From 2015 the use of online cash registers is expanded to the majority of the service sector.			VAT revenue in ESA terms is estimated to have grown by 11.8% (HUF 318bn) in 2014 compared to the previous year..			As a result, around 184,000 online cash registers operated at the end of 2014.
	b) Establishing the Electronic Public Road Trade Control System (EKÁER)	The Government introduced the Electronic Public Road Trade Control System (EKÁER). Transport-related data (name and quantity of goods, consignee, consignor, registration number of vehicle, etc.) has to be entered in a central electronic system before transport starts, thus transport-related VAT fraud becomes almost impossible after the introduction of the system.	Testing period of EKÁER introduced from 2015 finished on 1 st March 2015. The Government has elaborated the detailed regulations according to the experience and the public consultation. (Ministerial Decree 5/2015. (II.27.) of the MNE)	Fine-tuning of ministerial decree of 27 th February 2015 is in progress.			HUF 60bn VAT revenue surplus	Modifications in the detailed regulation head to simplification and the reduction of the administrative burden. The new regulations bring change in people with data submission obligation, and also in the type of data beyond expanding exemptions.		Control function of the tax authority becomes more efficient, which reduces the black market. The effects due to their escalation can be seen on other types of taxes, besides increased VAT revenue. Between 20 th December and 4th March 2015 around 37,000 taxpayer and 4,900 transporters registered on EKÁER.
	c) VAT rate was decreased to 5% on intermediary products	VAT rate applicable to the sale of other big-bodied live animals (cattle, sheep, goat) and animal carcass classified as intermediary products was decreased to 5%.	The measure came into effect on 1 st January 2015.					The measure promotes reduction of VAT fraud.		Reduced VAT fraud.
	d) Expanding cases of reverse VAT	Reverse VAT can be applied for certain steel industry products, and hired workforce services of construction services without mandatory building authority permit. The latter eases administration, thus taxable persons do not need to examine if they hire workforce for work subject to permit.	The measure came into effect on 1 st January 2015.				Due to the nature of reverse VAT, there is a small-scale loss in the year of the introduction, which may be compensated by reduced VAT fraud.	The measure promotes reduction of VAT fraud.		Reduced VAT fraud.

	e) Expanding the scope of domestic VAT recapitulative statement	As of 1 st January 2013 based on the domestic VAT recapitulative statement, both the seller/service provider and the purchaser/service user are obligated to submit details on a separate annex of their VAT return in case of invoices with output taxes of HUF 2 million or above. Details per invoice are as followed: data of the partner, amount of tax, due date. From 2015 the limit has been decreased to HUF 1 million.	The measure came into effect on 1 st January 2015.							Reduced VAT fraud.
	f) VAT rate of pork cuts will be reduced to 5%	From 2016, VAT rate of pork cuts will be reduced to 5%		The reduction is expected to carried out in 2016.						Reduced VAT fraud.

Country-specific recommendation No.4: Employment

“Strengthen well-targeted active labour market policy measures, inter alia by accelerating the introduction of the client profiling system of the Public Employment Service. Put in place the planned youth mentoring network and coordinate it with education institutions and local stakeholders to increase outreach. Review the public works scheme to evaluate its effectiveness in helping people find subsequent employment and further strengthen its activation elements. Consider increasing the period of eligibility for unemployment benefits, taking into account the average time required to find new employment and link to activation measures. Improve the adequacy and coverage of social assistance while strengthening the link to activation. In order to alleviate poverty, implement streamlined and integrated policy measures to reduce poverty significantly, particularly among children and Roma.”

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15.	Measures improving the targeting of public work and strengthening its activation elements									
	a) Increasing the share of people receiving employment substitution benefit in public work programmes	The measure contributes to improving the targeting of public work by increasing the participation rate of people receiving employment substitution benefit. Due to their reintegration into the labour market, the most deprived, inactive groups receive regular labour income. The measure corresponds to the reform of the social benefit system starting in 2015.		From July 2015	Raising the employment rate (Eu2020-1) Fighting poverty (Eu2020-5)	With the provision of 6-month, long-term public work support HUF 20.7bn				The measure helps the reintegration of those furthest from the labour market by increasing economic activity, involving the long-term unemployed in employment, and also by strengthening the role of activation elements. The importance of employment and social policy is expected to change, and the income structure of the target group is to be transformed; these reduce the risk of poverty. Related measures need to be gradual.

	b) Changes in legislation promoting the transition from public work into the open labour market	The changes, in three parts of the legislation and supporting IT development, promote reintegration into the open labour market (Act IV of 1991, Act CVI of 2011, and Gov. Decree of 2010 (XII. 31.). The person in public work: (1) is obliged to accept the job offered on the primary labour market. Its conditions are a unified register, and the development of mediation activity of the branch offices. (2) is exempt from work obligation for the time of the job interview; (3) for people under 25 public work does not account for a suitable job offer (see Youth Guarantee). The amendment of Gov. Decree of 375/2010 (XII. 31.) promotes the strengthening of self-sustainability of social cooperatives, upon which local governments provide financing for cooperatives based on the number of employees in the sample programmes.	The amendment came into effect as of 1 st January 2015.	Deadline for IT development: 1 st March 2015. Mediation is possible after the modification of the IT system.	Raising the employment rate (Eu2020-1), Fighting poverty (Eu2020-5)	None in 2015, implementation on the expense of 2014 budget.				The measure results in the activation of people far from the labour market. It promotes the improvement of the general social situation and the reduction of poverty. The measure encourages employment in the open labour market of people in public work, and helps with the involvement of the group in active labour market programmes. Employment on the primary labour market is expected to increase only in regions where the primary labour market is able to provide sufficient job opportunities.
	c) Trainings and services for low skilled people and for those in public work	Training possibilities are offered for the low-skilled, for those without qualification, or with an out-dated one, and, in particular, to public work participants. Support is provided upon personal needs and based on the demand of employers in the region. From a legal perspective, participants are in public work during the training. Individualized, tailor -made services helping people to exit public work complement the programme.	SRQP 2.1.6 "I learn again!" programme (on-going): until August 2015.	Further training programmes (EDIOP, HDOP): Q3 2015 – December 2018	Raising the employment rate (Eu2020-1), Fighting poverty (Eu2020-5)	Public work: planned budget of NFA Start-programme (2014: HUF 231.105bn, 2015: HUF 270bn). Training: 2014-15 Winter public work HUF 10.65 bn (2014: HUF 2.65bn; 2015: HUF 8bn). SRQP 2.1.6: 2012-2015 HUF 44.017bn, EDIOP 6.1.1 planned resource: HUF30 bn, HDOP still under development.		Training costs of the training element of currently on-going 2014-15 winter public work are provided by SRQP 2.1.6 until 30 th August 2015. Trainings planned for 2015-18 are financed by resources of EDIOP (occupation-specific training) and HDOP (catch-up training and basic competency development trainings). According to plans, within the framework of EDIOP, HUF 30bn is available (EDIOP 6.1.1).	Priority No.6 of EDIOP: Competitive workforce; Investment priority No.1: Improved access of working-age population, especially the low-skilled to formal training opportunities improving labour market competencies. Scheme: training of the low-skilled and those in public work (EDIOP 6.1.1); training programme of HDOP targeting the Roma and people with disabilities (development of basic competencies, catch-up training programmes).	A more competitive workforce appears on the job market due to the training of people in public work and its related services. Participation of low-skilled people in adult training as part of life-long learning to acquire relevant skills required by the labour market is a key tool to tackle unemployment, poverty and social exclusion. Around 170,000 people in public work will have been involved by the end of SRQP 2.1.6. The key objective of trainings within the framework of public work scheme is to promote access to the primary labour market (the rate of National Qualifications Register based trainings is 62% after 22% a year earlier).
	d) Public work of the homeless	The measure facilitates the integration of the homeless, with the countrywide expansion of the previous pilot programme. The comprehensive programme complements employment with mentor service based on constant presence, accredited lifestyle training and healthcare service.		From March-April 2015	Raising the employment rate (Eu2020-1) Fighting poverty (Eu2020-5)	Budget: HUF 1bn from Public Work Start budget (for 700 people, depending on the number of people taken by public employers).				Labour market, social and mental situation of homeless job seekers involved in public work improves, which may facilitate employment on the open labour market. Some other services may be necessary due to the specialities of the target group (e.g. warm clothing, permanent medical care, hot meals etc.).

16.	Measures promoting youth employment									
	a) Youth Guarantee - active labour market programme (EDIOP 5.2.1)	The system of Youth Guarantee is gradually introduced in Hungary, based on the previously gained experience from programmes aiming at the youth. "Youth Guarantee, active labour market programme" (EDIOP 5.2.1 and CCHOP 8.2.1), which promotes labour market integration of the youth and is implemented by the public employment service, serves as the first step of the introduction. Part of the programme aims at establishing a country-wide mentor-coordinator network (within the public employment service), while also training and employment support programmes, apprenticeship programmes and programmes to support the youth to become entrepreneurs are to be established. Youth Guarantee also improves cooperation between employment, educational, social policies and organisations.	Preparation started in 2014. EDIOP 5.2.1 under implementation, CCHOP 8.2.1 under planning.	The implementation of the first active labour market programme (EDIOP) is between January 2015 and December 2017, further programmes to succeed.	Raising the employment rate (Eu2020-1) CSR6	The financial framework of the programme implemented in six convergence regions between January 2015 and December 2017 is HUF 36bn, CHR resource is HUF 4.2bn.	The first year of the programme is covered by the NEF budget available for prefinancing.	EDIOP 5.2.1 (ESF, YEI) CCHOP 8.2.1 (ESF)	Priority No.5 of EDIOP investment priority No.2, as well as priority No.8 of CCHOP investment priority No.2.	Due to the measure, the number of NEET young people decreases, and the education and employment level of people aged 16-25 improves. Within the framework of the ongoing programme, more than 36,000 NEET young people under 25 receive guarantee.
	b) Supporting youth entrepreneurship	Under the Youth Guarantee scheme, the programme primarily aims to provide support for young job seekers to become entrepreneurs. In the first phase of the programme, young people attend trainings to gain competencies necessary to start a business, and they also receive help with setting up their business plans. In the second phase, young people with an approved business plan and who have completed first-phase training and who have an established business can apply to receive non-refundable funds to support their initial expenses.	Call of the first phase was announced on 10 th October 2014, implementation may start in Q2 of 2015.	Call for the second phase is planned for December 2015, planned to finish in 2017 (with maintenance until 2019).	Raising the employment rate (Eu2020-1), CSR6	HUF 4bn (first phase: HUF 1.1bn, second phase: HUF 2.9bn)		EDIOP 5.2.2 (EDIOP-5.2.2-14 Supporting youth entrepreneurship) EDIOP 5.2.3 (ESF).	Priority No.5 of EDIOP Employment; Investment priority No.2: Sustainable integration of the youth into the labour market; EDIOP 5.2.2 Supporting youth entrepreneurship and EDIOP 5.2.3 Supporting the costs of starting a business	The programme contributes to decreasing the number of young unemployed people.

	c) Apprenticeship programme for supporting career starters	The aim of the apprenticeship program is to support the projects of micro, small and medium-sized enterprises if they employ career starters with secondary qualification under the age of 25, who received their first qualification in full-time education. The programme supports the establishment of conditions for practical training by compensating for the extra costs of apprentices' employment and training (wages of apprentices, fees of mentors, equipment necessary for the workstation of the apprentice).	none	Call for application is planned for September 2015, implementation of supported programmes is planned to finish in December 2017.	Raising the employment rate (Eu2020-1)	Planned: HUF 10bn		EDIOP 5.2.4 (ESF)	Priority No.5 of EDIOP Employment; Investment priority No.2: Sustainable integration of the youth into the labour market; EDIOP 5.2.4 Apprenticeship programme for supporting career starters.	As a result of the programme, participation of young people in apprenticeship programmes increases, their qualification and professional practical knowledge improves and they gain work experience. Therefore, their labour market possibilities and employment improve. The apprenticeship programme builds a direct relationship between dual vocational training and the labour market.
17.	Active labour market programme for the disadvantaged	The measure aims to promote the employment of disadvantaged people on the open labour market by providing tailor made, personalised tools (e.g. targeted labour market trainings, labour market services, temporary wage subsidies), and also by improving the quality and efficiency of services offered to job seekers and employers (e.g. full-scale implementation and operation of job seekers' profiling). Its target group is job seekers above 25.	SROP 1.1.2 active labour market programme is being prolonged and its budget being raised. EDIOP 5.1.1 programme is in planning phase.	SROP 1.1.2: until October 2015 EDIOP 5.1.1: Implementation of the three-year long measure is expected to start in the first half of 2015.	Raising the employment rate (Eu2020-1), Fighting poverty (Eu2020-5)	The budget of SROP 1.1.2 was increased by HUF 5.4bn. Planned resources for EDIOP 5.1.1: HUF 102bn.	The part of the programmes implemented in 2015 is covered by the NEF budget available for prefinancing.	EDIOP 5.1.1 (ESF)	The mirror project of the measure in CHR is implemented under priority No.8 of CCHOP.	The measure contributes to reducing the number of unemployed and registered job seekers, and broadening employment on the open labour market.
18.	Country-wide implementation and operation of job seekers' profiling system	Prior to the measure, a profiling system recording the characteristics of the job seeker (motivation level, labour market situation, other features) was set up. After its countrywide introduction, each (new) client using the services of the public employment service is has an individual action plan (defining the most efficient labour market services and supporting tools) drawn up. By 30th June 2015 the training of the new client development model methodology will have been held for the branch office administrators (methodological training of 280 people, altogether 740, which adds up to 70% of the profiling staff); the new client development model (including profiling) will have been tested in a pilot (analysing results, fine-tuning methodology); the IT system (EIFA) supporting the operation of the profiling system will have been developed.	Elaborating methodology, methodological training of administrators (280 people), altogether 740 people, which is 70% of the profiling staff, pilot programme, development of the supporting IT system (EIFA): until 30 th June 2015.	Countrywide introduction: on-going from 1 st January 2016.	Raising the employment rate (Eu2020-1)	SROP 1.3.1-12/1-2012-0001 project		SROP 1.3.1-12/1-2012-0001 (ESF)	SROP 1.3.1	The measure helps achieve the objectives regarding youth unemployment and public work. Services and support tailored to individual needs and the labour market situation are provided, therefore their labour market and employment opportunities improve. The system facilitates more efficient use of services and support tools, more efficient targeting of the public work programme. Sufficient number of experts who are able to use the profiling system efficiently, constant provision of professional and IT background, fine-tuning of the system if necessary are needed to introduce the system uniformly countrywide.

