# **ANNEX 1: INCORPORATION OF COUNTRY-SPECIFIC RECOMMENDATIONS**

#### Country-specific recommendation No. 1: Financial stability

'[Hungary is recommended to] implement a budgetary adjustment of 0.5% of GDP in 2015 and 0.6% in 2016 in order to achieve the medium-term budgetary objective.'

#### Country-specific recommendation No. 2: Financial sector

'[Hungary is recommended to] take measures to reinstate lending for the real economy, eliminate the obstacles of market-based portfolio clearance and significantly decrease risks in the bank sector due to obligations related to increased state ownership.'

	Description of measure	Brief introduction of measure	Status and further schedule of implementation	Sources and indication of domestic and EU funds	Description of expected effects
:	Decreasing t administrative burden guarantee provision	Parallel to withdrawing FGS in 2016, incentives that facilitate the resumption of market-based lending are necessary. In the temporary period risk-sharing related to SME loans is significant, thus the fine-tuning of the regulation concerning the state guarantee and its activation is in progress in close consultation with the parties involved.	The examination and scheduling of further possibilities is in progress.	An estimation of the resources is in progress.	By facilitating the lending of banks, lending is expected to boom.
7	Fine-tuning personal bankruptcy	Personal bankruptcy contributes to the portfolio clean- up of banks. However, in utilising the experiences of the programme launched in autumn 2015, its reconsideration and fine-tuning are necessary.	The examination and scheduling of further possibilities is in progress.	The programme is financed by domestic resources.	The aim of the programme is to reduce non-performing retail portfolios.
13	Decreasing majority sta ownership	In accordance with the EBRD agreement, the Government agreed to decrease its majority ownership in banks. Measures are to be taken in 2016 in order to achieve this.	The sale of MKB and Budapest Bank is expected in 2016. The examination and scheduling of further possibilities is in progress.	The measure does not require any resources.	Banks can operate on a healthier basis after rationalising their operations.

#### Country-specific recommendation No. 3: Business environment

'[Hungary is recommended to] decrease sectorial surtaxes having a distorting effect on corporations, eliminate unnecessary obstacles of entry into the market in the service sector, including the retail sector, reduce the tax wedge on low-income employees, mainly by redirecting tax burdens to less distorting areas from a growth perspective, continue to fight against tax evasion, reduce compliance costs and improve tax collection efficiency, strengthen the structures of the public procurement system that enhance competition and facilitate transparency and further improve its fight against corruption.'

Meas	Measures aimed at reducing tax burden and administration					
4.	Reduction of tax burdens					
	a) Reduction of the bank levy to facilitate lending	According to the agreement between the government and the EBRD, the surtax on financial institutions has decreased from 0.53% to 0.24% as of 1 January 2016; the tax base is still the adjusted balance sheet total as of the end of 2009.	Tax rate decreased as of 1 January 2016. The Government are planning to submit the bank levy regulation of 2017 to the Parliament in the first half of 2016 together with the budget of 2017. From 2019 the tax rate will further approach the major European benchmarks.	A loss of HUF 70bn loss in revenue is expected in 2016.	Decreasing the bank levy significantly contributes to ensuring a profitable bank system, thus improving the capital position of banks, which may be an impetus for credit supply. However, healthy demand is necessary for a boom in lending to occur.	
	b) Job Protection Act	From July 2015 the Job Protection Act also applies to agricultural workers.	As of 1 July 2015, the Act was expanded.	Total resources needed for the Job Protection Act is expected to be HUF 133.5- 139.5bn in 2016.	For the promotion of agricultural employment and increase in its transparency.	
	c) Reduction of the personal income tax (PIT) rate	The personal income tax rate was reduced from 16% to 15% from 1 January 2016.	The new PIT rate came into effect on 1 January 2016.	HUF 120bn in 2016.	Retail consumption grows due to the reduction of the tax burden.  The measure affects about four million private persons.	

d) Increasing the family tax benefits rate of PIT	The family tax benefit rate for families with two children will be increased gradually from 2016 so that it will double by 2019.	As of 1 January 2016, the benefit per child was raised to HUF 12,500 for families with two children.	Total resources needed for the family tax benefit is expected to be HUF 257-261bn in 2016.	Retail consumption grows due to the reduction in the tax burden on families with two children.
e) Reduction of the pork meat VAT rate	The VAT rate of pork meat has been reduced to 5%.	The VAT rate was reduced to 5% as of 1 January 2016.	Estimated loss of revenue in 2016 is HUF 25bn.	The measure contributes to the reduction of grey economy
f) Reduction of VAT on internet access	VAT on internet access decreases to 18%.	VAT rate decreases as of 1 January 2017.	Estimated loss of revenue in 2017 is HUF 12-13 billion.	The measure contributes to the reduction of grey economy
g) Reduction of VAT on restaurant meals	VAT on restaurant meals decreases to 18% from 2017, and to 5% from 2018.	VAT rate decreases to 18% as of 1 January 2017. VAT rate decreases to 15% as of 1 January 2018.	Estimated loss of revenue in 2017 is HUF 8-9 billion.	The measure contributes to the reduction of grey economy
h) Reduction of VAT on milk, eggs and poultry	VAT rate on milk, eggs and poultry decreases to 5%.	VAT rate decreases as of 1 January 2017.		The measure contributes to the reduction of grey economy
i) Transformatio n of the fringe benefit system	The Government are planning to transform the fringe benefit system.	The fringe benefit system will be transformed as of 1 January 2017.	-	The measure contributes to the increase of employment and real wages
j) Elimination of the Credit Institutions' Contributions	After solving the problems of those with FX loans, maintaining the Credit Institutions' Contributions is no longer justifiable.	The Credit Institutions' Contributions will be eliminated as of 2017.	Estimated loss of revenue in 2017 is HUF 5.7 billion.	

5.	Reduction of costs related to tax liabilities and improving the efficiency of their collection				
	a) Expanding the use of online cash registers	Within the next years some parts of the service sector are also going to be involved in the mandatory online cash register system (about 30,000 new cash registers).  As of 30 September 2016, the measure will involve activities such as the repair and maintenance services of vehicles, the retail trade of vehicle components, repair services for motorbikes and the trading of their components, plastic surgery, the operation of ball rooms and clubs, laundry services, the improvement of physical well-being, training and, also,  as of 1 January 2017, money exchange and taxi services.	Expansion may take place in two steps, after 30 of September and as of 1 January 2017.	Due to the measures aimed at a more transparent economy, VAT revenues on an accrual basis increased by 0.6% of GDP in 2014, and 0.2-0.3% in 2015, compared to previous years. The introduction of EKAER may also have played a role in 2015.	The measure contributes to a more transparent economy.
	b) Distinguishing between fundamentall y law-abiding and untrustworthy taxpayers in tax procedures	Taxpayers are classified into two categories: 'reliable' and 'risky', according to a newly-introduced system based on purely objective criteria. Reliable taxpayers are fundamentally law-abiding and comply with their tax liabilities; they are awarded some benefits which makes the category attractive and supports them in fulfilling their obligations. It is to be highlighted that the deadline of inspection is maximised at 180 days, and the deadline of VAT transfer is shortened from 75 to 45 days in 2017, and to 30 days from 2018. Taxpayers are classified as risky if their operations explicitly violate the tax rules or they have a significant tax deficit amount or debt. Stricter rules will apply to these taxpayers to force them to comply with laws.	The measure came into effect on 1 January 2016.		

	c) Integrating tax and customs accounts	Liabilities that were previously managed in two separate registers by the tax authority and the customs administration are managed in a common account from 2016. This enables unified account management for a taxpayer, either in terms of tax or customs administration.	The measure came into effect on 1 January 2016.		Reduction of the administrative burden on enterprises.	
	d) Tax returns prepared by the tax authority	From 2016 private individuals who only earn income from their employers and do not receive any tax relief do not have to submit their annual tax returns – the tax authority will prepare the document instead.  From 2017 the tax authority will prepare a draft tax return to private individuals who have registered on the customer portal or have electronic access capable of individual identification for this purpose from their available dataThe draft becomes the final tax return of the private person if they approve it, verifiably, with or without modifications.	The measure came into effect on 1 January 2016 and 1 January 2017.		Reduction of the administrative burden on citizens and enterprises.	
6.	Organisationa I restructuring of the tax authority	As of 1 January 2016, the National Tax and Customs Administration was transformed into a two-level authority from a three-level one. The act on taxation will be recodified in order to make the operations of the National Tax and Customs Administration more transparent and decrease the administrative burdens of taxpayers.	On 1 January 2016 the National Tax and Customs Administration was transformed into a two-level authority. The draft of the new act on tax procedure will be submitted to the Government by the Ministry for National Economy until 30 April 2016.		Improving tax collection efficiency.	
Meas	Measures aimed at improving the business environment					
7.	Bureaucracy reduction					

The Government's ambitions to reduce bureaucracy are achieved through a series of interrelated measures and projects. The main elements of the first package (Act CLXXXVI of 2015 on Amendments to Reduce Administrative Bureaucracy) to reduce bureaucracy consist of the supervision of general procedural rules and administrative deadlines, the supervision and transformation of authorisation procedures and the simplification of the regulations of substantive law.

a) Reduction of administrative bureaucracy and state overheads

The current phase of administrative bureaucracy reduction primarily focuses on procedures between citizen and the state. However, in the future bureaucracy within the state will be reduced in order to improve efficiency in the operations of public administration.

Preparation of the measures started after the approval of Government decision of 1602/2014. (XI. 4.) on The Establishment of the State Reform Committee; their execution continues until 31 December 2018.

Irregular regulations were supervised through the amendment, thus the administration deadlines for around 120 procedures were shortened by modifying 218 regulations with deadlines in 70 acts. In some cases 30-day administration time was reduced to the regular 21; in more time-consuming cases the regular, longer (60 or 90 days) deadlines were reduced by 25% on average. An important change is that 25 activities have to be reported to the authority in the future which were previously only possible to perform with a licence. The change affects procedures related to registration or the carrying out of the activity.

Amendments to decrease or eliminate application fees or duties of enforcement procedures came into effect on 1 January 2016 within the framework of 'state overheads reduction', which means approximately HUF 3bn in savings for enterprises. Due to the amendments, seven procedures related to enterprises became duty-free, which altogether meant more than one million cases in 2014.

The Government allocated HUF 10bn to state overheads reduction in the 2016 budget, resource needed for the rest of the measures can be calculated after having elaborated on the amendments.

Projects directly contributing to the implementation of the measures:

PADOP-1.0.0-CCHOP-15 – Supervision and simplification of enforcement procedures and practice of law enforcement application (HUF 14bn);

PADOP-2.3.5-CCHOP-16 – Elaboration on the programme of administrative bureaucracy reduction in the corporate sector (HUF 1.3bn).

Packages and projects to reduce bureaucracy are aimed at simplifying enforcement procedures and reducing application fees and duties so that clients can manage their issues in simple, fast and efficient operating administrative enforcement proceedings, thereby strengthening the competitiveness and service activity of the state. The rest of the projects to reduce bureaucracy aim and reveal examine bureaucratic unnecessarily elements of administrative procedures and suggest their elimination.

b) Needs analysis and strengthening partnerships in the corporate sector	The measure strengthens corporate partnerships by analysing client needs. Needs analysis involves at least 500 businesses in different forms (questionnaire, structured in-depth interview, interactive needs analysis workshop); based on the findings of the analysis, a package of development proposals will be worked out which responds to the real needs and problems of enterprises, which may be implemented either as part of a package to reduce bureaucracy connected to a development project or independently.	Preparation of the measure is in progress; the survey of entrepreneurial simplification needs will have been conducted by Q3 of 2016.	PADOP-2.3.5-CCHOP-16 – Elaboration on the programme of administrative bureaucracy reduction in the corporate sector (HUF 1.3bn).	As a result of the measure, methods supporting the needsbased development of administrative services will broaden, and the number of economic players involved in decision shaping and service development will increase.  Bureaucracy reduction measures worked out based on the proposals of the corporate sector allow for the tangible reduction in bureaucracy-restricting business activity for clients, and at the same time improve the reputation of public services.
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c) Rationalisatio n of the organisational structure of public administratio n	Tasks of central authorities can typically be completed more rationally and cost-effectively without these authorities, exclusively by metropolitan and county government offices and the ministries; therefore, central authorities are eliminated and government offices are strengthened. As a result of the measure, we can get closer to an optimal level, which shows the proportion of public service employment compared to total employment.		Exact resource requirements of the measures are formed based on Government decision.  The implementation of the measure is supported by the developments of PADOP projects managed by the Prime Minister's Office.	The rationalisation of the organisation of the central administration will affect enterprises in a particularly positive way as they are the clients of first-instance cases of central authorities. Administrative burdens will decrease and issues will be managed faster, more efficiently and closer to their registered office. The measure may adversely affect central authority employees who are not employed by another organ through succession; the Government intend to take care of them by introducing Career Bridge measures, however.  Strengthening the districts will positively affect those citizens who do not, as clients, need to travel to the county town or capital city, but can manage their issues at the district authority.
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8.	Simplifying qualification requirements	As a result of years of review, from qualifications required for industrial, commerce or touristic activities, 29 were eliminated, 96 became effective and 39 were simplified in the first half of 2015.	The measure was implemented by the MNE decree of 17/2015 (V. 19.).	The measure does not require its own source.	The number of people affected by the requirements for the proposed elimination is estimated between 10,000-15,000. At an annual 5% increase, 500-700 people per year will be exempt from the requirements prescribed for the position they aim to fulfil with the elimination of qualification requirements. At an average of HUF 200,000 in training costs, this will mean HUF 100-150 million in direct savings for enterprises. The simplification of qualification requirements was proposed in order to increase the transparency in the legal environment.
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Projects are implemented totally from EU subsidies: thus, the measure does not require any domestic budgetary resources. Within the framework of EDIOP The deadline for call in the 2014-2020 period is 30 Priority 1, new tenders will be June 2017. called for with a budget of HUF Developments aimed at improving 37.22bn in 2016. In addition, competitiveness of small- and medium-sized tenders announced in 2015 are enterprises are carried out through the differentiated Currently, we have detailed data on 2014: within the still open, and the budget of the support of enterprises in priority sectors and regions framework of EDIOP-1.2.1-14, we received 1,035 tender to increase the production The measure aims to transfer or in special stages (start-up, growth, maturity, proposals requesting HUF 42,674,663,113 in total, capacity of SMEs was raised from and spread entrepreneurial decline) and situations (e.g., becoming a vendor, out of which 656 projects were subsidised for HUF HUF 65bn to HUF 105bn, and the skills, to develop a supportive entering a foreign market). The development of 27,352,623,547. 2015 budget of the tender to Improving the business infrastructure and competitiven business infrastructure exclusively focuses on support SME investments to Within the framework of EDIOP-1.3.1-14, we make it accessible, to increase ess of smallbroadening the already operating infrastructural increase their capacity was SME's capacities and facilitate received 128 proposals requesting HUF 833,687,710 services and improving standards. The support of and mediumincreased from HUF 40bn to HUF in total, out of which 73 projects were subsidised for their market access, to networks and clusters puts the emphasis primarily on sized 60bn. encourage networking and HUF 473.354.101. cooperation that has a past operating history or enterprises EDIOP Priority 8 provides the cooperation and to strengthen obtained the Accredited Cluster title. The national supplier relations and SME's ensuring of financial instruments; mentor network is also novel; it comprehensively its 2016 budget is HUF 190bn, supplier's positions. In 2015 within the framework of EDIOP 1.21. and manages the services necessary for enterprises in the out of which HUF 44bn is a loan 1.2.2., there were 3,548 proposals related to cases of special entrepreneurial groups such as youth and HUF 115bn is complex increasing capacity for HUF 202bn, while in EDIOP and female entrepreneurs - its central element is products to be repaid, 1.3.1. there were 449 proposals made for the entrepreneurial mentoring. furthermore, it will be issued in promotion of micro-, small- and medium-sized enterprises to enter the market to the Managing the form of a HUF 10 billion Authorities for HUF 4.6bn in total. The evaluation of counter-guarantee and HUF 21 billion of venture capital. The 2015 proposals is currently in progress. for subsidising budget comprehensive investments of food industry SMEs with complex loan products is HUF 40bn, to be repaid, and HUF 22bn, which is non-repayable.

10.	Simplifying retail trade	The conditions regarding the performing of commercial activities were liberalised based on Directive 2006/123/EC on Services in the Internal Market, approved on 12 December 2006 by the European Parliament and Council and transposed into Hungarian law by Act LXXVI of 2009 on General Rules on Taking Up and Pursuit of Service Activities in Commerce. This was followed by Act CLXXXVI of 2015 on Amendments for the Reduction of Administrative Bureaucracy and reducing bureaucratic burdens in commercial legislation based on Gov. Decree 441/2015. (XII. 28.) on the Amendments of Certain Government Decrees regarding Administrative Bureaucracy Reduction. As a result, the remaining licensing system applying to limited cases was replaced by obligatory reporting in 25 cases, for example, regarding certain tour operator services and travel agency procedures, property valuation, asset valuation, trade with precious metals and accommodation services.	The measures have been implemented.	The measure did not require a separate source.	As a result of the measure, the carrying out of certain commercial activities has become simpler, faster and cheaper.			
Stren	Strengthening market competition in public procurement							
11.	Measures aimed at the promotion of law application efficiency							

a) Publishing guidelines in line with the new public procurement act	Guidelines facilitating the unified interpretation of the law and the application of practical questions regarding Act CXLIII of 2015 on Public Procurement (hereinafter new PPA), which came into effect on 1 November 2015 transposing all three directives are being published, and are also available in a more systemised way, on the website of the Public Procurement Authority. In addition, summaries of the new PPA practice and tender and document samples are available on the link <a href="https://www.palyazat.gov.hu">www.palyazat.gov.hu</a> under the heading 'Public Procurement Material'; they are being updated according to best practices.	Practical guidelines may be published in March 2016 at the earliest. There are already nineteen different guidelines supporting the application of law which are available at the following link: <a href="http://www.kozbeszerzes.hu/jogi-hatter/a-hatosag-utmutatoi/">http://www.kozbeszerzes.hu/jogi-hatter/a-hatosag-utmutatoi/</a> .  The website of the Public Procurement Authority already contains the common resolutions of the organs concerned in 12 topics. They are available at the following link: <a href="http://www.kozbeszerzes.hu/jogi-hatter/kozos-allaspontok/">http://www.kozbeszerzes.hu/jogi-hatter/kozos-allaspontok/</a> .	The measure facilitates the unified interpretation and application of the law in public procurement procedures, helps SMEs participate in public procurement by interpreting laws, helps in the avoidance of common mistakes in public procurement and establishes best practices.
b) Updating previously published summaries and sample documents	Summaries describing the activities of the Public Procurement Supervisory Department (hereinafter PPSD) were published on palyazat.gov.hu; PPSD performs the ex-ante public procurement-legal supervision of procurements for products and services estimated above the EU limit and building investments estimated above HUF 300 million. These summaries are being continuously updated in accordance with the practices of the new PPA. Tender and document samples committed to in the Action Plan are also available on the link <a href="https://www.palyazat.gov.hu">www.palyazat.gov.hu</a> under the heading 'Public Procurement Material'. These were supplemented by short descriptions that include the important conditions to be taken into consideration by bidders when compiling the documents for the procedure (compulsory part). They also contain some samples regarding the call for a certain procedure according to the requirements. These documents will be also updated according to the new act.	Documents are being continuously updated according to best practices of the new PPA.	Summaries of PPSD practices and tender and document samples promote the unified interpretation and application of the law, help contracting authorities and public procurement consultants prepare and carry out procedures, increase transparency, promote equal treatment and establish best practices.

Preparing the introduction of the electronic procedure in the case of centralised public procurement system  The new PPA provides the possibility of requiring the electronic procedure in the case of centralised public administration options in certain procedures. The preparation of e-public procurement is in progress.  The new PPA introduced the network of accountable accredited public procurement consultants in order to increase the professional standard of public procurement consultants temporarily regulates the requirement regarding the registration of experts. Experts in the register are entitled to perform their activity with the prior consent of the Prime Minister's office until 30 June 2016. Due to the temporary nature	c) Organising conferences and workshops promoting the interpretation of the new public procurement regulation	The Prime Minister's Office has been organising conferences and workshops for the beneficiaries and institutional system actors in support of the use of EU funds and public procurement experts to present the new PPA and to help in the unified application of the law.	The measure has been partly implemented. Some further training and conferences will be held in 2016, which will cover the whole country and some locations in the countryside, besides Budapest.	The measure facilitates the unified interpretation and application of the law in public procurement procedures, helps SMEs participate in public procurement by interpreting laws, helps in the avoidance of common mistakes in public procurement and establishes best practices.
Coperating a network of accountable, accredited public procurement consultants in order to increase the professional standard of public procurements and the accountability of professionals preparing them. MPMO decree 46/2015. (XI. 2.) on Prior Registration of Accountable Accredited Public Procurement Consultants temporarily regulates the requirements regarding the registration of experts. Experts in the register are entitled to perform their activity with the prior consent of the Prime Minister's Office until 30 June 2016. Due to the temporary nature of the current regulation, the regulation of the period after the expiration of the temporary one needs to be	introduction of the electronic public procurement	electronic procedure in the case of centralised public procurements; it also broadens electronic administration options in certain procedures. The	Electronic communication needs to be introduced by 18 April 2017 in the case of central procurement organs, and until 18 October 2018 in the case of	reduction of procurement procedures, the operation of a more cost-efficient and transparent system, and the providing of SMEs with easier access to public procurements through its publicity
	network of accountable, accredited public procurement	accredited public procurement consultants in order to increase the professional standard of public procurements and the accountability of professionals preparing them. MPMO decree 46/2015. (XI. 2.) on Prior Registration of Accountable Accredited Public Procurement Consultants temporarily regulates the requirements regarding the registration of experts. Experts in the register are entitled to perform their activity with the prior consent of the Prime Minister's Office until 30 June 2016. Due to the temporary nature of the current regulation, the regulation of the period after the expiration of the temporary one needs to be		accountability of professionals

Reducing corruption and integrity risks In the first half of 2016, jobs and job families which are highly affected by corruption risks are being mapped in order to support corruption risk surveys; corruption risks are identified in the justice system, and the Integrity Survey of the State Audit Office of Hungary is being expanded to businesses with majority state ownership.

Regulations regarding the reporting and checking of incompatibility are reviewed in order to expand the rights of employers, and on this basis necessary amendment proposals will be prepared.

A proposal to amend the relevant legislation is drafted regarding the introduction of labour law sanctions related to the inspection of asset declarations. Within the framework of the research 'Incompatibility, Obligation for Asset Declaration, and the Experiences of Disciplinary Proceedings', the incompatibility and asset declaration survey will be conducted jointly by the National Protective Service (NPS) and the Faculty of Political Sciences and Public Administration of the National University of Public Service (NKE ÁKK). The research is financed from EU funds, within the framework of PAPSDOP-2.2.3-CCHOP 16., 'Increasing Capacity and Forming Attitudes to Reveal and Prevent a Greater Number of Corruption Cases', as part of NPS's tasks.

The possibility of automating authority decisions is examined. The regulation will be changed to ensure annual supervision of the managing, supervisory body in administrative cases under the jurisdiction of the city clerk without the possibility of remedy when there is no other party.

In mapping jobs and job families highly exposed to corruption risks regarding point 4.a) of NACP, the Ministry of Interior and the NPS, involving the State Audit Office of Hungary, to execute the task defined in that point, uniformly prepared methodological guidance and promoted the uniform application of a data collection survey. The Ministry of Interior asked the administrative bodies to conduct the survey with the help of the abovementioned tools by 31 December 2015 and send them to the Ministry. The process of analysing and evaluating the results of the survey is in progress. The State Audit Office of Hungary prepared the guidelines regarding points 4. b)-c) of the Government decree in agreement with the appointed employees of the Ministry of Interior and NPS and the representatives of the Ministry for National Economy and the Government Control Office; the guidelines were handed over to the Ministry of Interior by the President of the State Audit Office of Hungary at the conference held on International Anti-Corruption Day on 9 December 2015, and later the document was published.

The regulation to annually revise administrative cases under the jurisdiction of the city clerk without the possibility of remedy without the other party (point 13. b) of NACP) has been prepared: Issue 207 of the Hungarian Official Journal of 29 December 2015 promulgated Gov. Decree 474/2015. (XII. 29.) on the Amendments to the Relevant Measures of the National Anti-Corruption Programme and the Implementation of Gov. Decree 66/2015. (III. 30.) on Metropolitan and County Government Offices and District Authorities (Metropolitan, District).

The planning of PADOP projects supporting the implementation of the tasks of the NACP and OGP action plans is in progress; NPS prepared the project concept in line with the aims of the PADOP 10.0 strategic document. Currently, the invitation to tender is being prepared.

According to NACP, in order to reduce the social phenomenon of corruption, above all, public trust in the operations of state organs needs to be strengthened by facilitating the operations of legal entities and organisations spending public money in complying with regulations and focusing on value, the commitment of citizens to democratic values and their actions against abuses and offences are to be supported, the competitiveness and the international reputation of the country is to be improved, the financial interests of the EU and Hungary are to be protected, and determined and successful actions against offenders are to be strengthened.

The measures of NACP supporting the abovementioned aims will contribute to reduced corruption.

Commitments fixed in the OGP action plan enable the further development of conditions of integral operation so that the principle of transparency can be provided at the central and local levels of public administration; they also serve as a guarantee for the reasonable and lawful spending of public money.

15.	Increasing transparency and public participation	Within the framework of measures supporting the transparency of businesses with majority state ownership, the scope of data under disclosure requirements and the regulations of electronic disclosures will be reviewed in the first half of 2016; and the necessary proposals will also be drafted. The minimum requirements for the introduction of the regulation-suitability system will be set, and a proposal will be drafted for the establishment of the management accountability system and the performance assessment regulation based on the achievement of annual target indexes.  Making public data of the central budget more understandable by increasing the quality of their graphic design and further measures to make up-to-date data accessible aim to increase the transparency of the budget and encourage public participation. A user-friendly electronic interface will be designed which will serve as a forum for public consultation on legislation and strategic planning documents.  Within the framework of the second OGP Action Plan, guidelines will be prepared to support the transparent operation of local governments and to make the practice of public data disclosure requirements more efficient – the guidelines will be made more popular with the holding of seven workshops.  Within the framework of the pilot project, the	With regard to popularising involvement in the Integrity Survey of the State Audit Office of Hungary (Point 5 NACP), 2,557 budgetary organs participated in the fifth Integrity Survey of 2015 among budgetary organs, which is 1,200 more than had ever participated. The figures clearly prove that more and more budgetary organs are finding it important to identify their corruption risks and strengthen their protection against them. The Integrity Survey started among businesses with majority state ownership on 18 December 2015 and finished on 31 January 2016. The analysis of the results of data collection is still in progress.	
		Within the framework of the pilot project, the possibility of introducing open standards will be examined in order to improve the searchability and processing of local ordinances and minutes.		