19.	Introduction of the Hungarian Qualification Framework (HQF)	The inter-ministerial Professional Workgroup has accepted the HQF, HQF levels are to be fixed in a Government decree, and the official documents recording results are to contain the levels.	none	Coming into effect in 2015	CSR6, Raising the employment rate (Eu2020-1)	none	none	none	none	The education and training system becomes more transparent and interoperable, it promotes life-long learning. The dynamics of the labour market is expected to improve; dual training to be strengthened, transition between different stages of education to be facilitated. An ex ante condition gets completed.
20.	Measures promoting life-long learning									
	a) Reducing the digital gap	The measure aims to develop digital competency of disadvantaged adults as a key labour market competency (targeted adult training labour market program, disadvantaged target group capable of work, encouraging the use of the internet and e-administration).	none	The announcement is planned for spring 2015, implementation is planned to finish in December 2017.	Raising the employment rate (Eu2020-1), CSR6	Estimated resource need: HUF 8.95bn (announcement in 2015).		EDIOP 6.1.2 (ESF)	Priority No.6 of EDIOP: Competitive Workforce; Investment Priority No.1.	Digital illiteracy of disadvantaged citizens decreases .
	b) Improving foreign language skills	The programme aims at the (disadvantaged) adult population to improve their foreign language skills (reach a level of A1-A2 at least.)	none	The announcement is planned for spring 2015, implementation is planned to finish in December 2017.	Raising the employment rate (Eu2020-1), CSR6	Planned resources: HUF 4bn (announcement in 2015).		EDIOP 6.1.3 (ESF)	Priority No.6 of EDIOP: Competitive workforce; Investment priority No.1: Improving the accessibility of life-long learning opportunities. EDIOP 6.1.3 Improving foreign language skills	Number of people with no or poor foreign language skills decreases in the target group.
	c) Participation in the Programme of International Assessment of Adult Competencies (PIAAC) of OECD	PIAAC (<i>Programme of International Assessment of Adult Competencies</i>) of OECD is a data collecting and analysing programme that focuses on the competencies of the adult population (aged 16-64), and assessing their labour market and social situation regularly. The survey concentrates on employee competencies at work (assessing knowledge, acquiring skills, new challenges of the knowledge-based society; development of basic competencies).	none	The announcement is planned for spring 2015, implementation of the supported project is planned to finish in December 2020.	Raising the employment rate (EU2020-1), CSR6	Planned resources: HUF 1.1bn (out of which HUF 0.302bn CHR)		EDIOP 6.2.1 (ESF) CCHOP 8	Priority No.6 of EDIOP: Competitive workforce; Investment priority No.2: Improving adjustments of education and training systems to labour market demand; EDIOP 6.2.1 (PIAAC)	The survey enables better foundation and targeting of training-related (labour market) measures. Databases based on PIAAC survey are public, significant conclusions can be drawn upon the analyses based on them on education policy (especially adult training) and employment policy.

21.	Restructuring the social benefit system	The segmented social benefit system becomes uniform with restructuring the benefit system. Allocation and payment of normative allowances fall under district authority jurisdiction, while financial allowances on current situation will be allocated by local governments set by decree. Types of mandatory assistances set by the social act will be modified, besides allowances currently under district authority jurisdiction (substantive and normative public health care, substantive care allowance, old age allowance, eligibility for health care services), allowance of working age people will fall under district authority jurisdiction.	none	On-going as of 1 st March 2015	Fighting poverty (EU2020-5)	Planned central budget altogether is HUF 136.2bn for 2015.	Tax revenue differentiated central fund available through tender for the social task performance of settlements: settlements with tax revenue below HUF 32,000/resident may receive 25%, 50% or 100% support.			The number of people earning their living by public work or employment instead of HUF 22,800 employment substitution benefit increases further in 2015. Benefit-related tasks of the state and local governments will be separated, jurisdictions become uniform countrywide. The range of mandatory allowances according to the social act will be modified. Flexibility of the local governments in determining allowances provided by them will grow (mandatory: settlement allowance.) Regular social benefit to working-age people will be replaced by health damage and childcare allowance.
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Country-specific recommendation No.5: Business environment

"Stabilise the regulatory framework, and in order to enhance market competition, firstly eliminate obstacles in the service sector. Take more efficient steps to enhance competition on the public procurement market and make them more transparent through the application of electronic public procurement to a greater extent; furthermore, tackle corruption and reduce the overall administrative burden."

Number	Description of measure	Brief introduction of measure	Status of implementation	Further schedule of implementation - next 12 months	The relation of the implementation to any other CSR or Europe 2020 target	Resources of measure	Budgetary effect	European Union funds available for the implementation of the measure (where relevant)	Consistence with the programming period 2014-2020 (OP, description of the construction)	Description of expected effects
22.	Government measures for decreasing entrepreneurial administrative burdens									

a)	Simplifying qualification requirements	<p>In 2013 the Government mapped the whole Hungarian secondary qualification system in order to abolish or restructure unreasonable or too strict requirements in the current market situation, and thereby open the labour market wider for the employees with low qualification. As a result of the overall supervision 39 qualification requirements are abolished, 85 effected, and a further 29 simplified in the first half of 2015.</p> <p>Beyond this, in order to increase the transparency of the legal environment, the legislation on qualifications will be compiled in a catalogue, and this catalogue will be available for the public in one-stop-shops.</p>	<p>With regard to the rationalisation of qualification requirements the ministries carried out an overall supervision in 2013, regarding the regulations on the effective qualification requirements, and elaborated the simplification principles within the framework of the professional workgroup. By applying the principles, they selected the qualification requirements which were proposed to be repealed or simplified, and consulted it with representative bodies. After that the Government approved the Decision on simplification in December 2013, which includes the itemisation of the qualification requirements to be repealed and simplified. From March 2014 the NEO (National Employment Office) makes the effective, continuously updated qualification catalogue of Hungary available.</p>	<p>Regarding the rationalisation of qualification requirements the legislation amendment duties defined by the Government Decision 2054/2013 have to be carried out by the ministries until in the first half of 2015.</p>						<p>The number of the group of which the qualification is proposed to be abolished can be estimated between 10 and 15 thousand. Presuming a 5% annual growth in number, about 500-700 people are exempt from the requirement for the qualification subject to the position they want to fill. Supposing an average of HUF 200,000 training cost it results in a saving of about HUF 100 -150 million directly for the enterprises. The irritation decreasing effect of the qualification requirements, which were proposed to be repealed in order to increase the transparency of the legal environment, is added to the above.</p>
b)	Codification of the new civil procedure	<p>In line with the Government Decision of 1267/2013. (V. 17.) on the codification of civil procedure, the codification of the new civil procedure has been started, which aims to operate a high standard, modern, efficient and transparent judiciary which will also ensure the timeliness of procedures, efficient and transparent judiciary.</p>	<p>The Government has adopted the concept of the new civil procedure and published it on their website (link: http://www.kormany.hu/hu/dok?type=306#!DocumentBrowse), it also ensures the opportunity for remarks for those involved.</p>	<p>The normative text of the new civil procedure is expected to be drafted by the end of 2016.</p>	<p>The codification aims to ensure that new challenges triggered by social, economic, and technical changes are met, and the efficiency of court procedures increases.</p>		<p>Impact assessment is conducted parallel with drafting the normative text.</p>			<p>Renewing civil procedure involves comprehensive advantages by settling disputes faster and more efficiently.</p>
c)	Faster, more transparent court procedure	<p>Electronic communication has been introduced between the court, legal entity, debtors and creditors in liquidation and winding-up procedures., Moreover through IT developments court responsibilities have been supported.</p>	<p>Amendment of the Act XLIX of 1991 on Winding-up Procedures came into effect on 1st January 2015.</p>							<p>Due to the measure, court proceedings become faster and more up-to-date, communication with clients becomes faster and more efficient.</p>

	d) More efficient return of creditor claims and public debts	From 2015 a central electronic online sales system was introduced in winding-up procedures. The Ministry of National Development carried out the development of the electronic sales system within the framework of a state investment, the system is also run by the ministry.	The audited sales system was established at the beginning of January, 2015.		The aim of the amendment is to supervise the requirements set by the legislation regarding insolvency experts involved in the work of the court in liquidation and winding-up procedures, and also to increase their professional level.					The advantages of online sales are already visible: fiercer price competition, higher revenue from sales, which can be divided among the creditors, hence higher return rate, and lower loss in winding-up procedures. The online sales system shortens the duration of selling assets in winding-up procedures, this way promotes their faster completion. Due to the audited IT system, opportunities for abuse have been eliminated during winding-up sales, sales process has become more transparent and controllable.
	e) Insolvency experts	Stricter control and reporting system of insolvency experts have been set up. Their mandatory internal audit and regular professional further training in the fields of law, finance and economics have been introduced. The latter ensures increased professional level and information about changes and jurisprudence of legal and financial regulators.	Amendment to the Act XLIX of 1991 on Liquidation and Winding-up Procedures came into effect on 1 st January 2015.							Due to the measure, court procedures become faster and more up-to-date, communication with clients becomes faster and more efficient.
23.	Strengthening market competition through public procurement									

	<p>a) Making public procurements electronic</p>	<p>The new public procurement directives make electronic communication in public procurements mandatory. This must be made mandatory until 18th April 2017 for central purchasing bodies and 18th October 2018 for contracting authorities.</p> <p>Hungary is devoted to implement electronic public procurements as soon as possible. Therefore, an electronic public procurement strategy and action plan will have been prepared by spring 2015. The aim is to create a state public procurement portal, through which each contracting authority can simply carry out their public procurement procedures. After developing the strategy, a technical specification needs to be prepared, then public procurement procedures need to be carried out for the development of the new system. According to plans, development will take place in 2016, which will be followed by adequate testing and assessment of the system. The application of the new electronic system will be compulsory for each contracting authority according to the deadlines set by the EU directive. E-Certis is an information database that helps identify certificates often required in public procurements. According to the request of the European Commission, Hungary keeps the certificate types up-to-date in the database, promoting a more efficient participation in public procurement procedures for both domestic and other EU member state enterprises.</p> <p>Free of charge electronic publication of procurement documents is going to become compulsory, which reduces the burdens of the participating enterprises further. Costs of participation in the procedure decrease with free documentation, which facilitates more companies to take part, , thus boosts competition significantly.</p>	<p>The final concept of transposing the new public procurement directives was finalised by autumn 2014, which also contains the fundamental steps of introducing electronic public procurement. The system providing electronic dispatch of contract notices has already been operating. The update of the e-Certis database is continuous. The experts of the Prime Minister's Office and the Public Procurement Authority have received information about the practical usage of the system and EU-wide future development plans from the European Commission. The concept of transposing the new public procurement directives contains the draft of mandatory publication of documents free of charge. Measures have been taken on the field of procurement documents to be available: the Act CXVI of 2013 amended 52. § (2)-(3) sections of the Act CVIII of 2011 on Public Procurement, which prescribed free of charge availability of documentation for the tenderers as of 1st July 2013.</p>	<p>Detailed strategy and action plans of electronic public procurement are to be prepared by spring 2015. Preparation of the technical specification and selection of the organisation or economic player providing technical solution start at the end of 2015. After organisational changes, the list of administrators with access to e-Certis has to be updated. Administrators update the database when it has not been done before. The preparation of the new public procurement bill is in progress. The new act is expected to come into effect by the end of 2015. Provisions will be included in the bill.</p>	<p>The measures aim to introduce electronic communication into public procurement procedures as soon as possible, as a result, transparency of the procedures may improve significantly and market competition may be enhanced. Moreover, they also establish a legal framework promoting transparency and enhanced market competition by transposing EU directives; they promote adequate application of legislations.</p>		<p>The measures indirectly contribute to spending public funds more efficiently.</p>			<p>As a result of the measures, transparency improves, market competition is enhanced, corruption decreases.</p>
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	b) Promoting smooth procedure	<p>In public procurement procedures the possibility of so-called “self-cleaning” makes the competition smooth. It means that enterprises which are subject to exclusion may prove that their measures sufficiently justify their reliability despite the relevant grounds for exclusion.</p> <p>According to Section (7) 92. § of the Public Procurement Act, the final tenders shall be submitted concurrently in writing in case of competitive procedures with negotiation, this way excluding the possibility of abuse on the negotiation earlier arisen regarding the tender.</p> <p>Section (8) 67. § of the Public Procurement Act offers the possibility of error correction of the itemized schedule of works and costs (detailed budget) in the case of fixed sum construction works, which prevents the exclusion of tender in case of a large-scale construction investment because one single item (e.g. a tap) is not priced in the itemized schedule of works and costs (detailed budget).</p>	<p>The concept of transposing the new public procurement directives was finalised by autumn 2014, which contains the draft of “self-cleaning”.</p> <p>The regulations of the public procurement act for written and concurrent submission of tenders in competitive procedures with negotiation have been in effect since 15th March 2014.</p> <p>The regulations of the public procurement act for mistake correction have been in effect since 15th March 2014.</p>	<p>The preparation of the new public procurement act is in progress. The new act is expected to come into effect by the end of 2015.</p> <p>The concept of “self-cleaning” will be included in the bill.</p>	<p>The measures aim to improve transparency of the procedures significantly and enhance market competition.</p> <p>Moreover, they also establish a legal framework promoting transparency and enhanced market competition by transposing EU directives; they promote adequate application of legislations.</p>		<p>The measures indirectly contribute to spending public funds more efficiently.</p>		<p>As a result of the measures, transparency improves, market competition is enhanced and corruption decreases.</p>
	c) Increasing transparency	<p>Practical guidelines by the Prime Minister’s Office are to be published in order to increase transparency, which ensure the adequate application of public procurement regulations in effect while using EU funds. The content of the guidelines will be finalised after consultation with the European Commission. Besides, a summary regarding quality and regularity control and orderliness is prepared for the experts controlling public procurement procedures; therefore transparency and the enforceability of effective competition principles improve.</p> <p>The Public Procurement Authority has been operating a Public Procurement Database since 1 July 2013. Thus the public procurement plans, contracts and data on contract performance are available in one place, so that it is easy to find. The Public Procurement Database provides the better monitoring of the publication obligation as well. The amendment increases the transparency of public procurements. The database is available for anybody without any limitation: it is free and no registration is required. The database is available on the following link: http://kba.kozbeszerzes.hu/apex/f?p=103:35:111932293606533</p> <p>The Public Procurement Authority prepares and publishes guidelines on its website to promote law application, available here: http://www.kozbeszerzes.hu/jogi-hatter/a-hatosag-utmutatoi/ The guideline on amending and complying with public contracts is being prepared currently, which may also promote the enforceability of the transparency principle by elaborating on related regulations.</p> <p>Joint resolutions of the organisations playing an important role in public procurement legislation (PPA-DGAEF-PMO earlier MND legislation, currently PMO) have been published on the website of the Public Procurement Authority, which promote uniform interpretation of law in domestic public procurement. They are available here: http://www.kozbeszerzes.hu/jogi-hatter/kozos-allaspontok/</p>	<p>The Public Procurement Database has been operating since 1 July 2013. On the website of the Public Procurement Authority 19 different guidelines are available that help law application.</p> <p>The website of the Public Procurement Authority includes joint resolutions of the organisations involved in 12 topics.</p>	<p>Practical guidelines and summary by the Prime Minister’s Office are expected to be prepared in the first half of 2015.</p> <p>The operation of the Public Procurement Database is continuous.</p> <p>New guidelines are to be prepared about the application of current regulations.</p> <p>In case of publishing new resolutions information is updated on the website.</p>	<p>The measures aim to improve the transparency of the procedures significantly and enhance market competition.</p> <p>Moreover, they also establish a legal framework promoting transparency and enhanced market competition by transposing EU directives; they promote adequate application of legislations.</p>		<p>The measures indirectly contribute to spending public funds more efficiently.</p>		<p>As a result of the measures, transparency improves, market competition is enhanced and corruption decreases.</p>