16.	Training and forming attitudes	One of the basic elements of the training system is the review of training materials for the management training sessions of civil servants, law enforcement agencies and the NTCA; if necessary, they are to be supplemented by anti-corruption materials.  It will be compulsory for civil servants to participate in at least one training session related to corruption prevention in the training period.  A training package will be prepared for citizens and local governments to popularise corruption prevention and integrity; at least seven workshops will be held for local governments.  An e-learning programme providing clear guidelines for the independent, proactive publication of public data related to freedom of information will be launched as part of a further training programme of administrative and local government organs.	A review and update set by Point 15. b) of NACP has been ongoing with the joint contribution of the National University of Public Service and the Department for Civil Service Career Path Development of the MI. The number of students, lessons and requirements will also be reviewed, in addition to a content-based review of the materials for the organs defined by the government resolution.  Social consultation of the amending draft proposal for corruption prevention training sessions, compulsory for civil servants as defined by Point 15. c) of NACP, was carried out until its deadline of 5 February 2016.
17.	Promoting transparency in business life	A report on legal concepts was prepared based on the experience gained at an international level in terms of viable solutions for the promotion of transparency in business life. Furthermore, practices jeopardising the transparency of business competition were reduced and sanctions against legal entities, their implementation mechanism and the tasks of organs participating in their implementation were reviewed in order to promote a culture of ethics.	Point 10 of NACP defines the tasks promoting a transparent business ownership structure and, in a broader sense, transparency in business life. Considering their close relationship, the portfolios responsible for the implementation of the task agreed to summarise their proposals as defined by Point 10 in one common government report. Thus, the government report prepared for the implementation of the point included the proposal for Point 10. b) according to which implementing the measures aimed at ensuring the transparency of the ownership structure is reasonable while transposing related EU acts — anti-money laundering and taxation.

## Country-specific recommendation No. 4: Employment

'[Hungary is recommended to] reorient the budget resources allocated to the public work scheme to active labour market measures to foster integration into the primary labour market and improve the adequacy and coverage of social assistance and unemployment.'

	Description of measure	Brief introduction of measure	Status and further schedule of implementation	Sources and indication of domestic and EU funds	Description of expected effects
18.	Measures supporting the labour market integration of public workers				
	a) Introduction of allowance for finding employment (incentive bonus)	The allowance for finding employment financed from the central labour market programme of 'From Public Work to the Private Sector' motivates public workers to find a job in the primary labour market.  Eligibility for the allowance requires at least six hours per day of permanent employment or at least one year of employment of a temporary nature. The amount of the employment substitution support; people are entitled to the subsidy until public work was supposed to last without finding employment (Gov. Decree 328/2015. (XI. 10.)).	1 February 2016 – 31 December 2016.  Relevant regulation: Gov. Decree 328/2015. (XI. 10.) on Employment Subsidy of Public Workers.	The total cost of the programme is HUF 3bn, with HUF 2.5bn in the budget of 2016 and HUF 0.5bn in 2017 as a carry-over effect of the commitments. The Ministry for National Economy provides the resources for the subsidies within the framework of the programme, charging the 2016 and 2017 central budget of the employment part of the National Employment Fund.	The programme aims to involve and promote the employment of 20,000-25,000 public workers in the primary labour market.

b) Promoting employment in the primary labour market	Based on legislative amendments:  (1) Short-term gainful employment was lengthened from 90 to 120 days, with public workers entitled to unpaid leave (Act CVI of 2011 (APW)).  (2) Public workers are exempt from work obligations while taking part in job interviews (APW).  (3) The National Employment Service may place public workers into regular or simplified employment, which they are obliged to accept (Act IV of 1991).	The implementation of the measure is ongoing.	The measure does not require any resources.	(1) Public workers had a pause in their public employment in 501 cases in 2015.  (3) There were 1,248 successful placements in 2015; this figure is expected to grow in 2016 as this process is a priority.
c) Supporting continued employment	Due to the measure, public employers may provide continued employment for a certain percentage of their public workers charging their income from the public work model programme or the public work programme built upon it (Gov. Decree 375/2010).	The implementation of the measure is ongoing.	The measure does not require any resources.	The number of people employed in the primary labour market will increase.

19.	Training of public workers	The programme increases access to training programmes based on labour market demand and improves employment chances (which aim at qualifications, partial qualifications, built-upon qualifications acknowledged by the state, the gaining and developing of necessary competencies for fulfilling a position or completing an activity, i.e., other vocational training and other training and gaining of official qualifications). With regard to the planned number of participants, 61% of the training sessions will be National Qualification Registry (NQR) or NGR + official qualifications, 26% other vocational training, 12% other (e.g., competency development) training, and 1% official training. The training programme is supplemented by mentoring activity as a service element so that members of the target group successfully complete their training programmes in the training period. An individual training plan is prepared for the participants with the help of a career-orientation questionnaire.	The timeframe of the measure: 1 December 2015 – 31 December 2018.  In the first half of 2016, about 30,000 public workers will participate in inclusion programmes; the competencies necessary for them to start vocational training are developed, and training in line with labour market demands are launched. In the second half of 2016, a further 25,000 people are planned to be involved.	The planned budget for the training sessions is HUF 30bn (EDIOP-6.1.1-15, 'Training of Low-skilled and Public Workers' priority project), while public work resource needs related to training are provided by the Ministry of Interior from NEF 'Start Work' programme appropriation according to Gov. Decree 375/2010. (XII. 31.).	The training programmes aim to increase the employment of disadvantaged people, such as those with a low level of school qualifications, and integrate unskilled adults into training. The number of people planned to be involved in training programmes in the 2016-2018 period is 85,000 (55,000 of them in 2016), out of which 80,000 are poorly-qualified active adults having completed no more than primary school education (ISCED 1-2) in the public work scheme or regular employment.
20.	Developing social enterprises and associations				

a) Encouraging social enterprises	The programme aims to strengthen the employment capacity of social enterprises (which combine business and social aspects) in a sustainable way (their operations are based on their own revenue and are at least partly self-sustaining), thus helping job seekers and the inactive, primarily from disadvantaged regions, find a job.  Within the framework of the project, product developments related to social enterprises entering the market, production activities, infrastructural investments and marketing activities play an important role. At the same time, the service and training activities of the human resources development of enterprises can be financed, and employment-related temporary wage subsidies can be provided.	The implementation of the measure starts in the first half of 2016. Social enterprises starting the implementation of their development projects in 2016 can finish them by the second half of 2019 with the use of state subsidies. EDIOP provides time to implement the whole measure until the end of the 2014-2020 programming period.	The resource requirement of the measure is HUF 6bn between 2015 and 2018.  Source: EDIOP 5.1.2 and EDIOP 5.1.3.	As a result of the measure, the number of social enterprises operating in the social economy increases, which may contribute to an increase in employment, even in the case of disadvantaged labour market regions and groups.  The programme may contribute to the promotion of the employment and economic activity of about 3,500 disadvantaged employees.
b) Developing the social economy by supporting social associations	The planned programme aims to provide support for social associations established on the basis of value-added public work to increase their employment capacities and to turn them into profit-oriented players in the market by extending a three-year-long subsidy scheme of decreasing intensity. The National Employment Public Foundation is responsible for managing the whole tender procedure. Currently, there are 140 social associations.	The deadline for implementing the measure is 31 December 2016.  The preparation of the invitation to tender and professional negotiations are currently in progress; the invitation is expected to be published on 15 April 2016.	Social associations cannot be directly subsidised from the appropriations of the 'Start Work' programme. The reallocation of HUF 10bn is planned to finance social associations from the appropriations of Act C of 2015 in the 2016 Central Budget of Hungary, Section LXIII (NEF) Title 8 Start-work Programmes to the appropriations of Title 1 Subtitle 1 Employment and Training Subsidies.	The tender primarily supports social associations established on the basis of public work.

	c) Social land programme connected to public work	The programme continues in 2016.  The social land programme linked to public work programme are directed together at agricultural activity which aims to supply local government institutions and possibly process and sell the surplus. Within the framework of the programme, public workers may carry out other local government tasks with local community aims within their capacity in the settlement. Roma minority governments, civil and church organisations, non-profit organisations and social associations participated in the social land programme linked to public work programme until 2015.	Forty-five (45) tenders were submitted for the invitation.  For the tenders involving 509 people, 31 tenderers submitted their bids. In the social land programme of 2015, 25 active tenderers participated.  Implementation period of the project within the framework of the tender of 2015: 1 May 2015 – 30 April 2016. The program is implemented from 1 May 2016 to 31 October 2016, at the latest.  The restricted tender of 2016 was issued on 31 March 2016. Eighteen (18) organisations, mainly local governments, may implement their programmes.	The Ministry of Interior (MI) provided HUF 623 million (HUF 406.3 million for 2015; HUF 216.7 million for 2016) for the government offices until 30 April 2016.  The Ministry of Interior provided the resources for the government offices in its decentralised budget for the public work allowance scheme. MI financed wage costs (100% of public worker wages and their social contribution tax) and the most necessary direct costs related to employment.	The programme contributes to the improved livelihoods and living conditions of disadvantaged people, primarily Roma, the activation of people involved, the improvement of their employability, the reduction of regional disadvantages, the establishment of sustainability, planned self-sufficiency and production.
21	Measures aimed at maintaining the public work scheme and improving its targeting				

	a) Increasing the proportion of people receiving employment substitution support in public work	The measure contributes to the improvement in public work targeting. The aim is to decrease the average annual number of people receiving the social type of employment substitution support (FHT) in 2014 by 25% within registered job seekers.	The measure is implemented between 1 July 2015 and 30 June 2016.  In 2015, the number of registered jobseekers was 378,000, examining the period March-December 2015 – monthly average 166 received FHT from the branches of district (metropolitan district) authorities of metropolitan and county government offices.	The Ministry of Interior provides resources related to public work from the public work appropriations of NEF.	The inactive group most in need receives regular income from work with their reintegration into the labour market. The risk of the measure is that the number of people entitled is 'reproduced' based on the FHT entitlement regulation.
	b) The homeless in public work	The measure promoting the integration of the homeless is the expansion of an earlier pilot project. The comprehensive programme includes mentoring service based on permanent presence, accredited lifestyle guidance and health care services.	The number of participants (in the most numerous from Budapest, Miskolc, Szombathely and Pécs) planned is 781.  The timeframe of the programme: 1 March 2016 – 28 February 2017.	The Ministry of Interior provides resources for public work from the public work appropriations of NEF. The amount of the subsidy planned for 2016 is HUF 1.23bn; for 2017, HUF 176 million.	The labour market and social and mental conditions of the homeless job seekers involved in the programme improve; the programme may facilitate employment in the open labour market.
	c) Providing public work for job seekers participating in the 'Fixed-Term Rental Agreement (FRA) Programme'	FRA provides involvement in public work for its participating job seekers, and they also ensure continuous employment during the programme.  The tenants are supported in paying off their debts by the mentors of Help Organisation, the consortium established by the Hungarian Charity Service of the Order of Malta and the Hungarian Reformed Church Aid Public Foundation.	The implementation of the measure is ongoing.  (Gov. Decree 1488/2015. (VII. 21.))  Nation-wide, 439 contracts were formed. The number of participating active tenants living together with members of their household is 866, out of which 315 are registered job seekers.	The Ministry of Interior provides resources for public work from the public work appropriations of NEF based on Gov. Decree 375/2010. (XII. 31.) involving NET Zrt.  The FRA-related public work scheme does not have its own budget; the parties involved may join some public work programmes independent of FRA.	Due to their work income, participants can pay their instalments due.  The success of the programme mostly depends on the contribution of mentors who support the participants, coordinated by the Help Organisation.
22.	ALMP measures				

	a) 'The Road to the Labour Market'	The priority project implemented at the base of the National Employment Service (Government Offices, District Offices) aims to improve the employability of job seekers and the inactive above the age of 25, especially those low-skilled, to facilitate their employment in the primary labour market, to improve the efficiency of labour market measures, and to promote the transition from public work to the private sector for public workers who can be empowered and are willing to work in the private sector.	Phases of the implementation:  Convergence counties: 1 October 2015 – 31 December 2018.  Central Hungary Region: 1 December 2015 – 31 December 2018.	The resource requirement of the programme is HUF 102bn in convergence counties, and HUF 10.4bn in the Central Hungary Region.  Parts of the project implemented in 2016 are financed by the appropriations for pre-financing labour market programmes in the 2014-2020 period of the National Employment Fund (Chapter LXIII, Title 14, Subtitle 4).  Relevant ADBs of 2016 (Annual Development Budget) contain EDIOP 5.1.1 and CCHOP 8.1.1 programmes.  According to the ADBs, parallel to the prolongation of projects until 2020, the budget of EDIOP 5.1.1 will be raised by HUF 122bn, and that of CCHOP 8.1.1 by 7.4bn in 2016.	The programme is planned to help about 100,000 job seekers or inactive people improve their employability and gain professions or employment by providing training and wage subsidies, or access to labour market services.
23.	The introduction and operation of a nation-wide profiling system for job seekers and development of the institutional system				

a) Developing the operation and services of the National Employment Service and developing the EURES-network in line with EU regulations	The measure aims to optimise strategic management and revise coordination mechanisms. Its elements include negotiations about strategic aims and the establishment of a performance-management system between ministries. One single communication route shall be provided between the ministry and county level. A horizontal element will be included in the operations of NES, which can provide full-scale answers to the problems of job seekers and employers in order to improve client services. With the new EU regulation coming into effect in the first quarter of 2016, the operations of the EURES-network responsible for the promotion of the free flow of labour will be enacted on the new EU basis.	In the second half of 2015, the Hungarian public employment service, NES, was assessed (Benchlearning-process). Based on the report prepared after the assessment, an action plan was created to develop NES, according to which the organ will implement the measures for proposed organisational development.  EURES activities: 2016 – 2018.	The organisational development is implemented partly within the framework of EDIOP 5.1.1-15 and CCHOP 8.1.1-15 activities.	The scope of services provided for job seekers and employers is broadened in order to improve client services.
b) Introducing, operating and developing the profiling system	A new profiling system has been operating nation-wide since 2016 in order to provide customised efficient labour market services. Its primary aim is to determine services, subsidies and labour market programmes based on the individual characteristics of the client, which can efficiently help the job seeker find a job, and also to identify clients whose suggested tool could be public work.	The fine-tuning of the profiling system has been ongoing since 2016. A detailed analysis of the system is possible during the first half of 2016. The target group primarily involved consisted of 590,000 people in January (current clients of the employment service including public workers); based on up-to-date data, about 54,000 new profiles have been created since then.	The resource requirements of the further development is about HUF 180 million (including activities of methodological, IT and district authority expert training).	The measure contributes to the efficient use of active labour market tools and improvement in targeting per tool.