	<p>d) Other measures</p>	<p>The European Single Procurement Document is going to be introduced. According to the new public procurement directives, certificates proving that the selection criteria are met and the lack of grounds for exclusion will be no longer compulsory to be attached to the application or the submission of the tender, but the European Single Procurement Document consisting of the up-to-date declaration of the economic operator shall be accepted by the contracting authority as a preliminary evidence that the selection which have been set out in the public procurement proceedings are met. As a general rule, certificates need to be submitted only by the winning tenderer before the notification of the results of the award procedure is sent.</p> <p>A more precise legislation of selection criteria may greatly contribute to enhanced competition and reduce unfair public procurement practices, such as setting out in law certain selection criteria and their extent. This is enabled by the legislator on a legislative basis by the new public procurement act.</p> <p>Gov. Decree 218/2011 (X.19) on special rules of procurement affecting classified data, essential security, national security interest of the country or claiming especial security measure triggering some critical remarks from the EU (also generating case of failure to fulfil obligation) was repealed by the Government on 7th November 2014. Regulation ensuring greater competition is being prepared.</p> <p>The Hungarian Competition Authority and the Prime Minister's Office are preparing a set of conditions, if the conditions are fulfilled, the units conducting the public procurement control are obliged to send a notification to the Hungarian Competition Authority automatically.</p> <p>Due to the restructuring of the public procurement institution system, government functions regarding public procurement became concentrated in one place, which promotes more efficient cooperation of organisational units responsible for public procurement supervision, regulation, as well as spending EU funds in order to increase transparency and competition.</p>	<p>The concept of transposing the new public procurement directives was finalised by autumn 2014, which contains the draft of the given measure.</p> <p>The regulations of classified and security procurement were repealed as of 7th November 2014.</p> <p>The Prime Minister's Office took over the Department of Public Procurement Control (earlier NDA), also the Department of Public Procurement Supervision and the Department of Public Procurement Regulation (earlier MND).</p>	<p>The preparation of the new public procurement act is in progress. The new act is expected to come into effect by the end of 2015.</p> <p>The regulation of classified and security procurement starts in 2015.</p> <p>Set of conditions for the automatic notification of the Hungarian Competition Authority will have been prepared by March 2015.</p> <p>Within the framework of the restructured organisation, employees of certain organisational units regularly share their experience with each other promoting more efficient recognition of the EU public procurement principles.</p>	<p>The measures aim to improve transparency of the procedures significantly and enhance market competition.</p> <p>Moreover, they also establish a legal framework promoting transparency and enhanced market competition by transposing EU directives; they promote adequate application of legislations.</p>		<p>The measures indirectly contribute to spending public funds more efficiently.</p>		<p>As a result of the measures, transparency improves, market competition is enhanced, corruption decreases.</p>
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24.	Anti-corruption measures									
	a) Managing corruption risks	<p>The positions and types of positions which are increasingly prone to corruption risks will be mapped at the state administrative bodies..</p> <p>In order to harmonize the internal control system of the state administrative bodies under the governance of the Government and the internal measures preventing corruption the relevant laws are going to be reviewed.</p> <p>The internal regulations of the ministries and the state administrative bodies under their governance or supervision will be reviewed in terms of corruption risks. Using the audit experiences of the State Audit Office, controls of preventing corruption in the course of the control activities will be applied, and the experience of the enforcement of the corruption controls will be evaluated in the annual reports on control activities.</p> <p>A regulation is going to be developed which provides that the body vested with governance and supervisory rights is to review the decisions on administrative cases not affected by legal remedy, within the the scope of the city/town clerk in which there is no other party.</p> <p>In the course of reviewing the legislation on conflict of interest the relevant laws will be reviewed in order to expand the employer's rights related to the report and control of the conflict of interest.</p>						<p>The budget of the training of the integrity consultants for the first two years was provided by the ROP 1.1.21 entitled "The prevention of corruption and the review of public administration development".</p>		<p>The organisational management of corruption risks is supported by the review of the internal regulations and the control activities complemented by corruption prevention. The mapping of the groups of positions particularly affected by corruption helps optimizing the control activity, and contributes to the better understanding of risks.</p>
	b) Expanding the Integrity Survey	<p>The organisations of the public sector participate in the Integrity Survey of the State Audit Office, and the Integrity Survey is going to be extended to the companies in state ownership.</p>		<p>The first pilot survey is going to be carried out by the end of 2015. The survey will continue at least for three years.</p>						<p>By expanding the Integrity Survey the efficiency of the survey of corruption risks will increase.</p>

	<p>c) Anti-corruption trainings, education, shaping attitude</p>	<p>The methodology of public sector trainings on the prevention of corruption, professional ethics, anti-corruption and the fight against foreign -bribery will be further developed. The content of the curriculum used in the management training system of public officials,organs fulfilling police duties, and of the National Tax and Customs Administration will be reviewed, and if necessary, will be supplemented by information on the recognition of corruption and its tackling.</p> <p>It will be prescribed for public service officials to participate at least in one training in the field of preventing corruption during the four-year training period. The curriculum necessary for the competency development of the staff participating in the prevention and detection of corruption will be developed. In order to strengthen the communication regarding the anti-corruption measures towards the population, an information campaign differentiated by target groups will be launched for the public. The information campaign is being implemented within the framework of the corruption prevention programme 2012-2014, and it aims to dissolve the prejudices against the anti-corruption actions, to promote a public sector able to recogniseand avert disfunctions, to increase the support of and the awarness on anti-corruption measures, and to encourage anti-corruption action and establish a wide anti-corruption social cohesion.</p> <p>An on-going training aims to train administrative experts (a.k.a. integrity advisors) who will will have a strategic approach, knowledge of operational management system of administrative organs, organization development technologies and personnel management, and have the necessary legal, sociological and psychological knowledge. They will also be able to harmonize the different regulations on compliance related to the operation of the administrative bodies thus increase the efficiency of the prevention of corruption. increase the efficiency of the prevention of corruption by a</p>	<p>In order to maximise the efficiency of the information campaign, to reveal the synergies applicable in the course of the execution, and to comply with the recommendations of the international organisations as much as possible, after the takeover of the project the National Protective Service has reviewed the campaign plan with the help of the Crime Prevention Council, and is going to start the implementation of the campaign in the 1st half of 2015.</p> <p>The implementation of all other measures will start after the day when the government resolution on the adoption of the National Anti-corruption Programme has been published.</p>	<p>The information campaign differentiated by target groups is being implemented in the first half of 2015. The expansion of the integrity surveys will start after the day when the government resolution has been published. In order to provide the the integrity management system for the staff the National University of Public Service has also launched also a third year of the integrity consultant training in 2015.</p>			<p>The total budget of the information campaign differentiated by target groups is provided by the SROP 1.1.21 entitled “The prevention of corruption and the review of public administration development”.</p>		<p>The citizens’ trust in public administration increases through the information campaign differentiated by target groups.</p> <p>The regulation on the further development of the trainings, the expansion of the management trainings with anti-corruption knowledge, and the accomplishment of at least one anti-corruption training in the training period supports the shaping of public officials’ attitude, the ethical organisational culture free from corruption and increases the officials’ professional capability.</p>
	<p>d) Increasing transparency</p>	<p>The wide searchability of data will be provided and the possibility of developments relating to “open contracting” will be examined in relation to the the new public procurement act, and of the related electronic system.</p> <p>The expansion of the data under the disclosure obligation set by law by involving the civil sphere in order to increase the transparency of state-owned companies. Taking into consideration the guideline of the OECD on the management of companies under state ownership, minimum requirements for the introduction of a-compliance system will be prepared. A proposal will also be made for the establishment of the management responsibility system and for the establishment of an annual performance appraisal based on an annual target sets of indicators.</p> <p>The Prime Minister’s Office, the Ministry of Interior, the Ministry of Defence and the Ministry of Justice will review the relevant laws and make proposals for their amendments in order to introduce the possible employment sanctions regarding the control of asset declarations.</p>		<p>The implementation of the tasks will start after the day when the adoption of the relevant government resolutions has been published.</p>					<p>With the help of the IT tools and the accessibility of data of public interest a more transparent public procurement system will operate with less corruption risks.</p> <p>The operation of the state owned companies becomes more transparent and the role of the compliancesystems increases.</p>

	e) Enhancing business cleanliness	Based on international best practices, a report on legal institutions will be prepared that are able to enhance the transparency and cleanliness of business. In addition, the sanctions applicable against a legal entity, their implementation mechanism and the tasks of the bodies participating in the implementation will be reviewed in order to drive back conducts damaging business cleanliness and to enhance ethical culture.								Making business culture cleaner
	Supporting the establishment of enterprises									
25.	Developing entrepreneurial incubators	The incubation of enterprises is an effective, encouraging instrument for developing the economy, which helps establish new enterprises and helps the effective and successful development of start-up enterprises by providing public space and essential services. The output of the measure will be more incubators with a service at higher level, which contribute to the decrease of the costs of starting an enterprise (obtaining managerial knowledge). So the incubators help the companies overcome the early stage risk of termination, thus contributing to the survival of as many enterprises as possible, and to the increase of the surviving rate of 3 years.		The scheme is expected to be announced in October 2015.				Planned budget: HUF 2.2 bn	Economy Development and Innovation Operational Programme; priority 1, Improving the competitiveness of small and middle-sized enterprises; Developing entrepreneurial incubators EDIOP 1.1.1	The analysis of the international practice shows that the "incubated enterprises" can stay competitive in the long-term with twice as much chance on average than those which started isolated, on their own. The supported incubators are able to escort 15-20 enterprises parallel in their initial life stage by increasing their list of services and developing their incubation methodology. In the course of this the incubated enterprises reach different knowledge levels, after 3 years they leave the incubator and get out in the market.
26.	Entrepreneurial mentoring for micro-, small and middle-sized enterprises	The mentoring uniformly available country-wide – building on the initiations providing entrepreneurial mentoring in Hungary – is being implemented by channelling the currently operating but scarcely available mentor programmes with different contents in a single bed, in a programme being implemented with central coordination. The services provided by the mentor organisations at an early life stage of the enterprises increase the entrepreneurial activity and the entrepreneurial circle having wide entrepreneurial knowledge, thus improving the surviving rate of the enterprises.		The scheme is expected to be announced in July 2015.				Planned budget for the 2015-2016 period: HUF 1.2 bn	Economy Development and Innovation Operational Programme; priority 1, Improving the competitiveness of small and middle-sized enterprises; Entrepreneurial mentoring for micro-, small and middle-sized enterprises	Mentoring is able to directly contribute to the balanced operation, development of the enterprises.

27.	Supporting the job creating investments of micro-, small and middle-sized enterprises in the free entrepreneurial zones	The aid is granted to enterprises operating in free entrepreneurial zones, i.e. in deprived areas regarding the economy, society, infrastructure and labour market. The beneficiaries have to create at least two jobs, to which the current call provides HUF 1.5 million/job. Thus the minimum of the sum of aid to be awarded is HUF 3 million.		The scheme is expected to be announced in April 2015.			Planned budget: HUF 5 bn	Economy Development and Innovation Operational Programme; priority 1, Improving the competitiveness of small and middle-sized enterprises; Supporting the job creating investments of micro-, small and middle-sized enterprises in the free entrepreneurial zones. EDIOP 1.2.1	Based on previous similar (NFA) tenders the SMEs economic role significantly increases in the given region, the number of jobs increases, thus the number of the employed increases through the support of their job creating investments.
28.	Supporting the micro-, small and middle-sized enterprises to appear in the market	The basic conditions for the SMEs to enter the market are not provided, therefore the number of SMEs participating in foreign trade is low, and their share in foreign sales is low. The high costs of entering the market, especially the foreign market and the marketing necessary for it, and the under-development of organisational and operational processes mean a serious barrier for the domestic enterprises to market their products. The permanent innovation, product, service and organisation development, and the entry into new markets are essential for the enterprises to remain competitive. Therefore the measure helps the micro-, small and medium-sized enterprises participate in trade fairs, and introduce new, or already existing products in a new market by providing small amounts of non-refundable resources.		The scheme is expected to be announced in April 2015.			Planned budget: HUF 5 bn	Economy Development and Innovation Operational Programme; priority 1, Improving the competitiveness of small and middle-sized enterprises; Supporting micro-, small and middle-sized enterprises enter the market EDIOP 1.3.1	The partner relationships being built through the supports will result in actual deals, i.e. in the increase of the SMEs' export revenue, which leads towards the direction of balancing the unfavourable export revenue structure.

29.	Supporting professional cluster organisations in providing quality service	After the past period of supporting a great number of clusters, which founded the spread of the cluster phenomenon country-wide, there is a need for changing approach. Now, instead of supporting a great number of the strat-up cluster initiations the emphasis shall be put on the further development of the clusters with a management history and being able to develop, and on the further increase of the service level provided for the members, thus enhancing them to enter the international market.	Due to the multi-stage (start-up, developing, accredited) aid schemes appropriate for the level of development of the clusters in the past period more than 200 start-ups with at least 1 year of operation history obtained support. In addition the Government operates a cluster assessment system with policy approach which is unique at Central European level, the help of which the Accredited Clusters with outstanding employment effect, willingness to cooperate and with export and innovation potential are being selected. These cluster organisations directly or even indirectly contribute to the increase of the value of the foreign trading of goods arranged by SMEs.	The scheme is expected to be announced in July 2015.				Planned budget: HUF 2 bn	Economy Development and Innovation Operational Programme; priority 1, Improving the competitiveness of small and middle-sized enterprises; Supporting cluster organisations in providing quality service EDIOP 1.3.2	The measure enhances the increase of the level of quality of services provided for the cluster members, and thus their entry into the international market.
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Nr.6 Country specific recommendation: Education

„Implement a national strategy on early school leaving prevention with a focus on drop-outs from vocational education and training. Put in place a systematic approach to promote inclusive mainstream education for disadvantaged groups, particularly the Roma. Support the transition between different stages of education and towards towards the labour market, closely monitor the implementation of the vocational education reform. Implement a higher education reform that enables greater tertiary attainment, particularly by disadvantaged students”

Number	Description of measure	Brief introduction of measure	Status of implementation	Further schedule of implementation - next 12 months	The relation of the implementation to any other CSR or Europe 2020 target	Resources of measure	Budgetary effects	European Union funds available for the implementation of the measure (where relevant)	Consistence with the programming period 2014-2020 (OP, name of scheme)	Description of expected effects
30.	Mid-term strategy for preventing early school leaving	The strategy for preventing early school leaving has been prepared in accordance with the Act on Public Education and the Public Education Strategy to be adopted. The target of the Strategy is to identify	The strategy was adopted within the framework of Government Decree 1603/2014. (XI.4.) on 4 th November 2014. In line with the Government Decision, action plans of the strategies are being prepared.	Building the instruments set by the strategy into the policy activity and the measures necessary to achieve the goals, the implementation of developments are ongoing.	(EU2020-4)	Resource of the implementation of the Strategy is the central budget, and ESI fund; in 2014-2020 approximately HUF 87 billion		ESF; The development of public education, with special regard to the reduction of early school leaving as one of the 7 areas of intervention of	HDOP, CCHOP	To decrease early school leaving to 10% (year of achieving target value: 2020)

		the intervention directions and measures in the fields of prevention, compensation with and correction as well, the help of which the level of education and qualification can be improved, thus unemployment and the risk of poverty and social exclusion can be decreased.						HDOP. ESI funds will be involved accordingly. Growing knowledge capital priority axis 3, thematic objective 10.		
31.	Establishing School early warning system to prevent dropout, and provide pedagogical assistance	The operation of the early warning system would be carried out at institutional and county levels, in which the data can be analysed multiple-layered – institutional/premises, regional, nationwide – thus helping to plan the interventions aiming to prevent dropout more accurately, and enhancing the concrete help provided for the students. To set up the system and operate it, we plan to develop software and human capacity from the ESI funds.	The operation of the early warning system to prevent drop-out was established in act by the amendment of Act CXC of 2011 on Public Education in December 2014.	Elaboration of detailed regulations and development tasks necessary for operation Expected date of entry into force: September 2015	Reducing the share of early school leavers (EU2020-4)	HUF 74 m (ESI fund and domestic contribution)		ESF; The development of public education, with special regard to the reduction of school leaving as one of the 7 main areas of intervention of HDOP. ESI funds will be involved accordingly. HDOP Growing knowledge capital priority axis 3, thematic objective 10. HUF 67 m (estimation)	HDOP Growing knowledge capital priority axis 3, thematic objective 10; supporting measure Reduction of early school leaving, increase the ability to compensate disadvantages of public education. Annual Development Framework (Éves Fejlesztési Keret ;(ÉFK) 3.1 of 2015 Budget: HUF 2.8 bn (out of which CCHOP HUF 1.2 bn)	The expected impact of the new pedagogic-professional service introduced by the measure is that a flexible organisational operation shall be established based on reliable, up-to-date, institutional and local data covering also the sectoral fields, so that the organisation, on the basis of the warning signals of the warning system shall be immediately able to intervene, and shall answer to the trends noticed with special professional preparation and appropriate capacity.
32.	Extending and strengthening quality early childhood education	Introducing compulsory kindergarten in excessive force from the age of 3 from 1 st September 2015. The measure aims to give the base for the success of future education, thus promoting that the children shall start their career with better chances, early intervention allows learning difficulties to be discovered in time, thus makes social integration, overcoming disadvantages, developing talents early effective.			Reducing the share of early school leavers (EU2020-4)					
	a) Developing kindergarten places	In order to continuously achieve the implementation of the excessive force of obligation in age, appropriation for the support of developing places is HUF 2,5bn in application scheme of the budget of 2015.	The call for application for kindergarten development was announced on 23 rd February 2015.	The time horizon of the project lasts until 31 st August 2016	Reducing the share of early school leavers (EU2020-4)	Development funding: HUF 2.5bn. In addition to the new places the resource of their operation shall also be provided in parallel scheduling (the need for				As the continuation of the capacity expansion programme launched in 2014 to decrease the occurring lack of places, and eliminate inequalities in the settlements concerned.

						resource for operation is not known yet).				
	b) Major scheme entitled the Support of early childhood education	Strengthen the role of kindergarten and family day care creating chances and their ability to compensate social disadvantages by training and support services.	Call for application was published on 10.10.2014, currently under tendering procedure (submission of application: 10.11.2014-27.02.2015)		Reducing the share of early school leavers (EU2020-4)	Amount of resources: HUF 1 300 000 000		Major scheme entitled Support of early childhood education: HUF 1 300 000 000	Human Resources Development Operational Programme (HDOP) - HDOP 3.1.1	- develop the professional preparedness of the colleagues directly helping the work of the kindergarten teacher, the leader of the kindergarten, and the pedagogical and education work by sharing the pedagogical contents of creating chances and disadvantage compensation; - provide supporting services for the winning kindergartens and family day cares to implement the applications to be announced in 2016-2017.
33.	Promoting the secondary school and vocational school students belonging to the vulnerable groups to obtain the school leaving exam and a skill, to study in higher education as well as to fit into the labour market by complex supporting instruments	The measures promote the school success of the disadvantaged and the multiple disadvantaged – including Roma –students and, contribute to inclusive education, cooperative education, thus improves their results of studying further and decreases the risk of dropout.								
	a) Arany János programmes (Arany János Talent Fostering Programme, Arany János Fostering Boarding Facility Programme and Arany János Vocational Training Programme)	The key aim of the programmes is to prevent dropout by providing complex – pedagogical, social, cultural and health care – tailored development. More than 4000 students take part in the three programmes in 2015. In 2015 within the framework of the cooperation between the Arany János Fostering Boarding Facility Programme and the higher education college for advanced studies career orientation activities are implemented which aim to strengthen further studies in higher education. The	The implementation of the programmes is ongoing	The implementation of the programmes is ongoing	Reducing the share of early school leavers (EU2020-4) Fighting poverty (EU2020-5)	AJTFP, AJFBFP, AJTSP total sum HUF 3bn/year domestic resource				Rate of dropout below the national average, rate of studying further above the average, dissemination of pedagogic-methodological development

		measure is connected to the Youth Guarantee.								
	b) Pedagogical System for Integration (PSI)	Providing additional services for disadvantaged students such as individual development and participating in disadvantage compensating programmes, which directly contribute to their school success. Areas supported by the measure: cooperative education, institution development pedagogical renewal, tailor-made learning support, cooperation with the social environment of the school and keeping contact with the parents.	In the 2013/2014 school year, 1788 public education institutions participated in the PSI programme, with 75779 students and 25260 kindergartners.	Deadline: May 2015	Reducing the share of early school leavers (EU2020-4) Fighting poverty (EU2020-5)	Convergence regions: HUF 4.2 bn Central Hungarian Region: HUF 0.1 bn		Convergence regions: HUF 4.2 bn Central Hungarian Region: HUF 0.1 bn	HDOP, Priority axis: 3. Growing knowledge capital Thematic objective: 10. Investment priority: 10.ii Objective: B. Measure: 3.3. CCHOP	In the 2013/2014 schoolyear, 1788 public education institutions participated in the PSI programme, with 75779 students and 25260 preschool children. The impact assessment on the PSI shows that the programme has resulted in a general improvement in the development of the participating students. Through the PSI programme the integration of the participating students is increasing; the competencies of the disadvantaged children/students have been improving; the transition from kindergarten to school becomes easier; the pedagogical culture of the institutions implementing the programme renews; communication is created between the public institutions implementing the programme, and with other sectors and the parents of the children or students concerned.
	c) Scholarship and support for mentoring for disadvantaged students "Útravaló" Scholarship Programme	The scholarship programme aims to promote the primary school success of the disadvantaged students, to decrease their dropout, to prepare them for studying in a secondary school providing a school leaving exam, and for the successful completion of secondary school and getting into higher education – with personal help of a mentor and providing scholarship.	In the 2013/2014 school year more than 14000 children and students obtained scholarship and mentor service in the programme. Their progress was helped by 7600 mentor teachers. In the 2014/2015 school year altogether 12679 pupils/students have obtained support so far, 6522 mentors participate in the programme.	May 2015	Reducing the share of early school leavers (EU2020-4) Fighting poverty (EU2020-5)	Convergence regions: HUF 4.2 bn Central Hungarian Region: HUF 1.8 bn		Convergence regions: HUF 4.2 bn Central Hungarian Region: HUF 1.8 bn	HDOP, Priority axis: 3. Growing knowledge capital Thematic objective: 10. Investment priority: 10.ii Objective: B. Measure: 3.3. CCHOP	The chances of disadvantaged students being able to get into and be successful in secondary education, to obtain skill and be admitted to higher education and to have effective studies the effectiveness of their studies are increasing.

	d) Supporting "Tanoda" Programmes – Decreasing early school leaving, increasing the qualification level by means outside public education (ESF)	Enhancing school success of the disadvantaged students, with special regard to the Roma by means outside public education, through complex development affecting personality on the whole (competency and skill development, supporting individual learning; personality development, compensating social disadvantages). The tanoda is a cooperation with public education institutions, parents and other partners, builds bridge between the school and the family, and makes network.	Within the framework of the programme, scheme of the SROP 3.3.9. A and C "Tanoda" type programmes with the budget of HUF 5,3bn, 168 "tanoda" special schools implement their programmes by involving approximately 4000 students.	October 2015	Reducing the share of early school leavers (EU2020-4) Fighting poverty (EU2020-5)	Convergence regions: HUF 3bn Central Hungarian Region: HUF 0.35bn		Convergence regions: HUF 3bn CHR: HUF 0.35bn	HDOP, Priority axis: 3. Growing knowledge capital Thematic objective: 10. Investment priority: 10.ii Objective: B. Measure: 3.3. CCHOP	HDOP: supporting at least 60 "tanoda" special schools involving a minimum of 2000 disadvantaged students, out of whom min 660 students are Roma; minorities (including the marginalised communities, e.g. the Roma): 660 persons; under the age of 25: 2 000 persons; the number of disadvantaged students participating in the "tanoda" programmes (person) – 2000; CCHOP: supporting at least 10 special schools involving at least 200 disadvantaged students out of whom min. 60 students are Roma; minorities (including the marginalised communities, e.g. the Roma): 60 persons under the age of 25: 200 persons; the number of disadvantaged students participating in the "tanoda" programmes (person) – 200
	e) Supporting Second chance type programmes	The programme aims to strengthen the chance of students with multiple disadvantages being able to study further, thus they can obtain competitive vocational qualification and can be admitted to higher education .	The call for application was announced in autumn 2012	In the framework of SROP 3.3.9 altogether 31 Second Chance Grammar Schools operate until 30 th June 2015.	Reducing the share of early school leavers (EU2020-4) Fighting poverty (EU2020-5)	Amount of resources: HUF 1.248 bn		HUF 1.248 bn		The scheme can explicitly enhance only the disadvantaged students' secondary school success and further studies by developing secondary institutions. In 2013 the implementation of the programme involving 2000 students started in 92 institutions.
	f) Supporting the initiatives of strengthening further studies	The secondary school programme aims to increase the number of the disadvantaged – including the Roma – students who obtain qualification, skill, and to prepare them for higher education studies. In addition, the programme contributes to preventing the dropout of the	The call for application was announced on 04.12.2012	The deadline for implementing the project: 30.06.2015	Reducing the share of early school leavers (EU2020-4) Fighting poverty (EU2020-5)	Convergence regions: HUF 2.5 bn Central Hungarian Region: HUF 1.5 bn		Convergence regions: HUF 2.5 bn Central Hungarian Region: HUF 1.5 bn within the framework of SROP 3.3.10 project		The number of the supported applicants: 105-175. On condition that each institute involves 20 persons of disadvantaged students in the programme, the maximum sum of support can be granted if more than 46 students are involved. So the number of

		disadvantaged pupils/students and preventing that they finish their secondary studies without a school leaving exam or skill. Within the framework of this programme, the developments, besides supporting learning and talent fostering there is also a possibility to build and strengthen the relationship with partner areas – for instance youth, social and employment – and to create intensive relationships with the parents and local communities. Out of the 92 secondary schools which joined the programme 29 operate in the North Hungarian region, 24 in the North Great Plain region.								supported students is expected to be minimum 2100 and 8050 persons.
	g) Informatics infrastructure development in secondary education	The project aims to decrease the extent of digital exclusion, with special regard to students with special educational need and with disadvantages. These aims are enhanced by preliminary needs assessment, expansion of existing infrastructure by methodological trainings for teachers and by helpdesk services. The basic knowledge and application of ICT instruments and methods shall be made general, and by their involvement electronic administration shall be disseminated in schools.	Professional implementation is ongoing.	The project is expected to be finished: 30 th June.	Reducing the share of early school leavers (EU2020-4) Fighting poverty (EU2020-5)	Total budget: SIOP-1.1.1-12/1 HUF 12 695 600 000, CHOP-4.6.1.-D-13 : HUF 145 000 000		Total budget: SIOP-1.1.1-12/1 HUF 12 695 600 000, CHOP-4.6.1.-D-13 : HUF 145 000 000		The extent of digital exclusion decreases with special regard to the students with special educational needs and with disadvantages.
34.	Integration, inclusive education of children with special educational needs – development of specialised services	Within the framework of the measure, the following developments are going to be implemented: institutional structure of pedagogical service and the renewal of specialised service activities, expanding the service toolbar, providing a single electronic registry and tracking system, expanding the toolbar of specialised service work	In the school year of 2014/2015, the use of the Integrated Tracking System (ITS) was launched, the system records the details of the pedagogical care service of the children, students.	In 2015, we plan to elaborate and adapt the new, modern diagnostic examination and development procedures. Part of the preparations, trainings linked to the application of the modern methods, is going to be carried out in 2015. The deadline for implementing the project is 31 st August 2015. The planned directions of further development after closing the project: procurement of further IT	Reducing the share of early school leavers (EU2020-4)	ESI funds HUF 2,3bn		HUF 2,3bn	HDOP Growing knowledge capital priority axis 3, thematic objective 10.	The measure is expected to improve the access of the children, students with special educational needs, to inclusive education,, thus improving their school success. The developments contribute to the prevention of and impeding being qualified as disabled

				and diagnostic/development instrument toolbar. Elaborating new diagnostic and development procedures, and retesting the procedures of out-of-date standard, organising and supporting trainings, organising and supporting trainings specified for the given specialised service activities.						unreasonably.
35.	Making labour market participation easier – Public Education Bridge Programmes	It aims to support the pupils struggling with learning difficulties. The Public Education Bridge Programme I helps the pupils to succeed in admission by competency development, and helps choosing a career. The Public Education Bridge Programme II provides basic school qualification and partial vocational qualification. The measure is linked to the Youth Guarantee.	Elaborating education-teaching programmes, drafting improving measures based on the output of the end of the first school year. Teacher training programme, on the basis of which the trainings are being launched from February 2015.	Elaborating the necessary materials for inclusion Elaborating educating notebook, textbooks	Reducing the share of early school leavers (EU2020-4)	Covered by the respective budget				The participating pupils – an estimation of 3000 persons –in BRIDGE I and BRIDGE II obtain a tailor-made developing education, which enables them to improve their skills and find their way in and be able to cope with life. They can give the basis for being involved in vocational education, they can get the competencies essential to learning a skill. The key aim of the education-teaching in the Bridge Programme is – in compliance with the strategic objective of the European Union – that the number of those without having accomplished basic and secondary education shall be as small as possible, i.e. those who enter the labour market without any chances.
36.	Measures aiming at the restructuring of vocational training adjusted to economic demands									
	a) Chamber guarantee – increasing the number of apprenticeship contracts (introduction of chamber guarantee)	The aims of the measure are to execute the practical training of students at companies, and to raise the number of apprenticeships. The student's practical training can take place only in a school training workshop if the chamber confirms that no vacant apprenticeship place is available in companies.	none	Start as part of the overall vocational training concept is launched in 2015.	Raising the employment rate (Eu2020-1), CSR 6	The growth in number means approximately HUF 520 000 debt in revenue per students annually.		The aim of the measure (support of the students in vocational education to obtain work experience) is linked to the EDIOP 5.2.4 scheme	The measure is linked to the EDIOP 5 and 6 priority	