	c) Supporting the labour market services of nongovernmental organisations and transition employment programmes	Labour market services provided by non- state organisations, together with the help of labour market services of NES, manage the labour market problems of a specific disadvantaged target group (members of group 3 of the client-profiling system of NES who are not public workers – about 100,000 people). The labour market services of these organisations help in the labour market integration and economic participation of groups failing to use formal administration with customised access.  Within the framework of the transitional employment programmes, employment programmes including training are typically implemented through non-state organisations involving special target groups (e.g., disadvantaged job seekers and addicts).	Timeframe of the programme: 2016 – 2019.	Resources are provided by EDIOP 5.1.5. and CCHOP 8.1.2. The budget available between 2016 and 2019 is HUF 4bn in the convergence regions and HUF 1bn in the Central Hungary Region.  Transitional employment programmes are financed from a budget of HUF 6bn in convergence regions between 2016 and 2019 by EDIOP 5.1.4.	As a result of the measure, the number of unemployed and registered job seekers decreases, and open labour market employment increases.  The employment of job seekers is facilitated by broadening the scope of labour market services and registering the service providers, involving civil and non-profit employment organisations and combining standardised services with one another or with other labour market tools.
24.	Measures promoting youth employment				
	a) Youth Guarantee Labour Market programme	Within the framework of the project, as part of the Youth Guarantee Scheme, youth may receive targeted support based on their individual plans to find employment or gain qualifications.  The employment service offers a path to immediate employment, becoming an entrepreneur, gaining a marketable qualification or through enabling users to gain the necessary primary school education, in addition to counselling and mentoring. The programme is implemented by involving employers, local educational, social and youth organisations.	Programme schedule:  In convergence counties: 1 January 2015 – 31 December 2017.  In Central Hungary Region: 1 October 2015 – 31 December 2017.	The resource requirement of the programme is HUF 36bn in convergence counties, and HUF 4.2bn in the Central Hungary Region.  Parts of the project implemented in 2015 and 2016 are financed by the appropriations for pre-financing labour market programmes in the 2014-2020 period of the National Employment Fund (Chapter LXIII, Title 14, Subtitle 4).  Relevant ADBs (Annual Development Budget) of 2016 contain EDIOP 5.2.1 and CCHOP 8.2.1 programmes.  According to ADBs, parallel to the prolongation of projects until 2020, the budget of EDIOP 5.2.1 will be raised by HUF 124bn in 2016.	Within the framework of the programme, at least 40,000 young people under the age of 25 receive Youth Guarantee offers in convergence regions. As a result of the measure, the number of young NEETs decreases and the qualification and employment level of young people between 16 and 25 years of age improves.

b) Youth Entrepreneurs hip Programme	As part of the Youth Guarantee Scheme, the program helps youth become entrepreneurs – with training, knowledge and competency development – to write their business plan and, also, with financial support for the initial costs of their businesses.  In the first phase the service, training, and mentoring organisation(s) are selected, the young people involved are trained and business plans are prepared. In the second phase, young people who have successfully completed the first phase and establish their businesses are provided with non-repayable subsidies to support their initial costs.	The measure is implemented between 2014 and 2019.  In convergence regions the invitation of the first phase was issued on 10 October 2014 (EDIOP-5.2.2-14, Supporting Youth Entrepreneurship); the tender decision was made in the summer of 2015, and implementation is expected to start in the first half of 2016. The invitation to the second phase was planned to be issued in March 2016. Planned termination of the supported project is 2017 (maintained until 2019).  The first phase of the mirror programme in the Central Hungary Region (from domestic resources) started in 2016.	Resource requirements of the measure:  - Convergence regions: EDIOP 5.2.2 and EDIOP 5.2.3;  - Central Hungary Region: NEF and CCHOP 8.3.1.  Within the framework of EDIOP, the measure is implemented from HUF 4bn (first phase, HUF 1.1bn; second phase, HUF 2.9bn).  In the Central Hungary Region in the first phase, HUF 380 million is from domestic sources; in the second phase, HUF 1bn within CCHOP.	As a result of the measure the number of young NEETs decreases and the employment level of youth aged 16-25 (in the case of first-job seeking higher education graduates, aged 25-30) increases. The programme helps 1,400 young people establish their businesses in the country.
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c) Traineeship Programme	The measure is part of the Youth Guarantee Scheme. The Traineeship Programme aims to establish workplaces directly: to help skilled young workers gain work experience early in their lives and improve their employability.  Within the framework of 'Traineeship Programme to Support First-Time Job Seekers', the projects of micro-, small- and medium-sized enterprises are supported which employ skilled young people. In the programme enterprises receive subsidies for the wages and contributions of the employed apprentices, the wage supplements of their workplace mentors and purchasing tools.  The amount of the subsidy can be HUF 1,900,000 – 30,000,000.  'Traineeship Programme – Supporting Services' aims to support the involvement in the Traineeship programme EDIOP-5.2.4, and make it well-known among young people and businesses through vocational centres.	Timeframe of EDIOP 5.2.4 Traineeship Programme to Support First-Time Job Seekers: August 2016 – November 2019.  Timeframe of EDIOP 5.2.5 Traineeship Programme – Supporting Services priority project: May 2016 – April 2020.  The invitations were issued on 3 February 2016.	EDIOP-5.2.4-16 Traineeship Programme to Support First-Time Job Seekers: HUF 15bn.  EDIOP-5.2.5-16 Traineeship Programme — Supporting Services: HUF 1.2bn.	As a result of the measure, the number of young NEETs decreases and their employment level increases. As a result of the Traineeship programme, the number of apprentices gaining work experience is 4,500.  The project supporting the Traineeship programme helps establish and strengthen the relationship and cooperation between different players (youth, vocational centres and businesses).
d) 'Diplomament ő Program' ('Degree- saving Programme')	The organising and managing of language courses for accredited language exams in Hungary to prepare those citizens who passed their final higher education exams in Hungary but could not receive their diploma due to their lack of a language exam.	Timeframe of Diplomamentő I. programme: 01/02/2014 – 31/12/2016.  Timeframe of Diplomamentő II. programme: 01/04/2016 – 31/12/2017.  More than 10,300 people have been involved in the programme so far. In the Diplomamentő II. Programme, another 2,000 people can participate.	2013 Budget of NEF Education Fund.  Diplamamentő II. programme: HUF 400 million from the rest of the previous budget.	As a result of the measure, the number of people obtaining a language exam to receive their diploma increases. The programme contributes to gaining qualification-relevant employment after the receiving of the diploma.

	e) 'Youth, Come Home Programme'	The integration of young people who work abroad and intend to return home into the domestic labour market. Within the framework of the programme, information, job offers, preparation for selection and placement and the establishing of businesses here are provided.	Phase I /Pilot/: 01/04/2015 – 31/12/2015.	2014 annual budget of NEF.	As a result of the measure, the number of young people with work experience abroad and language skills who return to Hungary and become employed here increases.
25.	Establishing partnerships (between businesses and local organisations )				
	a) Implementing employment agreements and pacts	Within the framework of the programme, the training and employment programmes of employment cooperation (agreements) are supported (labour market services, trainings, wage subsidies, at least 70% of budget) and the tasks related to the organisations of employment agreements are implemented (increasing capacities and efficiency, preparing local level action plans, and activation of local actors). The application for support can be submited by county governments in consortium with county government offices; this cooperation can be extended to nonprofit organisations with activities in related fields. An important aim is the creation of a comprehensive nation-wide system of agreements at the county-level. The programme may involve disadvantaged and inactive job seekers who wish to find a job.	The timeframe of the project is 36 months. Period for the submission of tenders: 29/01/2016 – 17/03/2016.	Resources for SDOP:  - SDOP 5.1.1-15/2015. – HUF 16.107bn;  - SDOP-5.1.2-15/2015. – HUF 18.634bn;  - SDOP 6.8.2-15/2015. – HUF 15.074bn.  From the budget the employment cooperation of 18 counties is financed for three years.	Partnership improves between employers, local governments and chambers of the region.

	b) Creating a concept for large corporations	The programme aims to build partnerships with the HR managers of large corporations with strategic agreements and large corporations of counties. The aim of the relationship is to explore labour demand and elaborate on an efficient selection procedure for successful placement. An exploration of the reasons for permanently vacant positions is part of the measure.	Expected launch: May 2016.  Creation of the concept is in progress; its parts are: elaborating region-specific programmes; forming partnership agreements with private HR companies; planning long-term strategies; and exploring employer demand.	The measure does not require any resources.	The efficiency of the employment service improves, and services for employers are updated. The number of vacancies in the open labour market increases. Partnerships are built with players from the private sector.
26.	Facilitating flexible employment	The programme aims to spread flexible employment in SMEs in the convergence region. The measure contributes to the harmonisation of work-life balance and the improvement in the adaptability of enterprises and employees.	The measure is implemented between 2015 and 2018.  In the first phase service organisations are selected, which conduct a preliminary screening related to their transformation into flexible family-friendly workplaces and prepare a transformation plan. In the second phase (the tender was issued on 26 February 2016) screened enterprises can apply for subsidies in order to implement their plans.	Resource requirement of the measure: HUF 7bn. Source of the measure: EDIOP 5.3.1 and EDIOP 5.3.2.	As a result of the measure, the number of employees in flexible forms of work increases and work-life balance improves, especially in the case of women with children.
27.	Supporting service for the provision of legal employment	The measure aims to spread legal employment. Organisations concerned provide legal assistance in labour law, social security and other employment-related topics at the county level.  Additionally, the project supports the building of a national negotiating, conciliating, mediating, consulting and arbitration service network which helps settle and prevent collective labour law dIPSutes.	Timeframe of the measure: 2016 – 30 September 2019 (36 months for the professional implementation of the programme).	Resource requirement of the measure: HUF 3.5bn. Source of the measure: EDIOP 5.3.3.	As a result of the measure, the number of employment-related violations and legal disputes decreases, legal awareness of employers, employees and businesses increases.

28.	Support for the balancing of family- and work-related tasks and supporting children from disadvantage d settlements at the earliest possible age	To support the harmonisation of the balancing of family- and work-related tasks, the aim is the targeted development of institutions and services (nursery and family day cares) providing day-care for children, especially those under the age of three.  Within the framework of the measure to support children from disadvantaged settlements at the earliest possible age, new institutions are established and the operation of the service types changes. A flexible multi-player differentiated institutional system is set up (crèche, mini crèche, company crèche, family-run crèche, and day-care service).  The provision of care for children under three will be compulsory for local governments as specified by law.	(1) The SDOP-6.2.1-15 'Developing Family-Friendly Institutions and Public Services Promoting Work' and SDOP-1.4.1-15 'Increasing Employment and Improving Living Standards by Developing Family-Friendly Institutions and Public Services Promoting Work' programmes were issued on 8 January 2016.  (The period of subsidy application for SDOP-1.4.1-15 is 21 March – 21 September 2016 (different deadlines for counties); for SDOP-6.2.1-15 it is 29 February – 30 August 2016; both programs have different deadlines for counties.)  (2) The amendment of the act on transformation regarding the day care of children was approved and promulgated in December 2015.  As of 1 January 2017, the system of childcare forms, especially for children under three, providing day-care service will be transformed. There will be about 14,000 new places by 2018.	(1) The tender invitations of SDOP-6.2.1-15 and SDOP-1.4.1-15 have an available budget of total eligible expenses of HUF 75.4bn.  - SDOP-1.4.1-15: about HUF 46.4bn;  - SDOP-6.2.1-15: HUF 21bn  - CCHOP-6.1.1-15: HUF 7.9bn.  The CCHOP-6.1.1-15 'Increasing Employment Activity of Parents Raising Small Children' tender was issued on 3 March 2016.  Grant applications may be submitted from 11 April to 30 November 2016 (with different regional deadlines).  (2) The central budget provides subsidies for the establishment of new institutions. (Currently, the annual resource provided for nursery care is HUF 14bn.)	(1) The continuation of a previous project; there are currently no measurable numerical results.  (2) As a result of the measure, currently existing regional inequalities decrease, the employment of women grows, new workplaces are created due to the developments and child poverty decreases.
29.	Expanding GYED Extra (Child benefit)	GYED Extra enables mothers to carry out paid activities of indefinite duration after the first birthday of their child. As of January 2014, parents can return to work when the child is six months old (i.e., after the termination of CSED) and are also provided the allowance.	The regulation came into force on 1 January 2016.  Altogether, 47,000 parents used the benefits of GYED extra last year, out of which 29,000 could work in addition to receiving GYED or GYES, and 18,000 of which received multiple allowances at the same time.	The central budget provides the benefits.	As a result of the measure, mothers with small children can return to work at an earlier date (when the child is 6 months old), therefore, the employment of women increases, and the financial and social situation of the target group improves.

### Country-specific recommendation Nr. 5: Education

'[Hungary is recommended to] increase the participation of disadvantaged groups, especially the Roma, in inclusive mainstream education, and improve the standard of support provided for these groups with targeted teacher training, strengthen the measures for the transition between the different stages of education and to work and improve the teaching of basic competencies.'

Me	Description of measure	Brief introduction of measure  ng public education	Status and further schedule of implementation	Sources and the indication of domestic and EU funds	Description of expected effects
30	Reducin g early school leaving	The measure aims at the complex development necessary for providing quality education in the cases of permanently underperforming institutions, the dissemination of the encouraging of pedagogical and learning organisation methods and different individual knowledge acquisition and cooperative learning solutions and procedures, helping groups at risk of dropping out to achieve school success, creating equal opportunities and the preparation of further targeted interventions.	The development scheme is expected to be announced in the first quarter of 2016.	Sectoral programme in ADF of with a planned budget of HUF 4bn.	The application of the complex core pedagogical programme to be introduced is able to effectively reduce school leaving without a qualification. The programme applied in heterogeneous groups is also able to reduce the segregation of learners and develop social competencies which help disadvantaged learners be competitive in the labour market.

Support ing student s belongi ng to vulnera ble groups			From 2013 the IPS	
a) Integrati ve Pedagog ical System	The Integrative Pedagogical System aims to provide and strengthen public education's (in kindergartens) role in creating opportunities and helping in terms of inclusion regarding disadvantaged children: kindergartens shall become capable of successfully educating disadvantaged children, shall support their integration and promote their future success at school (HDOP 3.1.3.).  HDOP 3.1.3. is the continuation of ability development and integration preparation rules and the organisation of kindergarten development programmes defined by Article 171 and 173 of 20/2012 (VIII.31.). HDOP 3.1.3. is different from the previous one inasmuch as only the organisation of the kindergarten development programme defined in Article 173 is implemented, and that defined in Article 171 is not.	The Integrative Pedagogical System (IPS) has been operating since 2003, which is a pedagogical framework system aimed at overcoming differences in opportunities regarding multiply-disadvantaged children in domestic education. The programme supports the public institution in applying the methodology which implements integrated education with an appropriate method. In the 2014-15 school year, the number of participating institutions was 1,632, and the number of children/learners involved was 94,657. Upon the implementation of the project of HDOP 3.1.3, 550 kindergartens were involved, and 1,100 kindergarten teachers attended trainings. Based on the Gov.Decree of 1037/2016, the measure is expected to be implemented in March 2016.	programme was financed from the domestic budget. The central budget of 2015 did not allocate domestic resources for the operation of IPS (in the 2015-2016 school year); regarding the institutions not owned by the state or local governments and the kindergartens maintained by local governments, these are intended to be implemented from EU funds (HDOP) with a shift in the budget. Within the framework of HDOP (HDOP 3.1.3.), the available budget is HUF 4.2 billion, which includes a three-year implementation of the kindergarten development programme.	Through the project, the role of public education to create opportunities and support inclusion becomes stronger.

The programme supports disadvantaged and multiply-disadvantaged (especially Roma) learners in achieving school success and obtaining a higher level of qualification. The programme provides mentoring and scholarships for pupils, and scholarships or contributes to self-finance for students participating therein.

The programme supports participating learners from grade seven of elementary school up to their obtaining a degree. The target group of 'The Road to Secondary School' sub-programme are pupils in grades seven and eight, and aims at having participants continue their studies in secondary school education and pass their school-leaving exams. 'The Road to a Qualification' subprogramme aims at having learners successfully finish vocational training in order to pass a special exam. 'The Road to a Degree' supporting scholarship and contributing to self-finance aims at participating students getting a tertiary qualification ('The Road to a Qualification' and 'The Road to a Degree').

The HDOP 3.1.4 'Útravaló Scholarship Programme aims to promote disadvantaged learners' achieving success at school, reduce their dropping out, prepare them for studying at a secondary school that provides a school-leaving exam and aims at their successful completion of secondary school and being admitted to higher education by providing personal mentoring and scholarships. HDOP 3.1.4. is the continuation of the programme defined by Government Decree 152/2005, (VIII.2). HDOP 3.1.4. is different from the previous one inasmuch as the two sub-programmes of the 'Útravaló' Scholarship Programme are implemented with a shift in the EU budget, whereas the other two continue to be financed from the domestic budget.

Elements financed from domestic sources: the call for tender was announced in October 2015 — 'The Road to a Qualification' (2,285 students), 'The Road to a Degree' (1,031 students) and 'The Road to Advanced Vocational Qualification' (76 students) are under implementation regarding the 2015-2016 school year.

In the 2014-2015 school year, nearly 13,000 disadvantaged learners (at least 50% of whom were Roma) participated annually in the subprogrammes of the 'Útravaló' Scholarship Programme. In previous school years 'The Road to a School-Leaving Exam' subprogramme provided support for more than 10,000 learners. The HDOP 3.1.4. scheme aims to support learners with similar circumstances.

The opportunitycreating subprogrammes of the 'Útravaló' programme were financed from domestic sources until 2015, with an annual budget of HUF 2bn. Since 2015, two subprogrammes of the 'Útravaló' Scholarship Programme ('The Road to Secondary School' and 'The Road to a School-Leaving Exam') have been financed from EU funds (HDOP 3.1.4.).

- CHR: HUF 1.8bn;
- CONV: HUF 4.2bn.

The operation of the two other sub-programmes are still financed from the domestic budget:

- -'The Road to a Qualification', HUF 200 million;
- -'The Road to a Degree', HUF 210 million.

The programme effectively reaches the most socially disadvantaged learners; Roma learners are especially welltargeted. It is extremely popular and of intense social concern: half of the pupils in grade eight and 26% of secondary school students getting scholarships are provided with support within the framework of the programme. The programme plays an important role in creating equal opportunities in education as well. Mentor training started in 2015 and professional support has been launched, from which a significant improvement in quality is expected.

The structural reforms affecting the programmes, the budgets of 'The Road to Secondary Education' and 'The Road to a School-Leaving Exam', being shifted to EU sources since 2015, may be at risk regarding their implementation at an appropriate pace and in a predictable way.

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c) 'Tanoda' Program mes	The measure aims to help disadvantaged, especially Roma, learners in their achievement of school success with extra-curricular public education tools and in complex development affecting personality on the whole (competencies and skills development, the support of individual learning, personality development, compensating for social disadvantages). It aims at having special schools (tanoda) cooperate with public institutions, parents and other partners to build a bridge between school and family and network learning).  Tanoda is operated as a civil or religious organisation aimed at compensating for disadvantages with an innovative approach considering local characteristics and building upon the participation of children and young volunteers; it operates a community site used by the Tanoda maintainer in an autonomous way. Tanoda provides a complex service which considers overall personality development that children and young people who are less successful in public education or are particularly marginalised cannot reach.  Professional support is given by the Türr István Training and Research Institute, who provide training tailored to those implementing the programme and the necessary input and output measures for the implementation of the programme.	Background: between 2012 and 2015 within the framework of the 3.3.9 'Tanoda Programme Support' scheme with a budget of HUF 5.3bn, implementation was carried out by 178 special schools (tanoda) in 19 counties, involving about 5,000 disadvantaged learners.  Continuation: the programme is ongoing within the framework of HDOP 3.3.1, and the tender for the special schools (tanoda) operating in the convergence regions was announced in September 2015. At least 30% of those involved in the programmes have beenRoma learners.  The tender regarding Central Hungary was announced in March 2016 (CCHOP 7.3.2-16). The special schools (tanoda) can implement their programmes financed from HDOP and CCHOP sources until 31 August 2018.	Supporting Tanoda programmes – reducing early school leaving and increasing the level of qualifications with extracullicular tools, HDOP 3.3.1.  Sources of the measure:  CONV: HUF 5.0bn; CHR: HUF 0.35bn.	
d) Inclusive educati on	d) The measure aims at enhancing the practice of inclusive education and the professional support thereof, the complex development of underperforming institutions (creating opportunities in public education), participation in handling school leaving without qualifications and dropping out, increasing the disadvantaged learners' educational and labour market chances, promoting their social inclusion, and thereby increasing the fairness of public education and the competitiveness of the economy.	Time horizon of the measure is 2016.	Supporting inclusive education (HDOP 3.1.7). CONV: HUF 3bn.	

e) Arany János Talent Fosterin g Program me, Arany János Fosterin g Boardin g Facility Program me and Arany János Vocatio nal School Program me	Implementation of the Arany János Talent Fostering Programme, Arany János Fostering Boarding Facility Programme and Arany János Vocational School Programme aim to support secondary school students in need in achieving school success and, through elaborate means, to preventing students from dropping out of school.	In the 2015-2016 school year, the learners involved in the programme were admitted to secondary school institutions which participate in the programme based on the tender for elementary pupils in grade eight; the call for tender was announced in September 2014. The implementation is ongoing as enshrined in framework curriculum decree (MHC Decree 51/2012. (XII. 21.)) and in the decree on the dormitory basic programme (MHC Decree 59/2013. (VIII. 9.)).  In the 2015-2016 school year, in AJTFP 608, AJFBFP 298, and AJVP 182, ninth-grade pupils started their studies, with a total of more than 4,000 disadvantaged learners participating in the programmes. According to the 2014 survey, Roma learners in AJFBFP were 38.4%, with 30.8% in AJVP.	The source of the measure is HUF 2.7bn/year provided by the central budget (as a state institution maintenance centre appropriation — enshrined in Act C Article XX/18 of 2015, and Chapter 20/4/4 of MHC).	As an effect of the programme, learners achieving school success will increase, and their dropping out of school will decrease.
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	f) Preventi ng Roma Girls from Early School Leaving	The scheme of Preventing Roma Girls from Leaving School without Qualifications aims to primarily reduce disadvantaged Roma girls' school dropping out and increase their chances of studying further. A further aim is to strengthen the learning motivation of the girls at risk of dropping out, raise the age of their establishing a family and having children, improve their health conditions and reduce the possibility of becoming a victim.	The measure is implemented between October 2015 and 30 September 2016.  Background:  The pilot programme of 'Preventing Roma girls from leaving school early' from the domestic budget was announced in October 2015;  Originally, HUF 80 million was available for the implementation of the scheme, but with regard to the huge number of applications, the MHC raised the budget to HUF 151 million;  According to the decision, 26 applications will be granted aid;  The implementation of the programmes is professionally supported by TTRI.  The schemes planned in 2017 (Preventing Roma Girls from Early School Leaving) is built upon the pilot programme of 'Preventing Roma Girls from Early School Leaving', announced in 2015 and continued in 2016.	The source of the measure was HUF 150 million from the domestic budget in 2015; in 2016, HUF 140 million, also from the domestic budget.	The measure results in the considerable reduction in drop-out risk regarding Roma girls in elementary or secondary school between the ages of 10 and 18 (e.g., failing a subject, grade repetition, skipping classes) and the generation of motivation for learning while girls and their families become aware of what a large role education means in terms of the labour market. The rate of the girls' (target group) further education is increasing to a greater degree; they will become more cooperative with public institutions, local professionals, etc.
31.	Develop ing basic compet encies				

a) The complex develop ment of perman ently underpe rformin g instituti ons	The project aims at the complex development of permanently underperforming institutions so that they provide quality education, the dissemination of motivating pedagogical and learning management methods, the acquisition of individual and cooperative learning solutions and procedures, the promotion of school success for groups at risk of dropping out, the creation of equal opportunities and further targeted interventions built thereon.	The development schemed is to be announced in the first quarter of 2016.	Sectoral programme in ADF of 2016 with a planned budget of HUF 4bn.	The application of a complex pedagogical method tailored to heterogeneous learning groups to develop basic competencies, providing for the learners' successful development.
b) Review of the National Core Curricul um and the framew ork curricul um	The measure aims to review and renew the National Core Curriculum and the framework curriculum and develop a pedagogical assessment and examination system in public education. Within the framework of the diagnostic skill and ability assessment, elementary schools shall provide that every fourth-grade pupil participates at least once in the e-based diagnostic skill and ability assessment in the fields of reading, mathematics and natural sciences.	The development scheme is to be announced in 2016.	Within the framework of HDOP 3.2 with the title 'Promoting access to quality education, teaching and training', and linked to the aims of the planned content and methodological developments is planned to be published in 2016, in ADF with a budget of HUF 2.8bn.	The development is carried out by building on the teachers' professional experiences and involving them so as to meet social demands. The project results in the extension of the learners' competency map in the public education system.

c) The develop ment of pedagog ical professi onal services	The project aims to develop pedagogical professional services, and in line with standard national rules, to develop the Pedagogical and Educational Centres operating as organisational units of the Educational Authority in the less developed regions to reduce early school leaving.	The call for the development scheme is to be announced in June 2016.	It is a sectoral programme in ADF of 2016, which, according to plans, can be implemented in less developed regions.  With a planned budget of HUF 4bn .	The measures contribute to the reduction of the shortcomings in the operation of the pedagogical and educational service, creating consistent access with sound quality everywhere in the less developed regions — by adjusting it to the targets for the reduction of regional differences and social inclusion set out in the scheme for the regional differentiation of human services in accordance with Government Decree 1709/2015 (X.5.).
d) Experim ent al courseb ooks	The measure aims to continue the trial of the experimental coursebooks and extend the functionality of the National Public Educational Portal (Smart Portal) and digital content development.	The development scheme was announced in January 2016, and the grant application is expected to be submitted on 30 June 2016.	'Developing Coursebooks and Learning Tools in Accordance with the Content Regulations of Public Education and Digital Content Development' is a sectoral programme Sectoral programme in ADF of 2015 in the planned framework of the scheme with priority procedure, which might be implemented nation- wide with a planned budget of HUF 2bn.	Digital content development and access thereto fulfils the social demand that everybody shall have free access to coursebooks and teaching materials.