	b) Governance of secondary vocational training institutions being transferred to NME	Shift in the governance of about 400 VET institutions. Placing the state vocational training institutions under the single direction of NME, keeping the institution maintenance and professional governance in one hand is the guarantee for high quality vocational provision training and training development	none	Deadline:1 st July 2015	Raising the employment rate (EU2020-1)	HUF 181.5 m				
37.	Non-formal and informal learning forms and programmes provided by cultural institutions, and learning forms and programmes promoting lifelong learning	Within the framework of the measure the libraries, public education institutions, museums put great emphasis on decreasing the disadvantages which the school in itself cannot compensate (quality effects, etc.). Within the framework of the measure, programmes enhancing lifelong learning are also implemented, which help those without qualification over the school-age reenter in the public education system, or in adult training.	All the SROP, SIOP cultural applications were announced until December 2012, the implementation is ongoing. New schemes of HDOP are expected to be published from 2015.	Implementation of the programmes is ongoing	Reducing the share of early school leavers (EU2020-4)	From HDOP 3. and 4. priority HUF 19.5 bn for content and service development, and for the related infrastructure development in the 2014-20 period		From HDOP 3. and 4. priority HUF 19.5 bn for content and service development, and for the related infrastructure development in the 2014-20 period	HDOP chemes: within the framework of HDOP priority 3and 4, connecting to the 10 th thematic objectives HDOP measures: 3.3 Providing access to education and training through non-formal and informal learning forms, 3.7 Developing human resources by means of lifelong learning ,4.1 Infrastructure development serving public education and non-formal training.	The programmes contribute to decreasing early school leaving, to give equal opportunity to access knowledge contents in order to overcome sociocultural and regional disadvantages, and to the reintegration into the public education system with basic competency development by LLL instruments
38.	Implementation of overall higher education strategy	The main objectives of the elaborated Strategy include the achievement of performance-based teaching-learning environment, the enhancement of world-class research, institutional profile cleaning and specialisation and selecting special intervention areas. The Strategy regards higher education as the catalisator of urban and regional development.	The Government adopted the higher education strategy entitled "Paradigm shift in higher education – The guidelines of performance-based higher education development" on 22 nd December 2014	The element parts of the strategy are going to be elaborated and implemented in the future.	The Paradigm shift in higher education strategy document, in compliance with the strategy objectives of the Europe 2020 of the European Union, designates the development directions of the sector – also assessing the situation of the Hungarian higher education – for the 2014-2020 period.					In the coming decade, a better planned and organised higher education system is being established in accordance with the global changes and with the long-term economic and social objectives drafted by the Government.
	a) Establishing a practice oriented educational form attractive to students	The measure aims to strengthen the connection between higher education and the business sphere, establish and disseminate a practice oriented, cooperative dual first-cycle degree programmes in Hungarian higher education,	The necessary law amendments have been made: -The introduction of the dual studies definition with Act CCIV of 2011 on the amendment of National Higher Education, and with Act XXXVI Article 40 Section 1 of 2014 taking effect on 24 th June 2014.	Launching dual first-cycle degree programmes from September 2015	CSR4 –establishing and disseminating dual first-cycle degree programmes is relevant measure in Youth Guarantee	SROP: HUF 2.2bn	The companies employing the students within the framework of the study programme can deduct	SROP 4.1.1.F-15/1/Conv – The development of the regional, social, economic role of higher education	The HDOP-tender planned to develop and conduct the dual first-cycle degree programme, higher education training, and specialised trainings is expected to be published in	The rate of students participating in dual first-cycle degree programmes will have increased from 0% to 8% by 2020 among the freshman students (Performance index assumed in the

		<p>which is attractive to students.</p> <p>In the 5 selected study fields (technical, informatics, agriculture, natural sciences, economic sciences), besides the university or college education, the students participate in practical training during the whole study programme at a company and conclude a fixed-term employment contract with the company where they accomplish their traineeship, the period of which is about half of a school year (22-24 weeks), thus significantly strengthening the labour market value of their degree.</p> <p>It is a further important aspect that the students get a salary, the amount of which is 15 percent weekly of the relevant monthly minimum wage. This allowance is due to the students not only at the time of their traineeship, but during the whole period of their studies.</p>	<p>-Supplement of the Government Decree 19/2012 on certain issues of higher education quality assessment and development, with Article 18/A-D on the Council of Dual Education of Government Decree 220/2014 (VIII.29) on the amendment of certain higher education issues.</p> <p>In 2015, the Council of Dual Education was established (CDE). On its meeting on 26th January 2015, it discussed and approved the requests of higher education institutions for launching dual degree programmes. The task of the CDE is to establish the personal and infrastructural preconditions necessary for the students' effective and high-quality practical work at the company.</p>				<p>the costs spent on the study programme from the vocational training levy to be paid by them.</p>	<p>2016 ("Strengthening labour market competencies among the students in higher education").</p>	<p>Strategy.)</p>
	b) Strengthening the Mentor Programme	<p>One of the measures of the Strategy is to strengthen the Mentor Programme</p> <p>The National Conference of the Student Union Mentor Programme has been established for the freshman students who arrive at higher education with a disadvantage due to their social circumstance.</p> <p>The applicant students are supported by a personal helper for a period of a whole school year. The mentor is a senior student studying in the same field and at the same university who helps the student in his/her care integrate into the institution: gives advice on studying and education issues, informs him/her about current applications, student benefits and</p>	<p>Ongoing, Act CCIV of 2011 on Higher Education, Government Decree 79/2006 (IV.6) on the implementation of certain provisions of Act CXXXIX of 2005 on Higher Education</p>	<p>The budget of the Mentor Programme has been increased by 24% in 2015.</p>	<p>Decreasing dropout among the disadvantaged students who have already been admitted to higher education, thus enhancing that disadvantaged students obtain tertiary qualification (EU2020-4)</p>	HUF 60 m			<p>To increase the number of disadvantaged students participating in the Mentor Programme to 1500 persons (2014/15 school year: 1204 concluded contract)</p>

		scholarships.								
	c) Supporting disadvantaged Roma students to obtain a degree: supporting and expanding the programme of Roma colleges for advanced studies	Increasing the number of the Roma obtaining tertiary qualification by supporting Roma colleges for advanced studies, strengthening the disadvantage compensating role of the higher education institutions: skill development, talent nurturing of disadvantaged, primarily Roma students, giving career advice, mentoring, tutoring support, professional cooperations, scholarship grants. Developing and providing a complex student services for disadvantaged, primarily Roma students having been admitted to higher education which contributes to the successful accomplishment of their studies, to the decrease of dropout, and to strengthening their social responsibility. The services include talent nurturing, the provision and development of learning-methodological and inclusive services.	The number of students involved in the programme: 300 The number of colleges involved in the programme: 10 The number of members increases from 20 to 25 persons The number of students having successfully accomplished those set in the development plan is 17 persons (but at least 75% of those having involved) The number of community programmes, events: 27 pcs The number of qualified, trained instructors within the framework of training teachers: 45	The services and nationality content of the programmes have to be strengthened.	Decreasing dropout among the disadvantaged students who have already been admitted to higher education, thus enhancing that disadvantaged students obtain tertiary qualification (EU2020-4)	HDOP: HUF 1.2 bn CCHOP: HUF 0.3 bn The operational cost is provided by support of the domestic budget chapter, the service development is implemented within the framework of the HDOP and CCHOP projects.		HDOP: HUF 1.2 bn CCHOP: HUF 0.3 bn	The tender for the HDOP-scheme is planned to be published in June 2015 ("Support of Roma colleges for advanced studies") CCHOP Measure: Improving the access to the education equivalent to tertiary level	Increasing the number of Roma having tertiary qualification, each student participating in the programme obtains a tertiary qualification.

Nr.7 Country specific recommendation: Energy and transport

“Review the impact of energy price regulation on incentives to invest and on competition in the electricity and gas markets. Take further steps to ensure the autonomy of the national regulator in establishing network tariffs and conditions. Take measures to increase energy efficiency in particular in the residential sector. Further increase the sustainability of the transport system, inter alia by reducing operating costs and reviewing the tariff system of state owned enterprises in the transport sector.”

Number	Description of measure	Brief introduction of measure	Status of implementation	Further schedule of implementation - next 12 months	The relation of the implementation to any other CSR or Europe 2020 target	Resources of measure	Budgetary effects	European Union funds available for the implementation of the measure (where relevant)	Consistence with the programming period 2014-2020 (OP, name of scheme)	Description of expected effects
39.	Having an overall study prepared regarding the impacts of energy price-regulation	In the first quarter of 2015, in compliance with the recommendation, an overall study was prepared on the energy price regulation impact on encouraging investment, on competition and on consumers. The main findings of the study are included in Chapter III.7.	The preliminary version of the study has been prepared	The study is going to be finalised.						
40.	Measures taken in order to strengthen the independence of HEPURA	In line with the EU regulation, the tariff of electricity and natural gas is set by the Authority. This field requires normative regulation, which does not make it possible to regulate through individual official decisions. The regulatory frameworks of setting the tariffs are regulated by a Government Decree. The regulation is prepared by the Authority, the minister has two options: either to adopt or reject it. If the minister does not agree with the proposal of HEPURA, he has to reject it and publish the fact and reasoning of the rejection.	No further measure is planned.	No further measure is planned.						

41.	Elaboration of the National Energy Efficiency Action Plan III (NEEAP III)	While introducing the Directive 2012/27/EU on energy efficiency the more significant measures for improving energy efficiency are going to be determined. The NEEAP summarises the prospective and/or achieved energy savings, and introduces the measures and control systems which guarantee the realisation of the prospective energy savings. The energy saving action plan shall be submitted to the European Commission every three years.		The preparation of NEEAP III is in progress; the material is expected to be professionally finalised and adopted in the first quarter of 2015. Following the social and public sector consultations it is closed by Government decision in the second quarter of 2015.	Europe 2020 energy and climate policy objectives			EEOP, priority axis 5: energy efficiency development in buildings of the population, central budgetary organs and non-profit sectors, energy efficient modernisation of district heating systems, TOP, CCHOP: energy efficient development of local governments, EDIOP: energy efficient development of enterprises, energy R+D+I, financial means of energy efficiency		The increase of energy efficiency significantly contributes to the decrease of GGE emission, thus it has a key role in achieving the environmental and climate protection objectives. Additionally, increasing energy efficiency is one of the most effective and energy saving methods of decreasing our energy dependence, thus contributing to the increase of the security of supply.
42.	“Warmth of Home” (Otthon Melege) Programme	Within the framework of the “Warmth of Home Programme” three new schemes were published in September 2014, which provide non-refundable support for private individuals to change the out-of-date household appliances, furnaces, doors and windows. The programme supports the modernisation and refurbishment of condominiums, which results in energy efficiency. In the programme, based on the surveys of the National Building Energy Strategy gross HUF 10 billion subsidy is at disposal, from which about 20 000 flats may be supported. The programme is financed by the Green Economy Financial System (GEFS), the quota revenue of the EU Emissions Trading System.	The heating modernisation (furnace change) subprogramme, changing large household appliances resulting in energy saving subprogramme, and the changing of façade doors and windows scheme. The complex renovation subprogramme resulting in the increase of the energy saving of condominiums was launched at the beginning of 2015.		Europe 2020 targets for energy and climate policy					The non-refundable support makes it possible for condominiums to start energy efficient investments with subsidy. The energy usage of households is further decreasing, thus the energy dependence is decreasing, which contributes to the implementation of the climate policy commitments at the same time.

43.	Transposing the Directive 2012/27/EU on “energy efficiency”	The transposition of the Directive 2012/27/EU – the new Energy Efficiency Directive – into national law is in progress, through which the increase of energy efficiency may get new impetus. The transposition of the Directive regarding the energy sector to be regulated needs a multi-tiered law-making activity. The amendment of the sectoral acts and the laws on their execution provides the appropriation of the effective regulation to the EU criteria. The new energy efficiency act extending beyond the frameworks of certain sectoral acts was crucial to be created due to the single energy efficiency rules to be displayed in international law.		Professional consultations regarding the Directive 2012/27/EU on Energy Saving are in progress; the whole legislative package regarding the Directive is planned to be proclaimed by the end of the first half of 2015. The time horizon of the Directive: 2014-2020	Europe 2020 targets for energy and climate policy			From 2014, the following resources are available for the implementation of the envisaged developments: EEOP, priority axis 5: building the energy development of the population, central budgetary organs and the non-profit sector, energy efficient modernisation of district heating systems, in the Central-Hungarian Region: building energy developments of local government buildings; TOP: energy efficient development of local governments with the exception of the Central Hungarian Region; EDIOP: energy efficient development of enterprises, energy R+D+I, financial means of energy efficiency with the exception of the Central Hungarian Region; CCHOP: energy efficient development of enterprises, energy R+D+I, financial means of energy efficiency in the Central Hungarian Region	EEOP, priority axis 5: building energy development of the population, central budgetary organs and the non-profit sector, energy efficiency modernisation of district heating systems, in the Central-Hungarian Region: building energy developments of local government buildings; TOP: energy efficient developments of local governments in the areas of the regions; EDIOP: energy efficient development of enterprises, energy R+D+I, financial means of energy efficiency; CCHOP: energy efficient developments of enterprises, financial means related to energy efficiency in the Central Hungarian Region	Environmental and climate protection impacts: The increase of energy efficiency significantly contributes to the decrease of GGE emissions, thus it has a key role in achieving the environmental and climate protection objectives. Security of supply: The increase of energy efficiency is one of the most effective and energy conserving methods to decrease our energy dependence, thus contributing to the increase of the security of supply. Impacts on population: Due to the energy savings of the establishing energy developments, the energy expenses of the population are decreasing. Additionally, further positive effects can be expected, such as the increase of amenities, lower noise, the decrease of the maintenance costs inside the buildings and the increase of domestic real property value. By modernising the district heating systems, the district-overheads, or the extent of its increase, can be mitigated.
44.	Reorganisations in public transport aiming to decrease costs									

	a) Reorganisation of MÁV	<p>In the framework of the reorganisation, the new, integrated passenger transport organisation has been created, in which the activities of traction (MÁV-TRAKCIÓ Zrt.) and of repair (MÁV-GÉPÉSZET Zrt.) have been integrated into MÁV-START Zrt. responsible for the smooth execution of railway passenger transport. The further integration of the companies forming the MÁV Group was carried out in 2014 thus the number of the subsidiaries decreased. The claim for state reimbursement of costs of the passenger transport service providers is continuously decreasing in accordance with the restructuring. The debt of the MÁV Group, compared with the end of 2010, has decreased by half (to HUF 153 billion) by the end of 2014.</p> <p>The Nemzeti Vasúti Pályaműködtető Zrt. (NVP) established in 2013 – in case of the state decision being made in the future depending on the debt consolidation – will carry out the operation of railway network.</p>	<p>The reorganisation was carried out in 2014. The debt of MÁV Zrt. without overdrafts decreased from HUF 163 bn of 31.12.2013 to HUF 105 bn of 31.12.2014, i.e. by 36%, out of which HUF 35 bn was performed by state debt assumption.</p>	<p>In 2015 the debt of MÁV Zrt. is expected to decrease by 40%, to HUF 63 bn, out of which HUF 23 bn is state debt assumption.</p>			<p>From the debt of MÁV Zrt., HUF 35 bn was assumed by the state in 2014. In 2015 a further HUF 35 bn will be assumed. The state compensation of MÁV-START decreased from HUF 16 bn of 2011 to HUF 150 bn in 2013, and in 2014 to HUF 146.8 bn. The state compensation for 2015 is HUF 144 bn. The state compensation of GYSEV Zrt. is expected to decrease from HUF 10.5 bn of 2014 to HUF 10.4 bn in 2015.</p>			<p>Decreasing debt, more cost effective operation.</p>
	b) Merging Volán-companies into 7 regional companies	<p>By merging the Volán-companies into 7 regional companies the significant decrease of the numbers of management levels and the parallel organisational units, the further utilisation of economic benefits originating from common procurement applications have been made possible. As a result of the merger the competitiveness and cost efficiency of the companies have been improving.</p>	<p>The integration was implemented on 1st Januray 2015.</p>				<p>The state compensation of the companies decreased from HUF 44 billion of 2013 to HUF 42.3 billion in 2014.</p>			<p>Balance improving effect</p>
	c) Express train ticket supplement in order to increase revenues.	<p>The revenue from the express train ticket supplement introduced in 2013 reached HUF 1.076 bn in 2013, and HUF 1.652 bn in 2014. The MÁV-START plans a revenue of HUF 1.7 bn in 2015.</p>								<p>Balance improving effect</p>

ANNEX 2: MEASURES TAKEN IN ORDER TO ACHIEVE THE EUROPE 2020 TARGETS

1. Employment target

Number	Description of measure	Brief introduction of measure	Status of implementation	Further schedule of implementations – next 12 months	The relation of the implementation to any other CSR or Europe 2020 target	Resources of measures	Budgetary effects	European Union funds available for the implementation of the measure (where relevant)	Consistence with the programming period 2014-2020 (OP, description of scheme)	Description of expected effects
45.	Developments supporting the extension of production capacity and job creation in micro-, small and medium-sized enterprises	The measure contributes to the creation of developed production technology with investments in modern technologies and machinery, and with supporting job creation. Support is provided for enterprises operating in free entrepreneurial zones and in deprived areas.	none	The planned date of announcement: first quarter of 2015; The implementation of the supported projects is planned for the first quarter of 2018.	CSR4	EDIOP 1.2.1 planned resource: HUF 80 bn, out of which the support for job creating investments is HUF 5 bn		EDIOP 1.2.1 (ERDF)	EDIOP priority 1 (EDIOP 1.2.1); EDIOP priority 8: financial instruments TOP priority 1: strengthening local economy, supporting the investments of enterprises	The share of SMEs of low competitiveness, struggling with out-of-date equipment and lack of capital, decreases (primarily in the processing industry). The competitiveness, effectiveness, efficiency, employment and growth potential of this sector improves. Based on the previous NEF tender experiences, 3,730 SMEs received support for job creation on a budget of HUF 41.3 bn between 2010 and 2014, the enterprises created 21,730 new jobs, and assumed to employ 16 461 job seekers for a period of two years. The support contributed to preserving 45,524 jobs.

46.	Encouraging Social Enterprises	The measure aims to sustainably strengthen the employment capacities of social enterprises (on the basis of development programme), encouraging to produce marketable products and services.		The implementation starts in the 2 nd half of 2015 and lasts until the 2 nd half of 2018.	CSR4, Fighting poverty (EU2020-5)	Planned budget: HUF 7 bn (publishing in 2015)		EDIOP 5.1.3. (ESF)	EDIOP priority 5: Employment; investment priority 1	Self-sustainability of social enterprises strengthens, which can contribute to the expansion of employment in case of regions and groups in disadvantaged labour market situation. It contributes to the improvement of general social situation and to reducing poverty.
47.	Supporting service provision aimed at lawful employment	The measure aims to disseminate lawful employment. The interest representative bodies provide legal advice regarding labour law, social security law and other advice related to employment at county level.		The tender is planned to be published in April 2015 (The planned length of the projects is 48 months.)	CSR4	Planned budget: HUF 5.5 bn (to be published in 2015)		EDIOP 5.3.3 (ESF)	EDIOP priority 5 Employment; Investment priority 3; EDIOP 5.3.3 Supporting service provision aiming at lawful employment	The measure contributes to the dissemination of lawful employment.
48.	Supporting the reconciliation of work and family related tasks, and helping the children in deprived settlements at the earliest age possible.	The aim is the targeted further development of day care services (nursery, family day cares). The measure consists of two parts. On the one hand the further development of the day care of children, on the other hand, besides nursery care the strengthening of the family day care service so that it is available for as many disadvantaged children as possible.	none	Planning and the preparation of the professional concept is in progress, it is expected to be published at the end of 2015, or the first half of 2016. The deadline for the feasibility test of differentiated financing is 2017.	, CSR4	TOP 1.4. resource: HUF 60.64 bn TOP 6.2 resource: HUF 30.04 bn CCHOP 6.1 resource: HUF 7.9 bn	Budgetary demand is not known, it can be quantified in 2017, because the developments will be implemented only in the future.	TOP, CCHOP resources		Supports a more increased labour market participation for women, and contributes to decreasing child poverty and social exclusion. The day care of the children enhances the reconciliation of work and family related tasks. The target number of the measure for the day care of the children (nursery, family day care) is 60,000 places; with creating nearly 17,000 new places.

49.	Encouraging flexible employment	The measure aims to disseminate flexible employment, to improve adaptability of employers and employees in two phases. In the first phase, the service providing organisations are selected, which carry out the preliminary screening related to the enterprises' restructuring into family-friendly, flexible ones, and prepare a restructuring plan. In the second phase, the screened enterprises can apply for support in order to implement these plans.	The call for applications in the first phase was published in October 2014.	The second phase is expected to be published in December 2015.	CSR4	HUF 4 bn, out of which HUF 1 bn was published in the first tender round, whereas HUF 3 bn is going to be published in the second tender round.		EDIOP 5.3.1 és 5.3.2 (ESF)	EDIOP priority 5 Employment; Investment priority 3; EDIOP 5.3.1 abnd 5.3.2	By introducing flexible employment forms, flexible work organisation structures, the reconciliation of work and private and family life is made easier. The key target group of the measure is the parents with young dependent children working at the companies concerned.
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2. Target of enhancing research-development

Number	Description of measure	Breif introduction of measure	Status of implementation	Further schedule of implementation – next 12 months	The relation of the implementation to any other CSR or Europe 2020 target	Resources of measures	Budgetary effects	The relation of the implementation to any other CSR or Europe 2020 target (where relevant)	Consistence with the programming period 2014-2020 (OP, description of scheme)	Description of expected effects
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50.	National Smart Specialisation (S3) Strategy Action Plan	<p>The National Smart Specialisation Strategy document was adopted by the Government in 2014. An action plan is being prepared by May 2015. The action plan sets the focuses and objectives of the implementation of S3 objectives, takes into consideration those relevant and identifies those responsible, plans the timely schedule, allocates the necessary funds for the implementation, and makes a proposal for the necessary changes in management, regulation and administration. After the adoption of the action plan, the implementation of the first phase starts based on the approved proposals.</p> <p>The Action Plan is planned to be built according to the following structure:</p> <ul style="list-style-type: none"> - Objectives to be achieved, strategic articulation with the National RDI Strategy and operational programmes; - Priorities, aims, instruments; - schedule, resources, responsible organisations; - Presentation of instruments to be launched in 2015-16, introduction of pilot projects, list of measures; - Management and sustainable cooperation, operating EDP process, the frameworks of the participating organisations, tasks, implementation; - Indicator system and monitoring processes, to provide that the S3 strategy and action plan achieve their aim, feedbacks and the process of correction 	Implementation of the Strategy is ongoing	S3 action plan is expected to be prepared by 31 st May 2015 with the direction of the National Research, Development and Innovation Office (NRDIO)	Increasing research and development expenditure (EU2020-2) In addition, the measure is related to the reform proposals drafted by the Commission in the Annual Growth Survey 2015 (6. Improving the research and innovation (R+D) investment quality)	Not relevant		EDIOP 2., priority 8. CCHOP priority 2.	<p>The existence of the national or regional strategy regarding the smart specialisations is included in the ex-ante condition of the 2014-2020 EU financial planning, and the preparation of the related action plan.</p> <p>The S3 Strategy Action Plan also sets how the instruments planned in the Operational Programmes support the smart specialisation process.</p>	<p>The expected effect of the S3 Action Plan is to spend the available RDI resources in a stable, sustainable, focused way, with the best possible utilisation on the development and restructuring of the economy. It is a major and critical criteria for an effective economic realisation of the research results to follow the transparent, clean managing structure, the utilisation of inputs.</p>
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51.	R+D Competitiveness and Excellence Agreements	In the framework of the three sub-programmes of the R+D Competitiveness and Excellence Cooperation programme, the primarily top-down initiated, built and coordinated tenders of national significance and major importance, with key importance for the research-development and the industry may receive support. The three sub-programmes are as follows: - R+D projects of health care industry; - R+D projects of energy; - R+D projects of management technique;	The deadline for submitting the tenders was 8 th December 2014, a total of 3-12, as subprogramme 1-4 tenders are expected to be supported.	The support of the tenders are being implemented in 2015.	Increasing research and development expenditure (EU2020-2) In addition, the measure is related to the reform proposals drafted by the Commission in the Annual Growth Survey 2015 (6. Improving the research and innovation (R+D) investment quality)	The R+D Competitiveness and Excellence Agreements programme published in 2014 has a budget of HUF 7.2 bn			The R+D Competitiveness and Excellence Agreements programme is in compliance with the priorities of the EDIOP.	The tender aims to support research-development activities of strategic importance which contribute to the encouragement of the R+D activities of the enterprises, the creation of research workplaces, to the encouragement of R+D cooperations setting the direction for the R+D activity of public funded research institutions, to the development of new, marketable products and technologies with significant added value.
52.	Establishing New Momentum-research groups	In November 2014, the Hungarian Academy of Sciences published its call for tender to establish Momentum (Lendület) research groups (starting in 2015) in research centres, research institutes of the HAS and at universities. The tender provides subsidy for groups to research new topics in the host research centres/institutes for a period of 5 years. The proposal evaluation has two rounds: the deadline for the first round evaluation is 2 nd of March, the second round evaluation (the panel meeting to make a proposal for the winners) is on 8 th April. The annual, three-year and five-year report evaluations are carried out in accordance with the designed procedure.	The calls for tender were published in November 2014. Applications were submitted to research institutes and universities in the ratio of 1:2, 24 applications were submitted directly from abroad. 96 applications were submitted for the deadline of 13 th January 2015; the budget claimed is HUF 4.38 bn	The deadline for proposal submission was 13 th January 2015. The tender evaluation has two rounds; the public reward announcement is expected in the first half of 2015; the new research groups are being established from the 1 st July.	Increasing research and development expenditure EU2020-2 In addition the measure is related to the reform proposals drafted by the Commission in the Annual Growth Survey 2015 (6. Improving the research and innovation (R+D) investment quality)	Approximately 8-12 new research groups can be launched on the prospective budget of HUF 400 million available in 2015 for the support of the New Momentum-research groups.	The amount available for the Momentum programme is set in the Act on Public Finances as appropriation managed at chapter level (in 2015 it is Chapter XXXIII (HAS) appropriation managed at chapter level).		The Momentum programme is in compliance with the EDIOP priorities.	The tender aims to provide subsidy for groups to research new topics in the host research centres/institutes for a period of 5 years.

53.	National Programme for Brain Research (NPBR)	In 2014, on the basis of governmental decision in the framework of call for tender HUF 12 bn was appropriated for the support of the National Programme for Brain Research (NPBR). The NPBR consists of two subprogrammes. The "A" subprogramme managing a budget of HUF 6.4 billion aims to strengthen the research centres/institutes already in the international front line with supporting outstanding researchers who are able to provide significant prospects with their work by introducing new research topics and technologies. The support can be carried out within consortium frameworks, and can be used until 31 st December 2017. The base for the "A" subprogramme is the cooperation in consortium. The "B" subprogramme has a total budget of HUF 5.6 billion, which aims to reverse and balance brain-drain by inviting and employing researchers working abroad. According to the plans of the Consortium, about 25-30 research groups are expected to be set up.	In progress, the consortium launched the work of 25 research groups from March 2014 until 11 th February 2015.	The NPBR programme is expected to last until 31 st December 2017.	Increasing research and development expenditure (EU2020-2) In addition the measure is related to the reform proposals drafted by the Commission in the Annual Growth Survey 2015 (6. Improving the research and innovation (R+D) investment quality)	In 2014 on the basis of governmental decision in the framework of call for tender, HUF 12 bn was appropriated for the support of the National Programme for Brain Research (NPBR).			The NPBR programme is in accordance with the EDIOP priorities.	Due to the effect of the National Programme for Brain Research approximately 25-30 research groups are expected to be set up and launched. The Office for Subsidised Research Units (OSRU) launched the work of 25 research groups from March 2014 until 11 th February 2015, the number of which is going to be 32 within a month.
54.	Supporting individual R+D+I activities of the companies	The support aims that the enterprises (including suppliers) further develop their already existing, marketable products (including spare parts and/or partial units), their services or technologies, launch the production of the further developed products, and introduce their further developed products in the market.	Implementation of the activities is ongoing	Date of call: August 2015 for financial intermediaries	Increasing research and development expenditure (EU2020-2) In addition, the measure is related to the reform proposals drafted by the Commission in the Annual Growth Survey 2015 (6. Improving the research and innovation (R+D) investment quality)	Planned budget for 2015-2016: HUF 20 bn Non-refundable support: HUF 13.3 bn		EDIOP priority 2 EDIOP priority 8	The measure is implemented within the framework of EDIOP priority 8 and 2.	The planned intervention contributes to the R+D+I company activity growth.
55.	Supporting R+D+I activities of companies carried out in cooperation	The support aims to encourage the competitiveness and R+D activities of enterprises through cooperations in order to increase the prototype, product, technological and service development activities of innovative enterprises.	Implementation of the activities is ongoing	Date of call: end of 2015	Increasing research and development expenditure (EU2020-2) In addition, the measure is related to the reform proposals drafted by the Commission in the Annual Growth Survey 2015 (6. Improving the research and innovation (R+D) investment quality)	The budget of call is: HUF 25 bn We calculate with an average of HUF 200,000,000 support demand, so we plan to grant support for 125 R+D+I project carried out in cooperation.		EDIOP priority 2	The measure is implemented within the framework of EDIOP priorities 8 and 2.	The planned intervention contributes to the R+D+I company activity growth.

56.	Innovation Ecosystem	In addition to setting up technological incubators and filtering the ideas, the programme grants direct support in order for the start-up technological enterprises to solve the problems characteristic to the phases built upon each other. The state assumes the majority of the first investments of start-up technological enterprises which are too risky for private investors in the form of subsidy. The programme intends to create the opportunity for higher education and academic incubation as well, for the market and business utilisation of their knowledge base. The "Technological start-up ecosystem (Start-up_13)" – pilot – call for tender on a budget of HUF 2.1 bn can be considered as the antecedent of the programme of a much narrower focus, in which the exploitation of the research centre/institute's knowledge base was not included in the fields to be supported directly.	Implementation of the activities is ongoing	Date of call: October 2015	Increasing research and development expenditure (EU2020-2) In addition, the measure is related to the reform proposals drafted by the Commission in the Annual Growth Survey 2015 (6. Improving the research and innovation (R+D) investment quality)	HUF 6 bn We calculate with an average of HUF 20 m support demand in 4 steps, presuming that not every project reaches all the phases, we intend to enhance the support of establishing 300 enterprises.		EDIOP priority 2	The measure is implemented within the framework of EDIOP priority 2.	The planned intervention contributes to the R+D+I company activity growth.
57.	Innovation voucher	The tender supports the implementation of technological innovation projects. The projects being awarded aim to apply some research-development (R+D) result unknown so far, and to develop a new technology, product or service, either not known on the market so far, or significantly modified compared with the knowledge so far, with more favourable features, and to find the base for market success thereof.	Implementation of the activities is ongoing	Date of call: December 2015	Increasing research and development expenditure (EU2020-2) In addition, the measure is related to the reform proposals drafted by the Commission in the Annual Growth Survey 2015 (6. Improving the research and innovation (R+D) investment quality)	HUF 3 bn – the number of enterprises obtaining support: 450 enterprises		EDIOP priority 2	The measure is implemented within the framework of EDIOP priority 2.	The tender supports the implementation of technological innovation project. The planned intervention directly contributes to the company R+D+I activity growth. The measure directly contributes to the improvement of the innovation skills of SMEs, and to the elimination of congestion limiting the performance of enterprises through providing and replacing missing competencies.
58.	R+D Competitiveness and Excellence Cooperations – integrated projects	The scheme aims to enhance these cooperations in both quantity and quality. Within the framework of the sub-programmes, the primarily top-down initiated, built and coordinated tenders of national significance, with key importance for the research-development and the industry may receive support.	Implementation of the activities is ongoing	Date of call: June 2015	Increasing research and development expenditure (EU2020-2) In addition, the measure is related to the reform proposals drafted by the Commission in the Annual Growth Survey 2015 (6. Improving the research and innovation (R+D) investment quality)	HUF 25 bn Based on the experiences of previous years project proposals with an average of HUF 250-300 m obtained support. Relating to the sectors in S3 we aim to support 80-100 projects .		EDIOP priority 2	The measure is implemented within the framework of EDIOP priority 2.	Increase in the rate of innovative enterprises cooperating with public financed research institutions or with the government.