	e) Learning forms and program mes provide d by cultural instituti ons facilitati ng lifelong learning	Within the framework of the measure, libraries, cultural institutions, museums and institutions of art place great emphasis on reducing the disadvantages that schools are unable to compensate for (e.g., effects of quality). Within the framework of the measure, programmes facilitating lifelong learning will be implemented, which help people without qualifications and those over school age return to the education system or adult training.	Until the end of December 2015, several SoROP and SIOP schemes promoting access to quality education, and targeting the reduction of early school leaving were announced. Nearly 950,000 people participated in extracullicular, non-formal and informal learning opportunities.  The development of the professional schemes targeting non-formal and informal learning opportunities has been started within the framework of HDOP and the drafting of the action plan of the LLL strategy, defined as an ex ante condition, is in progress.	Non-formal and informal learning opportunities for those participating in public education system: HUF 7bn (HDOP 3.3.2, HDOP 3.3.3 schemes).  For lifelong learning opportunities: HUF 2.50bn (HDOP 3.7.2). Infrastructure developments supporting the above: HUF 5bn (HDOP 4.1.9).	The programmes contribute to the reduction of early school leaving, equal access to knowledge in order to overcome socio-cultural and regional disadvantages and reintegration into the public education system by developing basic skills with LLL tools. As a result of the systemic developments carried out by cultural institutions, public education indicators will improve, the number of early school leavers will decrease and, on the basis of equal opportunities, more people will gain access to lifelong learning.  The measure will contribute to an increase in the population retention capabilities of the regions and settlements.
32.	Reducin g the number of early school leavers to below 10%				

n <sub>i</sub> ir o e re d	Supporti	The measure aims to complexly develop permanently underperforming institutions in order to provide quality education, promote groups at risk of dropping out to achieve school success and create equal opportunities. The scheme is the direct, targeted support of public education institutions underperforming from the uniform aspects of quality and analysis and affected by dropping out, and it aims to strengthen the teaching management practice of co-education.	The development scheme is to be announced in June 2016.	It is a sectoral programme in ADF of 2016 with a planned budget of HUF 10bn.	In accordance with the strategy to prevent school leaving without qualifications, the key element of the measures is to prevent dropping out; its positive effect is that it contributes to achieving the objectives aimed at reducing early school leaving enshrined in the EU2020 Strategy and the improvement of learners' performance as reflected in the PISA assessment.
n, p ee o ir o al to	ng oublic educati on nstituti ons' ability	The measure aims to increase public education institutions' ability to create opportunities and compensate for disadvantages by implementing professional and methodological developments and organise new pedagogical and free-time programmes.	The development scheme is to be announced in 2016.	It is a sectoral programme in ADF of 2016 in the planned framework of the scheme with priority procedure, which is planned to be implemented in less developed regions with a planned budget of HUF 5bn.	As a result of the measure, several public education institutions and the disadvantaged learners getting education and training therein (at least 3,000 persons) will participate in inclusive education.

	c) New Generat ion Educatio n	The measure aims to review and renew the National Core Curriculum and the framework curriculum, and develop the pedagogical assessment and examination system and pedagogical service, and, in line with standard national rules, to fully develop the Pedagogical and Educational Centres operating as the organisational units of the Educational Authority.	The development scheme is to be announced in June 2016.	It is a sectoral programme in ADF of 2016, which is planned to be implemented partly nation-wide and partly in the less developed regions with a budget of HUF 2.8bn.	The measure supports the schemes aimed at reducing school leaving without qualifications and early school leaving from a measurement aspect by identifying skills and knowledge from different aspects and creating the opportunity for targeted intervention, thereby contributing to the indicators undertaken for the 2014-2020 programming period. As a result of the project, the competency map of the learners participating in the public education system is expanded.
33.	Increasi ng particip ation in inclusiv e mainstr eam educati on for disadva ntaged groups, especial ly the Roma –				

a) Develop ing kinderga rten educati on	The measure aims to strengthen the kindergarten's role in creating opportunities, which provides the basis for school education-teaching and its ability to compensate for disadvantages, with special attention to the professional support of the introduction of obligatory kindergarten education from the age of three and the successful implementation of the reduction of disadvantages enshrined in the national subprogramme of kindergarten education, which is defined in Government Decree 363/2012. (XII. 17.).	The first priority development scheme was announced on 10 October 2014; the grant application was submitted in 2015, and the concluding of the grant agreement is in progress. The second development scheme is to be announced in 2016.	HDOP-3.1.1 'Support for Early Childhood Education' is a Sectoral programme in ADF of 2014 in the planned framework of the scheme with priority procedure, which is planned to be implemented in the less developed regions with a planned budget of HUF 1.3bn.	By developing kindergarten education and promoting early childhood socialising, the transition to primary school becomes easier in the deprived regions as well.  The implementation is hindered by the lack of resources in the EU financed operational programme regarding the Central Hungarian region in the case of HDOP 3.1.9, 'Institutional Support of Early Childhood Education'.
b) Support for instituti ons endange red by droppin g out	The measure aims to identify – according to standardised, reasoned criteria – the school districts and institutions affected by segregation where desegregation measures are planned. Following the above process, the institutions underperforming in the process of assessment and endangered by segregation will be provided with support within the framework of the project. The implementation of the measures aims to provide methodological support with institution mentoring and the cooperation of social, health, elementary and secondary school education-teaching institutions, local and administrative actors, institution maintenance authorities and civil organisations and through the establishing of and contact with a network of multidisciplinary teams. Monitoring the implementation and efficiency of the measure.	The development scheme is to be announced in June 2016.	It is a sectoral programme in ADF of 2016, which is planned to be implemented with a planned budget of HUF 10bn.	As a result of the project, the number of institutions applying the new educational methodology will increase, and the rate of early school leavers will decrease, also among the Roma.

ent equ ent	velop	Supporting the infrastructure investments and equipment development of the institutions of the planned regional school network, expanding capacity based on real demand and establishing functional task fulfilment sites.	The development scheme is to be announced in 2016.	It is a Sectoral programme in ADF of 2015 and 2016, which is planned to be implemented in the less developed regions with a planned budget of HUF 60bn.	As a result of the measure, the rate of institutions operating at a low infrastructure level will decrease.  The implementation is hindered by the lack of resources in the EU financed operational programme regarding the Central Hungarian region.
ng lear wit spe edu ona	pporti arners th ecial lucati	The primary aim of the measure is intensive professional development, strengthening family competencies and promoting social inclusion. This is underlined by the National Disability Programme, whose main aim is the development and implementation of policy strategies for the complex rehabilitation of those with severe and multiple disabilities.  The measure aims at the infrastructure development of pedagogical services and institutions caring for children with severe and multiple disabilities.	The development scheme is to be announced in the third quarter of 2016.	The planned resource is HUF 5bn— HDOP from the budget of ADF 2016.	As a result of the projects' professional, methodological and equipment provision of the institutions providing education for learners with special educational needs will improve.  The implementation is hindered by the lack of resources in the EU financed operational programme regarding the Central Hungarian region.

34.	Improvi ng the standar d of support provide d for disadva ntaged groups - especial ly the Roma - with targete d teacher training	The measure aims to complexly develop permanently underperforming institutions in order to provide quality education, disseminate encouraging pedagogical and learning management methods and different individual and cooperative learning solutions and procedures, promote groups at risk of dropping out to achieve school success, prepare the creation of equal opportunities, and aims at further targeted interventions.	The development scheme is to be announced in the first quarter of 2016.	It is a Sectoral programme in ADF of 2015, which is planned to be implemented nation-wide with a planned budget of HUF 4bn.	Teachers learn a complex pedagogical method and apply it in everyday practice, which increases the level of education-instruction for disadvantaged, especially Roma, learners. The learning of the application of the method will be included in the teacher further training as well.
35.	Support ing the transitio n betwee n the differen t phases of educati on and to work	The measure aims at the IT development of public education institutions and an improvement in their equipment supply based on an assessment of the situation.	The development scheme is to be announced in 2016.	It is a Sectoral programme in ADF of 2015 and 2016, which is planned to be implemented in the less developed regions with a planned budget of HUF 35.4bn.	The labour market requires that workers are able to work with IT tools at a user level. The measure helps learners find a job in the labour market.  The implementation is hindered by the lack of resources in the EU financed operational programme regarding the Central Hungarian region.

36.	Support for tertiary career guidance — with special regard to the fields of MNTI	Within this HDOP-scheme, supporting career orientation activities, it is a priority to increase the number of applications to maths, natural sciences, engineering and informatics (STEM) programmescourses and increase the rate of STEM graduates in higher education.	Planned date of publication of call for proposal HDOP 3.4.4: July 2016; implementation period: 2016-2020. Government Decree 1037/2016 on allocating the Annual Development Framework of the Human Capacity Development Operational Programme.	EU source: HUF 8bn, HDOP-3.4.4.	The scheme increases the popularity of engineering and natural sciences in public education and raises the number of applications to STEM programmes  The measure contributes to the improvement of educational level the youth coming from disadvantaged geographical, social and economic environment and helps them the obtaining of tertiary qualifications, especially in fields they are underrepresented in.
37.	Strengthe ning the relationsh ip between higher education and the labour market				

a) Strengthe ning labour market- orientated operation of higher education at the structural level	By establishing Community-based Higher Education Centres (KFKK), tertiary education organisations in the interest of local social interests, e.g. in the form of community tertiary education centre, thereby even communities in deprived regions can get access to the competitive knowledge which locally provides them a successful life.	HDOP-3.4.3 Development of higher education institutions to jointly improve the quality and accessibility of tertiary education – It is planned to be announced in spring 2016.  Planned implementation period: 2016-2020.  Government Decree 1037/2016 on allocating the Annual Development Framework of the Human Capacity Development Operational Programme.	EU: HUF 4bn within the scheme of HDOP-3.4.3 with a budget of HUF 24bn.	KKFKs established in the interest of local and regional interests will train professionals with the knowledge relevant to local employers. By the elimination of the 'zones free from tertiary education', (from a geographical point of view), the retention capability of the regions and the competitiveness of local economy will increase.
b) Strengthe ning the relationsh ip between tertiary education and the business sphere	In order to strengthen the relationship between tertiary education and the business sphere, in the academic year of 2015/2016 nineteen higher education institutions launched 28 different BA/BSc dual education programmes in engineering, economic sciences, informatics and agriculture and in one MSc program as a pilot course. The Dual Education Council decides on the programmes launchable by higher education institutions.  The related objective aim is to increase the rate of first-year students in the relevant fields of education to 8% by 2020. To achieve this it is necessary to develop the tertiary dual education programmes launched in the academic year of 2015-2016 and extend the number of programmes in 2016.	Planned date of publication of call for proposal: HDOP-3.5.1; implementation period: 2016-2019.  Government Decree 1037/2016 on allocating the Annual Development Framework of the Human Capacity Development Operational Programme.	EU source: HUF 3.7bn — HDOP-3.5.1.	The rate of first-year students participating in dual education in the relevant fields will increase to 8% by 2020.

38.	Reducing dropping out	a) One of the supporting scope of activities in this support scheme for higher education institutions includes, are the areas of mentoring, tutoring skills assessment and skills development, foreign language programmes, "learning by doing" type of learning programmes, and other programmes contributing to graduation among disadvantaged students, students from disadvantaged regions or, disabled students, as well as among female students in fields where they are underrepresented.  b) By increasing the support of the Mentor Programme targeting socially-disadvantaged students, the number of students participating in the programme will increase and the services provided for the students (e.g., catch up courses ) will be extended.	a) EDIOP 3.4.3 Development of higher education institutions to jointly improve the quality and accessibility of higher education. Planned date of publication: spring of 2016. Planned implementation period: 2016-2020. Government Decree 1037/2016 on allocating the annual development budget of the Human Capacity Development Operational Programme.  b) The implementation of the measure is ongoing. The possibility of developing the student advisory system will be reviewed within the framework of the 'Methodology Development of Student Advice at the Country Level' project. The results of the project are expected in May 2016.	a) The total budget of HDOP 3.4.3 is HUF 24bn, at least 20% of which shall be spent on activities aimed at increasing the number of those participating in programmes which support admission to and remaining in higher education between the levels of ISCED 5 and 8.  b) The normative support of tertiary institutions is HUF 100 million annually. For improvement projects (2016) from chapter appropriation for the special tasks of tertiary education is HUF 82 million.	As a result of the measure, the portfolio of student-advisory activity in tertiary institutions will be extended and the relationship between the relevant institutions and student advisory offices will be established and strengthened. Another important effect is the reduction of dropping out and the increase in the number of graduate students.
39.	Supportin g Roma colleges for advanced studies	The measure aims to enhance disadvantaged, primarily Roma, students' educational success, involve them in research activities, stimulate their social activity and promote further education among disadvantaged students in secondary school through members of the colleges.	HDOP-3.4.1-15 — Supporting Roma colleges for advanced studies": call for proposal was published in October 2015 (Government Decree 1210/2015 (IV.10.) on allocating the development budget of 2015 of the Competitive Central Hungary Operational Programme).  CCHOP-7.4.1-16 — Supporting Roma colleges for advanced studies": call for proposal was published on 5 March 2016 (Government Decree 1011/2016 (I.20.) on allocating the development budget of 2015 of the Competitive Central Hungary Operational Programme).	HDOP-3.4.1-15 — Supporting Roma colleges for advanced studies, HUF 1.2bn.  CCHOP-7.4.1-16 — Supporting Roma colleges for advanced studies, HUF 300 million.	As a result of the measure, an increase in the number of Roma students in tertiary education is expected.