59.	R+D Competitiveness and Excellence Cooperations – social challenges	Supporting the elaboration of complex solutions for the future by focusing on the solution of certain (global) social problems, alongside the directions appearing in the National Smart Specialisation Strategy, applying the scientific, research and technological resources of the sectors concerned in synergy, which may provide entry opportunity for international market participation. Further aim of the top-down coordinated projects is that the R+D+I activity carried out in wide cooperation complemented by the creation of competitive R+D capacities shall enhance the establishment of national start-ups, which can compete successfully for the tenders of Horizon 2020, presuming international excellence even as project leaders.	Implementation of the activities is ongoing	Date of call: June 2015	Increasing research and development expenditure (EU2020-2) In addition, the measure is related to the reform proposals drafted by the Commission in the Annual Growth Survey 2015 (6. Improving the research and innovation (R+D) investment quality)	HUF 15 bn		EDIOP priority 2	The measure is implemented within the framework of EDIOP priority 2.	
60.	Strengthening R+D infrastructure	The support to be awarded primarily aims at the development of research infrastructure. The focus areas of the call are as follows: 1. Procurement, modernisation of individual R+D infrastructure in order to strengthen the provision of services, and the position of national R+D, focus: enabling Horizon 2020; 2. Building, procuring, and testing R+D infrastructure equipment that can also be used in connection with the international R+D infrastructure; 3. Enabling R+D infrastructure to participate in international R+D infrastructure.	Implementation of the activities is ongoing	Date of call: June 2015	Increasing research and development expenditure (EU2020-2) In addition, the measure is related to the reform proposals drafted by the Commission in the Annual Growth Survey 2015 (6. Improving the research and innovation (R+D) investment quality)	HUF 25 bn		EDIOP priority 2	The measure is implemented within the framework of EDIOP priority 2.	The general aim of the support is to develop R+D infrastructure so that it is able to provide competitive services in the European and global terms meeting the requirements of the knowledge-based society and the economy.

61.	Developing International R+D relationships	The programme elaborated in order to develop International R+D Relationships contributes to the travel expenses of the researcher participating in the research within the framework of the international bilateral TÉT cooperation, to the support of the Hungarian partner of a project, to cover the expenses of the preparations of the projects in the HORIZON 2020 programme and other joint EU initiations, and to the support of the Hungarian participation in certain international EU programmes and joint initiations as a member or leader of the consortium.	Implementation of the activities is ongoing	Date of call: December 2015	Increasing research and development expenditure (EU2020-2) In addition, the measure is related to the reform proposals drafted by the Commission in the Annual Growth Survey 2015 (6. Improving the research and innovation (R+D) investment quality)	HUF 3.5 bn		EDIOP priority 2	The measure is implemented within the framework of EDIOP priority 2.	The general aim of the support is to develop the international R+D relationships.
62.	Excellence of strategic R+D workshops	The aim is to establish research groups within the higher education framework, forming their dynamic renewal by taking the burden of lectures off the researchers with outstanding performance, and the outstanding young talents, calling them back from abroad and keeping them in the country. In order to establish and strengthen excellence centres, it is crucial to take the burden of lectures off the researchers and young talents, and to employ new researchers. Thus it can be provided, that research may dominate in some excellent research groups against the predominance of teaching obligation. At the same time, in order to create excellence, it is essential to replace the missing elements of R+D infrastructure and to provide the resources necessary for the research.	Implementation of the activities is ongoing	Date of call: June 2015	Increasing research and development expenditure (EU2020-2) In addition, the measure is related to the reform proposals drafted by the Commission in the Annual Growth Survey 2015 (6. Improving the research and innovation (R+D) investment quality)	HUF 10 billion A strategic R+D workshop can count on a support of HUF 300-400 million on average, so we are going to contribute to the support of the research work of 25-50 pcs of existing or newly established R+D workshops belonging to the S3 sector.		EDIOP 2. priority	The measure is implemented within the framework of EDIO priority 2, (EDIOP 2.3.2)	The research groups being established or becoming stronger this way have a good chance to become an integral part of the international research sphere, the H2020 synergies become exploitable. The intervention intends to contribute to the increase in the numbers of the Hungarian participants who have been awarded in the international programmes, in particular in the Horizon 2020 framework programme. The number of the new researchers increases at the supported institutions, and the number of the researchers working in facilities equipped with better research infrastructure also increases.

63.	Higher Education and Industrial Cooperation Centre – Developing research infrastructure	The rate of innovative enterprises cooperating with public financed research institutions or with the government is low in our country, this scheme aims to enhance these cooperations both in quantity and quality. The support aims to provide the cooperative centres with the necessary space and staff, which integrate into some faculties of universities with a technical approach. The R+D cooperation centres, being established this way, would be led by the lecturers of higher education institutions who have been trained and selected appropriately, several students would act as executors, and the supervision of the whole system would be carried out by the university and the company jointly. Prospective beneficiaries: companies, public financed research institutes/centres (higher education institutions), their consortiums)	Implementation of the activities is ongoing	Date of call: October 2015	Increasing research and development expenditure (EU2020-2) In addition the measure is related to the reform proposals drafted by the Commission in the Annual Growth Survey 2015 (6. Improving the research and innovation (R+D) investment quality)	HUF 21 billion Calculating with a support of HUF 5-8 bn we plan to support 3-4 projects.		EDIOP 2. priority	The measure is being implemented within the framework of EDIOP priority 2, (EDIOP 2.3.4)	The centres would provide equipment and research help for the R+D activity of the local SME sector; they would enable the more intensive knowledge flow (“quadruple helix”) between the actors of the given sectors (S3); the harmonisation of the training and R+D activities, their development alongside the economic interests; the more intensive involvement into the international programmes. The intervention intends to contribute to the increase of the number of the Hungarian participants in international programmes, in particular in Horizon 2020. The number of the new researchers increases at the supported organisations, and the number of the researchers working in facilities equipped with better research infrastructure also increases.
64.	Implementation of ELI laser research centre (ELI-ALPS) large project, phase 2	The ELI-ALPS large project phase II is a large project of the EDIOP priority 2. The large project is being implemented as a project in phases. Currently no world-class and world-scale research infrastructure operates in Central and Eastern Europe, including Hungary, due to which it is a risk that highly qualified researchers will migrate, that world-class research projects will be implemented outside Hungary, that the country will marginalise in the aspect of research.	Implementation of the activities is ongoing	Date of call: March 2015	Increasing research and development expenditure (EU2020-2) In addition the measure is related to the reform proposals drafted by the Commission in the Annual Growth Survey 2015 (6. Improving the research and innovation (R+D) investment quality)	HUF 34.58 bn			The measure is being implemented within the framework of EDIOP priority 2, (EDIOP 2.6.3)	As the project is implemented, Hungary and Central and Eastern Europe may finally be part of the “ERA map” and can contribute to increase the role of Europe in the global R+D sector. The successful implementation of the project is of major importance for the whole Hungarian research-development ecosystem.

65.	The compilation of Research Infrastructure Roadmap	<p>The Hungarian RI roadmap follows the following structure:</p> <ul style="list-style-type: none"> - The analysis of the domestic research infrastructure – general situation analysis, foreign situation, interfaces between the foreign research infrastructures; - brief review of EU and governmental RDI strategies and objectives - brief introduction of proposed RI development projects. <p>Elaborating the selection criteria, and establishing the organisational structure managing and coordinating the project are in progress.</p>	Implementation of the activities is ongoing	The Research Infrastructure Roadmap is expected to be prepared by 20 th November 2015 under the direction of the National Research, Development and Innovation Office (NRDIO)	Increasing research and development expenditure (EU2020-2) In addition the measure is related to the reform proposals drafted by the Commission in the Annual Growth Survey 2015 (6. Improving the research and innovation (R+D) investment quality)	HUF 10 million			The compilation of the roadmap will be in compliance with the Research-development and Innovation (RDI) Strategy's objectives and priorities (in particular with the Smart Specialisation Strategy), and is in accordance with the international trend of the development of science and research infrastructures, primarily with the 2016 roadmap of ESFRI currently being prepared.	The compilation and implementation of an appropriate roadmap can significantly improve the extent of the linkage to international research infrastructures, the development focusing on the international standard of outstanding research centres/institutes can be implemented, the capacity utilisation of research infrastructures and the number of publications increases.
66.	Further development of integrated agriculture research network	<p>1st January 2014, in accordance with the Government decision the National Agriculture Research and Innovation Centre (NAIC) was established by merging thirteen research institutions related to agricultural and food industry, and by harmonising the operation thereof.</p> <p>As a company further four research institutes join the NAIC established with a seat in Gödöllő.</p>	Implementation of the activities is ongoing	The development of the operational units and research staff of NAIC is planned to be implemented by the Ministry of Agriculture by the end of 2016.	The measure is part of the Annual Growth Report priority 1 of 2015 (enhancing investments) by enhancing education, research and innovation.	The ministry intends to increase the support of NAIC by HUF 1.2 bn from the central budget until 2016.			The measure is in accordance with the priorities of the Rural Development Programme, the implementation is carried out from the resources of the Ministry of Agriculture.	The established integrated agriculture research network is able to increase the competitiveness of the Hungarian agriculture at high level, and to elaborate and implement the practice oriented research development and innovation programmes enhancing its sustainable development.

67.	National Environmental Technology Innovation Strategy 2011–2020	<p>The Government adopted the National Environmental Technology Strategy (NETIS) under the Government Decision 1307/2011. (IX. 6) for the period of 2011-2020.</p> <p>Every two years a report is made on the situation of the implementation of the National Environmental Technology Innovation Strategy – the first report on the result of the strategy of the first two years was delivered in 2013.</p> <p>The measure, interventions planned for 2015:</p> <ul style="list-style-type: none"> - Eco-innovation conference - Measures being implemented within the framework of EDIOP: the EDIOP supports the shift to the economy structure of low carbon dioxide emission, the preservation and protection of the environment, and the increase of the resource efficiency, so it is closely connected to the objectives of the NETIS (e.g. SMEs can compete for waste recycling in the tender for the “Support of instrument procurement and entering the foreign market”) - Measures being implemented in the framework of ITOP - (EEOP) sanitation and wastewater purification, wastewater treatment: the general aim of the scheme is to support the canalisation tasks, wastewater treatment, modern sludge treatment, and the display of liquid waste in wastewater treatment plants in the agglomerations above 2000 PE (population equivalent). - The investments improve the marketability of the innovative wastewater treatment technologies 	Implementation of the activities is ongoing	The time horizon of the strategy: the period of 2011-2020. Several measures are being implemented within the framework of the strategy in 2015.	<p>The measure contributes to the “sustainable growth” priority, to the implementation of a more resource-efficient, more environmentally friendly and more competitive economy.</p> <p>At the same time it has several direct linkages to the “smart growth” priority, mainly through innovation.</p> <p>It is mainly indirectly linked, but linked to the inclusive growth objective of the EU 2020 Strategy.</p>				<p>The objectives drafted in NETIS were considered in the course of planning the EU resources for the 2014-2020 programming period, its aims have been built in the operational programmes (EEOP, EDIOP).</p>	<p>The strategy, with special attention to eco-innovation, aims to enhance the implementation of the measures necessary for the harmonised achievement of the governmental aims related to environmental technology.</p> <p>Besides environmental objectives, another objective of the strategy is to exploit the Hungarian economic and knowledge potential in the competition aiming at the development of new processes and technologies, especially of environmental technologies, and at enhancing the increase of opportunities to find a job.</p>
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68.	Industrial property rights	The tender aims to support the activities of protection acquisition and protection maintenance, serving the protection of domestic or international intellectual properties.	Implementation of the activities is ongoing	Date of call: June 2015	Increasing research and development expenditure (EU2020-2) In addition the measure is part of the reform proposals drafted by the Commission in the Annual Growth Survey 2015 (5. Improving the framework conditions of business investments, 6. Improving the quality of research and innovation (R+I) investments)	HUF 1 bn - Calculating with an average of about HUF 1-2 m we can support nearly 500-700 pcs of submissions and the maintenance of the protection of industrial property right notifications.		EDIOP priority 2	It is being implemented within the framework of EDIOP priority 2.	As a result of the planned protection of industrial property right the number of the submitted domestic and foreign notifications of industrial property right protection and of the given protections increases, which enhances the success of the utilisation of the Hungarian intellectual properties.
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3. Energy and climate policy target

Number	Description of measure	Brief introduction of measure	Status of implementation	Further schedule of implementation – next 12 months	The relation of the implementation to other CSR 2020 target	Resources of measure	Budgetary effects	European Union funds available for the implementation of the measure (where relevant)	Consistence with the programming period 2014-2020 (OP, description of schemes)	Description of expected effects
69.	Reviewing the Hungarian Renewable Energy Utilistion Action Plan	Based on the Government Decisions 1491/2012. (XI. 13) and 1969/2013. (XII. 18), the aspects of the Hungarian Renewable Energy Utilistion Action Plan review are the results of the technological development, the capacity of the energy consumers, the complex interaction of biomass utilisation on agriculture and rural development, and the changes regarding the Hungarian and European Union regulation environment, and the European Union resources available in this field in the period of 2014-2020.	The elaboration of the reviewed action plan has been carried out.	The document is under finalisation based on the values of the 2020 energy prognosis reviewed in the National Energy Strategy.	Increasing the share of renewable energy (EU2020-3)			For the implementation of measures provided for the developments, the following EU Programmes are available from 2014: EEOP, priority axis 5: renewable energy production for public network, applying renewable energy sources in the course of building energy developments; TOP: renewable energy development of local governments relating to building energy renovations; EDIOP: renewable energy developments of enterprises, energy R+D+I, financial means encouragning the use of renewable energy except for the Central Hungarian Region; CCHOP: renewable energy developments of enterprises, financial means encouragning the use of renewable energy in the Central Hungarian Region.		