Mea	Measures related to vocational training						
40.	Measur es targetin g the transfor mation of vocatio nal training adjuste d to econom ic demand s						

a) Early school leaving	The EDIOP 6.2.2-15 scheme aims to improve the basic skills of VET students, make VET more efficient, improve school performance and support lifelong learning in accordance with the country-specific recommendations. The ultimate aim of the measure is to reduce the number of students leaving vocational education without qualifications.  In order to increase employment, the Europe 2020 Strategy's headline targets include the reduction of the rate of school leavers without qualifications, i.e., early school leavers, to below 10%. School leaving without a qualification is 30% in vocational training; consequently, special attention has to be paid to the improvement in quality and effectiveness and the success of vocational training, the increase in the qualification level of students in vocational training and the enhancement of their further studies.	Implementation period:  The grant application submission period was between 1 February 2016 and 31 March 2016.  Over the course of the implementation, the project has to reach the following milestones:  - Developing the basic principles and methodology of the mapping of early school leaving possible actions;  - School management training;  - Teacher training;  - Developing the action plan for VET of the medium-term strategy against early school leaving;  - Approving VET Centre's local action plans;  - Developing the National Basic Skill Development Strategy and the relevant learning tools.  Completion of the project: 31 December 2019.	Resource needed for the measure: HUF 1.8 billion. Source of measure: EDIOP-6.2.2-CCHOP/15.	The measure results in a reduction of the rate of school leavers without qualifications in vocational training; the learners' basic skills will develop.  Proportionately with the improvement of the quality of the vocational training system and the reduction in dropping out, more people will enter the labour market with competitive knowledge, i.e., the gap between labour market demand and supply will be narrower.  Pedagogical innovation and collaboration means a paradigm shift, whose implementation regarding the entire institution system takes a long time.
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b) Developing digital literacy	The EDIOP 6.1.2-15 priority programme basically aims to develop the digital competencies of 200,000 disadvantaged persons. Development also includes an upgrade to the Telecommunication Reference Framework (TFR), defining knowledge levels.	The announcement of the tender and the implementation period:  1 April 2015 — 31 December 2017 (phase I);  1 January 2018 — 31 December 2020 (phase II).	Resource requirement for the measure:  Phase I: HUF 8.95bn (scheme of 2015 — period is 2.5 years);  Phase II: HUF 8.95bn (period: 2017-2020 — 2.5 years).	As a result of the measure, equal opportunity indices are improving, the labour market key competencies of the groups being excluded from the labour market are developing and the chances of their inclusion are increasing. By providing accessibility to and literacy in terms of ICT tools, the primary and secondary digital gap is narrowing. It is a risk that the target group is reacting slowly to the facilities provided by the programme — especially reaching and involving the participants with low qualifications (ISCED 1-2), and keeping them in the programme can mean difficulties. The teaching material is based on ICEFR with a learning result approach, which is a new task for the trainers; the acceptance of the new approach may take some time, but can be handled with appropriate communication.
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c) Participatin g in the OECD PIAAC programme	PIAAC (The Programme for the International Assessment of Adult Competencies), being implemented in the framework of EDIOP 6.2.1, is an international programme directed by OECD, over the course of which the most important reading comprehension, maths, problem-solving and info-communication competencies of those aged 16-65 are measured and assessed by direct data collection, on the basis of a representative sample in a ten-year cycle. It aims to support the policies of the alignment of the working population's qualifications and motivation with labour market capacity and the establishment of a detailed exploration of best practices and labour market processes at national and international levels.	Date of the completion of the project: 31 December 2020.	Resource requirement of the measure: HUF 1.1bn, EDIOP 6.2.1-CCHOP/15.  The available amount of non-repayable subsidies from EDIOP sources is maximum HUF 798.82 million, and maximum HUF 301.18 million from the sources of the Competitive Central Hungary Operational	Following the survey based on the OECD programme, public, searchable databases are created. As part of the relevant OECD analyses, the domestic reports are drafted on the basis of the above. The research results and reports based on the databases help generate structural changes which support national policies and aim at mapped problem solving. Risks: Divergence from the methodological, professional and schedule requirements called for by OECD may risk the implementation of the
mo det	motivation with labour market capacity and the establishment of a detailed exploration of best practices and labour market processes at		maximum HUF 301.18 million from the sources of the	from the methodological, professional and schedule requirements called for by

d) Modifying the National Training Register	From the 2016-2017 school year, vocational schools are being transformed in order to carry out the tasks defined in the 'Vocational Training in the Service of the Economy' scheme, which was adopted by Government Decree 1040/2015 (II. 10.). In the current vocational secondary schools; the rate of vocational training (including the rate of practical training) will increase in the education phase – including grades 9-12 – prior to the secondary school-leaving exam, which provides that, in addition to the school leaving exam, students obtain a vocational qualification as well. In order to successfully introduce the measures, it is necessary to modify the National Qualifications Register (NQR) containing the vocational qualifications approved by the state, in the framework of which the vocational qualifications will be obtainable with the school leaving exam.	The process started on 10 February 2016; some of its elements take effect as of the 2016-2017 school year, and in the way set by the Government Decree 25/2016. (II. 25.).	Since the legislation regulates the basic processes of vocational and adult training, the measure affects all the EDIOP 6.1 and 6.2 programmes with priority support.	As a result of the measure, there is a possibility to obtain a vocational qualification of a longer period in several phases, thereby adult training facilities have been further expanded.  As a consequence of the amendments to the legislation from the 2016-2017 school year, vocational secondary school students have the opportunity to obtain more vocational training content, foreign language and IT knowledge according to the renewed National Qualifications Register.
e) Overall reform of the vocational training system	Following the task implementation of the 'Vocational Training in the Service of the Economy' scheme adopted by Government Decree 1040/2015. (II. 10.), the overall reform of vocational training is ongoing in 2016 in the interest of three priority targets, in line with the provisions of Act CLXXXVII of 2011 and Act CXC of 2011 on National Public Education.  The vocational training reform is built on the following three priority target areas:	Act LXVI of 2015 amended Act CLXXXVII of 2011 on Vocational Education, Act LXXVII of 2013 on Adult	Since the legislation regulates the basic processes of vocational and adult training, the measure affects all the EDIOP 6.1 and 6.2 programmes with priority support.	

1. The renewal of the institutional system and management structure  The current structure of the vocational school and special vocational school will be transformed, and the education according to the new school types is going to be introduced from the 2016-2017 school year. The changes are aimed at as many students as possible passing the secondary school-leaving exam so that they also obtain a vocational qualification or reach the technician qualification level.	The current vocational secondary schools will provide 4+1 year trainings; the aim is to provide secondary school-leaving exam and vocational qualification at the same time. In the current vocational schools 3+2 years training will be launched: the two-year training in preparation for the secondary school-leaving exam will automatically follow the three-year vocational training). The current training began for the last time in September 2015.	As a result of the reform, more students will successfully pass the secondary school-leaving exam while also getting a vocational qualification at the same time or reaching the technician qualification level.
2. The content renewal of formal vocational training provision  Within the framework of the reform, the bridge programme of vocational training will be renewed, and from September 2016 the special vocational school – with the name of vocational school – will be of five grades, and students can automatically continue their studies in the grade that prepares them for the secondary school-leaving exam.  Over the course of the developments, the further support of the new operation structure, primarily the 44 vocational training centres and the analysis of the operation of the system and the fulfilment of the explored needs have to be paid attention to.	Legislation preparations have been carried out in order to introduce the new school type, the so-called vocational secondary school. In 2016 the National Qualification Register will include more professional content, more foreign languages and IT training regarding this new school type.  With the amendment of the act on public education, the upper age limit for the participants in full-time formal education (and thus, in formal vocational training) has been raised from 21 to 25 so that more students are able to participate in full-time education.  As a result of the amendment to the act on vocational training, in addition to obtaining a first state-financed vocational qualification, the obtaining of a second vocational qualification has also become free.	Following the content renewal, the different vocational training programmes will provide the basic competencies and basic literacy necessary for the lifelong learning of the young and relevant professional competencies for them; the aim is to attract more people in vocational training than previously.

	3. Strengthening the relationship between vocational training and the economy and extending dual vocational training  The introduction of the 'Guarantee of the Economic Chamber' in the 2015-16 school year aims to strengthen the priority of practical training for business.	In the vocational schools maintained by the state, the Apprenticeship Coordinator Teacher job title has been restored in order to provide a high-quality harmonised practical training. The Szabóky Adolf scholarship aims to increase the number of vocational qualifications where there are shortages, from 10 to 12 (09.01.2015) and from 12 to 20 (09.01.2016), authorising scholarships in formal education.  It is also possible for students learning in adult education to participate in dual training as well, thereby having the opportunity to conclude an Traineeship contract and participate in the practical training within the framework thereof.  In addition, the programme supporting the gaining of practical experience for young graduates starting careers has also been launched, where the vocational training centres are given an important role in linking youth with companies.		By strengthening dual vocational training, the practical side of the knowledge transferred through vocational training, and the marketability of those trained will improve on its merits.
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## ANNEX II: MEASURES TAKEN TO ACHIEVE THE EUROPE 2020 OBJECTIVES

#### 1. Employment objective

Every relevant measure is included in the table of the measures taken in order to implement country-specific recommendation 5.

## 2. R&D objective

	Description of measure	Brief introduction of measure	Status and further schedule of implementation	Sources and the indication of domestic and EU funds	Description of expected effects
41.	Smart specialisation strategy action plan	No separate document has been prepared so far, but the measures, in order to implement S3, are included in the calls for proposal.  The Action Plan will be drawn up in 2016.	To be completed by the end of December 2016.	There is no need for additional resources for drafting and finalising the action plan; the budgetary framework related to the elements of the RDI programme portfolio are included in EDIOP and CCHOP of ADF 2016, and in the programme strategy for the NRDI Fund of 2016.	Necessary future modifications can be decided upon based on the feedbacks obtained and experiences over the course of the implementation.
42.	Research Infrastructure Roadmap	The document introducing the situation and vision of the Hungarian research infrastructure is part of the Smart Specialisation Strategy (S3) as the research infrastructure is the National Innovation System's element of primary importance, though far from being exclusive.	Completed by the end of 2015.	EDIOP 2.3.3-15 — Strengthening research infrastructure, internationalisation and networking with a budget of HUF 35bn — networking, national and international cooperation in the convergence region, with special regard to the H2020 focus and the infrastructure included in the ESFRI Roadmap.  CCHOP 2.3.3-15 — Is the reflection of the above tender with a budget of HUF 2bn in CHR.  EDIOP 2.3.2-15 — Excellence of strategic R&D workshops — supporting the infrastructure/equipment of the internationally excellent R&D projects that are of major importance.	See relevant tender schemes (EDIOP 2.3.2-15; EDIOP/CCHOP-2.3.3-15).

(PcP pilot)  demanded in "large quantity" (and provides not only a solution to a single need), implying significant savings, or savings and added value shall be produced.  With a budget of HUF 1bn.  With a budget of HUF 1bn.  With a budget of HUF 1bn.  With a budget of HUF 1bn.	43.		provides not only a solution to a single need), implying significant savings, or	is expected to be elaborated in the second half of 2016 in case there is a considerable amount of public		improvement can be achieved in public services
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Supporting Strategic R&I Cooperations and Initiatives	R&D Competitiveness and Excellence Partnerships Supporting innovation in international cooperation Development of international R&D relationships	Announced tenders: EDIOP 2.2.1-15 Planned for 2016: CCHOP 2.2.1-16 National Competitiveness and Excellence Programme (NRDIF) EDIOP 2.3.1-16 The support of innovation implemented in international cooperation is provided by the NRDIF in 2015-2016.	Announced tenders:  EDIOP, total amount: HUF 60bn, non-repayable  Planned for 2016:  EDIOP, total amount: HUF 3.5bn, non-repayable  CCHOP, total amount: HUF 2.64bn, non-repayable  NRDIF, total amount: HUF 28bn, non-repayable	By being utilised in the economy and other fields of society, the research results contribute to solutions to existing important problems of social significance. The country's economic competitiveness and domestic R&D&I human capacity will increase, and the research, development and innovation competencies will develop. The domestic research community will increasingly integrate into international networks.,
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46.	Establishing excellence in the service of R&I capacity	Strategic R&D workshop excellence  Strengthening R&I infrastructure — internationalisation, networking  Higher Education and Industrial Partnership Centre — development of research infrastructure  Implementation of ELI laser research centre (ELI-ALPS) major project, phase 2  Supporting calls for research topics	Announced tenders: EDIOP 2.3.2-15 EDIOP 2.3.3-15 EDIOP 2.3.4-15 CCHOP 2.3.2-15 CCHOP 2.3.3-15 Planned for 2016: CCHOP 2.3.3-16 Higher Education and Industrial Partnership Centre (NRDIF) ELI-ALPS support is provided by EDIOP 2.3.6-15	Announced tenders:EDIOP, total amount: HUF 85bn (+HUF 40.052bn for ELI-ALPS), non-repayable CCHOP, total amount: HUF 6bn  Planned for 2016: EDIOP, total amount: HUF 40bn CCHOP, total amount: HUF 4bn NRDIF, total amount: HUF 8bn	The excellent research units (research and education/outreach) will reach the international level; by developing a critical mass of high-level research and development capacity (primarily infrastructure), it will be possible to be increasingly involved in international excellence partnerships (Horizon 2020 is a priority); and the desired excellence will increase in research as the coefficient of the two processes. The relationships between enterprises and publicly-financed and non-profit research organisations (research and education/outreach provider) will be established.		
Other	Other related measures						
47.	Achieving the aims of the National Environmenta I-Technological Innovation Strategy (NEIS) (in the period 2011-2020)	Achieving the aims of NEIS in the planning of the 2014-2020 operational programmes' tendering, in accordance with the implementation of NEIS, and the Norwegian-EEA Funds (2009-2014). Promoting the aims of NEIS.	2011-2020.	The sources of the measure are provided by the 2014-2020 operational programmes and by the available resources in the Norwegian and EEA Funds (2009-2014).	By achieving the aims of NEIS, Hungary's competitiveness will improve while environmental and human health protection are taken into account		