70.	<p>Launching the schemes enhancing the application of renewable energy sources</p>	<p>Since 2014, one of the key resources of the schemes has been the Green Economy Financing System (GEFS), which is going to be financed by the quota revenue from the EU emission trade system. The utilisation of the renewable energy sources plays a key role also in the use of the European Union resources available in the period of 2014-2020. The pre-notification of the regulatory concept regarding the feed-in tariff of the electric power and heat (METÁR) produced from renewable and alternative energy resources is in progress.</p>	ongoing	<p>The plan of the new concept of the METÁR may be sent to the Commission in the form of an official announcement in June 2015. After the Commission's approval the Government may adopt the METÁR in the form of Government Decree in 2015, and may have it entered into force on 1st January 2016.</p>	Increasing the share of renewable energy (EU2020-3)		<p>The total resource of the measure is about HUF 650-700 bn until 2020</p>			
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71.	Elaboration of Jedlik Anyos Plan aiming at the development of e-mobility	<p>The Plan aims to encourage the spread of vehicles with alternative drive and to create the necessary infrastructure. The main topics of the JÁT are as follows:</p> <ol style="list-style-type: none"> 1.) To support the research development and innovation (hereinafter: R+D+I) activity linked to the dissemination of electro-mobility, the domestic production, to the development of the technical infrastructure at an international level, where the high power batteries and heating material cells (300-400 V, 200 kW) may be examined. To train professionals and technicians, who may mean an added value in carrying out research-development tasks also on an international level. 2.) To enlarge the electronic mobility infrastructure bearing significant industry development potential, to enhance project financing, to join the operation of international EU organisations (e.g. European Green Vehicles Initiatives) 3.) To review and extend the legal and tax conditions of electronic mobility. 4.) To examine the role of public transport in e-mobility and its applicability and to enhance its finance 5.) To define pilot projects and to enhance the finance thereof 			Reduction of the emission of greenhouse gases (EU2020-3)					
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4. Education target

Every relevant measure is included in the table describing the measures taken for the implementation of the country specific recommendation 6.

5. Social inclusion target

Number	Description of measure	Brief introduction of measure	Status of implementation	Further schedule of implementation - next 12 months	The relation of the implementation to any other CSR or Europe 2020 target	Resources of measures	Budgetary effects	European Union funds available for the implementation of the measure (where relevant)	Consistence with the programming period 2014-2020 (OP, description of scheme)	Description of expected effects
72.	Growing chance – the Roma's training embedded in employment	The scheme aims to improve the social inclusion and employment of unemployed Roma (primarily women) suffering social prejudice and labour market discrimination. As a result of the development, 450 Roma (primarily women) are expected to be employed and to acquire vocational qualification related to their jobs – in particular in public services. Built on the experiences of the Social Renewal OP, the intervention will be restructured beyond the employment programme linked to wage subsidies, the employer is expected to enrol the employee in a training linked to his/her job requirements, and mentoring is also provided in the workplace.		The measure is expected to be launched in November 2015.	Fighting poverty (EU2020-5) CSR4	CONVERGENCE: HUF 2 bn Central Hungarian Region: HUF 0.25 bn		HDOP, priority axis: 1. Cooperative society Thematic objective: 9. Investment priority: 9.i Objective: A. Measure: 1.1	CCHOP	Supported employment of the target group is being implemented in public services (e.g. in social, child welfare, health care, public education institutions). Supported training of the target group to qualify them for the job requirements. Mentoring at the workplace. The number of Roma employed in public services increases by about 450 persons (out of which 50 persons in the Central Hungarian region). The ability of public services to reach the most disadvantaged groups improves.
73.	Roma mentor network development	The scheme helps in that the programmes for creating opportunities and mitigating disadvantages reach the Roma, Roma communities get access to information, which makes them participate actively in the programmes. It supports the civil grouping of Roma women, and their more active and conscious role in social and public life.		June 2015	CSR4	CONVERGENCE: HUF 2 bn		HDOP, priority axis: 1 Cooperative society Thematic objective: 9 Measure: 1.3	HDOP	As a result of the intervention, 80 Roma mentors start to work. Following their activity the rate of the Roma participating in the different (in particular employment) programmes is increasing, and at least one Roma woman organisation is being established per county. The number of persons reached by the mentors: 50 000 persons The number of mentored people

										(person): 10 000 The number of cooperation agreements concluded with the potential employers (pcs): 160 Established Roma woman civil organisations (pcs): 20 Programmes organised by the Roma woman civil organisations: 320 pieces.
74.	Support regional cooperation in order to coordinate local equal opportunity programmes at district level	The scheme 1/A 3 of the State Reform OP was launched in 2014 targeting problems emerging in some settlements' local equal opportunity programmes that could be tackled more efficiently by the cooperation of several municipalities. The aim is to support cooperative pilot programmes between settlements of one district and the local actors, to establish and strengthen regional cooperation of activities – provided by district seat settlements – related to the implementation of programmes enhancing social inclusion and local equal opportunity programmes.		The call for proposals was published on 04.08.2014, the number of applications received is 94, out of which 73 applications were successful. The conclusion of grant agreements is in progress. The implementation of the projects will last until 30.09.2015.	CSR4	EU co-financed programme: budget is HUF 1,85 bn		State Reform OP		The cooperation between the municipalities, the civil and religious institutions is to be improved at local and district level in order to create opportunities for the disadvantaged groups. The interventions inefficient at local level are going to be available at district level.
75.	Programmes for disadvantaged and multiple disadvantaged children									
	a) Integrated regional child programmes in disadvantaged regions	The aim is to prevent the reproduction of child poverty and to increase the opportunities of children, including the further development and extension of the integrated regional child programmes launched in 2007-2013. Activities: make services available that are important for children and their families, expanding their capacity, introducing innovative, local solutions, early development of skills, activities encouraging learning outside school, youth work, supporting career orientation, leisure time		October 2015	CSR4	CONVERGENCE: HUF 3 bn		HDOP		Deprivation of children decreases, the rate of children between the ages of 14 and 18 participating in secondary education increases (10%) and the rate of children being mature for school/kindergarten increases (15%) in the environment of the programme.

		activities, camps, improving living conditions, preventive activities, screenings, school and kindergarten social work, operating professional and interprofessional networks, increasing the efficiency of the child protection warning system, strengthening civil and church cooperation.							
	b) Professional and methodological support of local and regional programmes enhancing children's chances	Supporting local projects that increase children's opportunities and that, due to their innovative and complex nature, need permanent professional support. Activities: network building within the framework of methodological and professional support, implementing trainings, awareness raising, process support, mentoring of Sure Start Children Houses (Biztos Kezdet Gyerekházak), carrying out assessments and researches related to local projects.		September 2015	CSR4	CONVERGENCE: HUF 3 bn		HDOP	An approach develops at local level which, on the one hand, enhances the strength of self-care of families bringing up children and parental safety and, on the other hand, it creates a real cooperation between the local actors dealing with children (professionals and decision-makers, civilian, religious and state, local government organisations). The interventions planned in the scheme provide permanent professional support in 27 disadvantaged target areas (districts), in 114 earlier established and 50 new Sure Start Children's Houses (Biztos Kezdet Gyerekház), and according to plans in 80 small settlements, characteristically in the peripheral regions of the country, which are difficult to access.
	c) Operating the Sure Start Children's Houses	The Sure Start Children's Houses, developed from EU funds, provide services fighting against child poverty and intervene at as early age as possible. After the completion of the EU programme, the maintenance of the Houses will be provided by the central state budget, taking into account the budgetary possibilities.		ongoing	CSR4	In 2015, resources are available in the central state budget for the entry of new Children's Houses.			Through the early childhood intervention social inclusion is strengthened by the integration to kindergarten, school, labour market and local society. Parental competencies strengthen. Regenerating of poverty may be broken in case of children concerned – whereby

										getting an opportunity for a successful integration.
76.	Early childhood intervention									
	a) Early Childhood (0-7) Programme	The Early Childhood Programme (76/a) being implemented from EU resources focuses on the healthy start of life and the successful start of school for every child – but especially for the children in need of special support – by tracking the children’s development between the ages of 0 and 7. The programme aims to develop a unified and up-to date knowledge and methodology for professionals working in basic health care services for children in order to increase the efficiency of their work; to increase parental awareness and competency related to the development, care and education of the child; to introduce a questionnaire tracking the children’s development based on parental observation and to filter children with a different development path. In 2012-2013, the new questionnaire based on parental observation was developed and tested and its methodology was elaborated. Preparing the nationwide introduction, 1650 children were filtered by the new parental questionnaire between March and June 2013, and a Health Visitor Methodological Unit was established as well.		The implementation is in progress and is to be closed in Q3 of 2015.	EU2020-4 Fighting poverty (EU2020-5) CSR6	Budget: HUF 2.5 bn			SROP 6.1.4	Increasing the efficiency of basic child health care, filtering the children with developmental disorder by the introduction of the questionnaire, and ensuring that proper treatment is available to them in time.
	b) The systemic development of early childhood intervention	Early childhood intervention is based on the joint action of several policy fields and basically aims at organisational and system development and operational activities. For this, regulatory changes, development of common professional protocols and an applied common child path,		In the 2014-2020 programming period, the intersectoral development of early childhood intervention can be implemented by involving EU funds. The planning and preparation of the professional concept is in progress. The final	EU2020-4 Fighting poverty (EU2020-5) CSR6	none		HDOP 1.9 Planned budget is HUF 9 bn.		Intersectoral development of early childhood intervention (joint intersectoral protocols, modern data structure, IT support for tracking the single child path, IT interface connection, applying unified filtering, measuring

		development of a unified filtering, measuring and evaluation system and training for professionals working in related sectors are needed.		deadline for the implementation is the end of 2019.						and assessing system).
77.	Expanding in kind benefit for children									
	a) Supporting summertime child food projects of municipalities	Summertime food services for children in need within the Fight Against Child Poverty Programme. The support of municipalities providing summer food services is carried out through publishing a call for proposal.		Preparation of the call for proposals regarding summertime child food services of 2015 is in progress and is expected to come into force in April.	CSR4	According to Act C. of 2014 on the Central State Budget of 2015, Annex 3 point 1.3 HUF 3 000.0 million appropriation is available to provide summertime food services in the framework of the Fight Against Child Poverty Programme.		Hungarian FEAD OP	Hungarian FEAD OP	
	b) Expanding free child food services in nurseries and pre-school education from 2016	The 1732/2014. (XII. 12.) Government Decree states that in the child care institution system food shall be provided free of charge as widely as possible. Therefore a proposal is under preparation in order to expand the free food services for children in nurseries and kindergartens as of 2016.		Comes into force in 2016.	CSR4	The estimation of budgetary effects is currently in progress.		Hungarian FEAD OP	Hungarian FEAD OP	
	Providing free food and textbook supply as targeted in-kind benefit for foster children, as well as for young adults having official pupil status and receiving aftercare assistance	In line with Act XXXI of 1997 on the Protection of Children and Guardian Administration, and Act CCXXXII of 2013 on Textbook Provision for School Education, pupils getting regular child protection benefit are provided with food and textbooks free of charge or at a discount. Previously, this allowance did not apply to minor children living in child protection care and to adults of aftercare, even though this target group is multiple disadvantaged according to the law. In line with the amendment proclaimed by Act CI of 2014 taking effect on 1 st July 2015, 100% of normative allowance of child food services can be claimed by foster children who have nursery, kindergarten or official pupil		Comes into force on 01.07.2015	CSR4	Expanding the normative allowance of child food services: HUF 250 million in the year of its introduction, later on HUF 500 million/year; Resource: Act C of 2014 on the Central Budget of 2015 of Hungary Chapter 1.3 (Annex 2, 3.5) *Textbooks available free of charge: Act C of 2014 on the Central Budget of 2015 of Hungary Chapter XIX, 20.2.4				

		status, and attend full-time education, and by young adults in aftercare who have official pupil status and attend full-time education. Furthermore, textbooks are free of charge for pupils in foster care or in aftercare attending full-time education.								
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FURTHER REFORM MEASURES

Health, Developing broadband networks

Number	Description of measure	Brief introduction of measure	Status of implementation	Further schedule of implementation - next 12 months	The relation of the implementation to any other CSR or Europe 2020 target	Resources of measures	Budgetary effects	European Union funds available for the implementation of the measure (where relevant)	A 2014-2020-as programozási időszakkal való összhang (OP, Description of scheme)	Description of expected effects
78.	Extension of public health measures	Within the framework of improvement of preventive capacity of health care service, several measures have been ongoing: further development of Health Promoting Offices (HPO), preparation for extending their function to mental health promotion from 2016 on; upgrade the system of organised to screening; maintain, strengthen and support for prevention of smoking and smoking cessation.	The number of HPOs has increased to 61 with 126 898 persons reached with the promotion of organized screening programs while 130 thousand people participated in different forms of health status assessment in 2014.	Improve access to organised, targeted screening programs. . Extension of the health visitor pilot cervical screening programme.	Raising the employment rate (EU2020 1)	For development of organised screening HUF 200 m from Office of the Chief Medical Officer (OTH) annually; HUF 1 bn from SROP 6.1.3A	In the central budget of 2015: in MHC Chapter XX, Title 10, 2: HUF 366.9 million Title 10, Subtitle 22, 26: HUF 535.1 million for providing operation	HDOP2014-2020 INVESTMENT PRIORITY 3 (priority axis 1) From SROP 6.1.3A HUF 1 bn	HDOP2014-2020 INVESTMENT PRIORITY 3 (priority axis 1)	By extending the availability of the screening programmes , more and more groups of society will have access to different screening programmes.

79.	Further development of primary care	The further development of primary care aims to make the general practitioner profession attractive, to take the burden off from the higher levels of care, and to enhance prevention efficiency . Establishing the functional integration of primary and outpatient care, determining the competencies and capacities of general practitioners and paediatricians according to health needs by considering the regional inequalities, restructuring the financing system in order to strengthen the gatekeeper function and quality expectations, improving the human resource situation and providing technological developments. It is the harmonised, joint, system-levelled programme involving primary care and different specializations.	<ul style="list-style-type: none"> Establishing a performance based finance system, the first step of which has been the introduction of indicators that help to assess standards of care provided by general practitioners, thus enhancing the gatekeeper function.. Taking over the responsibility of inpatient care by the state so that the institutions concerned got under state ownership, only primary care has been left in the duty of the local governments. 	Adopted Government Decision on the supervision of the primary care system and the directions of its restructuring is expected in the first half of 2015.			In the central budget of 2015 Chapter LXXII Health Insurance Fund 3, Title 1, Subtitle 22: Renewal of the primary system schedule 1 HUF 10 bn			Within the framework of the primary care competency, the general practitioners are able to treat patients as widely as possible, the expansion of definitive care is implemented thus taking the burden off from the in- and outpatient institutions.
80.	Superfast Internet project	The Superfast Internet Project (SIP) aims to provide the building of infrastructure covering the whole country with broad band (at least 30 Mbps) at the forefront in the European Union, which is made possible by the building of the New Generation Access Networks (NGA). The network coverage over the area capable of this speed is 75.7%.	The findings on NGA coverage with the help of the mapping has been recently done thus it will give a more precise picture of the coverage of the households with the new generation network.	The period of the project is 2015-2018 The call for application is going to be published in June 2015.	Digital Agenda	HUF 150-210 bn		EDIOP 3.4.1 2015-2020: HUF 68 bn EDIOP 8 2015-2020: HUF 47.4 bn (financial means)	EDIOP 3.4.1 EDIOP 8	The Super-Fast Internet project being implemented as the network development part of the National Digital Development Programme approximately 1 million households have to be supplied with new generation access network by 2018.