48.	National Info- communicati on Strategy 2014-2020	The necessary policy interventions, measures and actions in infocommunication are included in the National Info-communication Strategy; the Chapters of the Green Paper derived therefrom; the National Digital Development Programme; and InternetKon of the Internet Consultation announced by the Government, considering the Digital Single Market (DSM). Based on the results of the National Consultation on Internet and Digital Development (InternetKon), the Government Decree of 2012/2015 (XII.29.) has been promulgated.	The actual measures appear in the projects announced in priority axis 3 of EDIOP. Its priority programme is the Ultrafast Internet project, including the NGA local and area network new generation developments announced as a tender (EDIOP 3.4.1) in 2015, which resulted in the implementation of mapping, the finalisation of tendering and the call thereof, and starts the actual implementation from 2016. Further programmes will be launched to develop the ICT sector, promote the development of the digital economy, and help community access and narrow the digital gap.	HUF 68bn non-repayable subsidy (2016-2018). HUF 80bn repayable subsidy.	The diffusion of broadband internet has an economyboosting effect. The existence of infrastructure is also important in digitalising the industry; the elimination of disadvantages, the development of digital skills and the extension of egovernment services are all based thereon.
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# 3. Energy and climate policy objective

Description of measure	Brief introduction of measure	Status and further schedule of implementation	Sources and the indication of domestic and EU funds	Description of expected effects

49.	Implementing the National Energy Efficiency Action Plan III (NEEAP)	Over the course of the implementation of Directive 2012/27/EU on energy efficiency, the most significant energy efficiency improving measures will be defined. NEEAP will summarise future and/or achieved energy savings and will introduce the measures and control systems which guarantee the expected energy savings. The NEEAP also presents the implemented measures and the planned energy efficiency programmes.	The National Energy Efficiency Action Plan III was adopted with Government Decision 1601/2015. (IX. 8.). In line with Directive 2012/27/EU, energy-efficiency action plans shall be submitted to the European Commission by the member states every three years.	For the developments provided by the implementation of the measures, the following EU sources have been available since 2015: EEOP priority axis 5 — building energy developments of central budget authorities and the non-profit sector, modernising the energy efficiency of distant heating systems in the Central Hungarian regions, building energy developments of local government buildings, TOP, and developing the energy efficiency of local governments, except for the Central Hungarian region; EDIOP: developing the energy efficiency of enterprises (SMEs), except for the Central Hungarian region, energy R&D&I and financial tools of energy efficiency; CCHOP: building the energy development of enterprises and financial tools of energy efficiency in the Central Hungarian region.	The increase in energy efficiency significantly contributes to the reduction of GHG emissions, thereby it plays a major role in achieving the environmental and climate protection goals. In addition, it is one of the most successful and cost-effective ways of increasing energy efficiency to reduce our energy dependence, which contributes to an increase in supply security.
50.	Review of Hungary's Renewable Energy Utilisation Action Plan	The action plan aims to set the ways of achieving the obligatory national overall objective regarding our country as defined in the 2009/28/EC (RED) Directive and to draw up the sectoral objectives and measures thereof. The previously projected full amount of energy in 2020 is expected to be lower compared to plan, so the rate of 14.65% will be implemented with a smaller amount of renewable energy. Consequently, we will consider the value of the updated energy projection for 2020 in the National Energy Strategy.	The review of the action plan is in progress, and the finalisation of the document is expected in the second half of 2016.	For the developments provided by the implementation of the measures, the following EU sources have been available since 2015: EEOP priority axis 5 — renewable energy production for public networks, using renewable energy sources for developing building energy and local heat; TOP: local governments' renewable energy developments related to building energy renovations in the convergence regions; EDIOP: the renewable energy developments of enterprises (SMEs), energy R&D&I and financial tools encouraging the use of renewable energy sources, except for the Central Hungarian region; CCHOP: the renewable energy development of enterprises and financial tools encouraging the use of renewable energy sources in the Central Hungarian region.	As a result of the measure, our energy import dependence and CO2 emissions will decrease, and the renewable energy sources' production rate will increase, which will contribute to the achievement of the renewable rate prescribed by the Europe 2020 Strategy. The use of renewable energy sources will locally (at the users) reduce energy costs, and – especially in the case of biomass and solar energy utilisation – will contribute to the boosting of employment in rural areas. Failure to implement the measure will be a risk in meeting the member state requirements defined by Directive 2009/28/EC.

51.	The second National Climate Change Strategy	Every five years the Government have to review the first National Climate Change Strategy adopted by the Parliament in 2008 on the basis of Art. 3 (2) of Act LX of 2007 (Kyoto Implementation Act) on the Implementation Framework of UN Framework Convention on Climate Change and its Kyoto Protocol. As a result of the review prescribed by law in 2013, the second National Climate Change Strategy	The strategy will be adopted by 31 December 2016 at the latest.	The resource requirements for reshaping the strategy will be quantifiable later, following the consultations.	By adopting the strategy, through the National Decarbonisation Roadmap and National Adaptability Strategy, as a part of the document, our country meets the obligations enshrined in Art. 4 and 15 of Directive 525/2013/EU of 21 May 2013 of the European Parliament and the Council.
52.	National Framework Plan for the Development of Alternative Fuels Infrastructure	was prepared and submitted to the Hungarian Parliament on 2 June 2015.  In line with the Directive 2014/94/EC of the European Parliament and the Council on the deployment of alternative fuels infrastructure, the member states shall prepare the schedule for the development of alternative fuels infrastructure in the form of a National Framework Plan Programme. The national targets and the related measures as well as the incentives shall be set out therein.	The deadline for the submission to the National Framework Plan Committee is 18 November 2016. The target value will be identified by the Framework by 2020, 2025 and 2030, depending on the alternative fuel types.	Not identifiable yet.  The projects aimed at the development of alternative fuels filling infrastructure, and thereby, the implementation of the Framework Plan can be funded by the Connecting Europe Facility (CEF). CEF aims to accelerate investments in trans-European networks in the transport, energy and telecommunication sectors.	By disseminating the infrastructure that increases the use of alternative fuels, including bio-fuels, the emission of greenhouse gases and other pollutants can be reduced, which promotes the mitigation of climate change and an improvement in local air quality.

Energy and Climate-Awareness Raising Action Plan The Government adopted the Energy and Climate Awareness-Raising Action Plan (ECAAP), which aims to disseminate energy and climate awareness. The Plan identifies the short-term measures which are able to significantly contribute to raising climate change and energy consumption awareness, changing consumers' habits and reforming domestic actors' relevant activities.

In order to better inform consumers, the Hungarian Energy and Public Utility Regulatory Authority launched an energy efficiency webpage at the end of 2015 (http://energiahatekonysag.mekh.hu/).

For 2016 the programme primarily schedules the measures giving the base for the programmes, inter alia, the primary research providing information about energy and climate awareness. In order to effectively implement the measures of ECAAP and develop further awareness-raising programmes and cooperation, an awareness-raising working group involving state administrative, corporate and social actors was established in December 2015, which starts its activity in 2016.

The scheduled measures are identified by ECAAP until 2020.

A number of measures have no need for extra resources, and the resource requirements of individual measures cannot be identified. The source of the implementation of the measures announced by Government Decision 1602/2015. (8.IX.) is expected to be HUF 15-20 million gross.

For the developments provided by the implementation of the measures, the following operational programme sources are available: EEOP (relevant priority: 1. Adapting to the effects of climate change.

- 4. Nature conservation and wildlife protection developments.
- 5. Increasing energy efficiency, using renewable energy sources).

HDOP (relevant priority: 3. Increasing knowledge capital), TOP (relevant priority: 2. Enterprise friendly, population retaining settlement development, 3. Changing to a low carbon dioxide emission economy, especially in urban areas, 6. Sustainable urban development in cities with county rights), CCHOP (relevant priority: 4. Developments in tourism and environmental protection, 5. Supporting energy efficiency, the use of smart energy and renewable energy usage).

The measures indicated in ECAAP result in the mitigation of environmental impacts and, thereby, health risks and the reduction of greenhouse gas emissions. The information provided by the measures may also contribute to the development of individual energy savings measures, thereby reducing energy costs.

No risks can be identified.

54. Support schemes promoting the use of renewable energy sources

Within the framework of the measure, the fulfilment of the implementation tasks regarding the support scheme arrangements (payment, implementation) and the announcement of new support schemes are planned. One of the major sources of the support schemes has been the Green Economy Financing System (GEFS) since 2014, which is financed by part of the quota income from the EU Emissions Trading System. The increase in renewable energy use is emphasised in the use of the European Union structural funds available in the 2014-2020 period. It shows the commitment of the Government in that the increase in energy efficiency appears as a target to be supported, in addition to the Environmental and Energy-Efficiency Operational Programme and additional Operational **Programmes** (Territorial and Settlement Development Operational Programme, Competitive Central Hungary Operational Programme, Economic Development and Innovation Operational Programme).In addition, the regulatory concept regarding the feed-in scheme (METÁR) of the electric power and heat produced from renewable and alternative energy sources is being drawn up. The current MFT system does not meet the requirements of the Directive, therefore, a support scheme has to be developed instead which fully meets the Directive (on the environmental protection and energy state subsidies provided in the 2014-2020 period). METÁR is based on the requirements of the Directive, but often uses the diversions allowed by the Directive, and also takes into account Hungarian and international experience.

From 2014: GEFS – In the cases of the schemes announced on the charges of the quota income in 2014 and 2015, the decisions on support to be awarded have already been made and the implementation and financial clearance are currently in progress, and are expected to finish in 2016. In the first half of 2016, two new calls for tender will be published.

In addition to the Environmental and Energy Efficiency Operational Programme (EEOP), the intense use of renewable energy sources also appears in other Operational Programmes (TOP, CCHOP, EDIOP) as an objective to be promoted, thereby multiplying the available funding sources.

The pre-notification procedure of METÁR with the European Commission started at the beginning of January 2016.

The increase in renewable energy sources plays a major role in the use of the available EU funds in the 2014-2020 period. In 2016 a total budget of HUF 188bn is expected to be available for the increase of renewable energy sources and the development of building energy within the framework of EEOP 5...

The Government Decision 1006/2016. (I. 18.) on determining the Annual Development Framework of the Economy Development and Innovation Operational Programme includes the EDIOP energy tenders as well; the available budget in 2016 is HUF 90.1bn, in the form of payable and non-repayable subsidies. The CCHOP energy tenders are included in Government Decision 1011/2016. (I. 20.) on determining the Annual Development Framework of the Competitive Central Hungary Operational Programme. The total budget available in 2016 is HUF 21.17bn, in the form of repayable and non-repayable subsidies.

A total sum of 299.3bn HUF will be available for the abovementioned objectives.

As a result of the measure, our energy import dependence and CO2 emissions will decrease, and the rate of production for renewable energy sources will increase, which will contribute to the achievement of the renewable rate prescribed by the Europe 2020 Strategy. The use of renewable energy sources will locally (at the users) reduce energy costs, and — especially in the case of biomass and solar energy utilisation — will contribute to boosting employment in rural areas. Failure to implement the measure will be a risk in meeting the member state requirements defined by Directive 2009/28/EC.

55.	Development s regarding waste management	The 2016 measures include the following:  • Prevention: preventing waste with the widespread dissemination of informed consumer conduct and the promotion of an environment-centred way of thinking;  • Development and measures promoting	Resources of EEOP and TOP are available.	The planned goals provide for sustainable resource management and the mitigation of emissions harmful to the environment.
		the reuse of discarded products;  • Developing separate collection, transport and pre-treatment systems regarding hazardous waste, electrical and electronic waste, battery waste and bio-waste (green waste, used frying oil) as part of municipal waste;		
		Developing new utilisation capacity: the reuse of waste to the greatest possible extent in order to minimise dumping;		
		<ul> <li>Increasing and modernising existing utilisation capacity and encouraging new technology development;</li> </ul>		
		Landfill reclamation;		
		Diverting biodegradable waste from the landfill: disseminating local community and home composting and increasing the use of compost;		
		Measures promoting the reduction of foodstuffs waste;		
		Exploring the possible use of secondary raw materials produced from waste.		

## 4. Objectives of education

Every relevant measure is included in the table of the measures taken in order to implement country-specific recommendation 5.

## 5. Poverty objective

	Description of measure	Brief introduction of measure	Status and further schedule of implementation	Sources and the indication of domestic and EU funds	Description of expected effects
56.	'Chances for Children Programmes regarding disadvantaged and multiply-disadvantaged children				

a)	Supporting
integr	ated regional child
progra	ammes in deprived
region	ns

In the 2007-2013 programming period, integrated, regional Chances for Children programmes were launched (SoROP 5.2.3) in 23 MD small regions, in three tender rounds and with a two-year implementation period. In order to achieve substantial changes, the Chances for Children programmes, with the help of local professionals and decision makers, have prepared a ten-year local child strategy which can only be implemented if the programmes are going on. Accordingly, the EDIOP 1.4.2 scheme continues the long-term inclusion processes which started earlier at the regional level.

Activities: Making services which are important for children and families with children accessible, increasing their capacity; introducing local innovative solutions; early development of abilities; informal learning activities; youth supporting work; promoting career orientation; free-time activities; arranging camps; improving housing conditions; preventive activities; screenings, social work at kindergartens and schools; operating professional and interprofessional networks; increasing the efficiency of the child protection warning system.

Call for tender based on Government Decision 1037/2016. (II. 9.): February 2016 (delayed).

Project period: 5 years.

Human Resource Development Operational Programme priority 1 measure 4

Government Decision 1037/2016. (II. 9.):

HDOP 1.4.2 — Supporting integrated children's programmes in deprived regions.

Budget of the tender: HUF 15bn (implemented only in convergence regions).

In the previous programmes 80,267, persons participated in one of the services. The number of people in the main target group aged between 0 and 17 is 54,379. About 63% of the children reached were disadvantaged (disadvantaged, 25%; multiply-disadvantaged, 38%).

This scheme provides for the prevention of the reproduction of deprivation suffered by children in up to 31 deprived target areas (grantee districts) and the enhancement of children's chances.

As a result of the intervention, the competencies of the parents in terms of life style and raising children will develop, and the children's ability to socialise and the conditions for them to be successful in public education will improve.

As a result of the programme, the change in perception will continue, which is reflected in the sound commitment of the majority of those who work with the children and families, the positive attitude of the local decision makers regarding the goals of the programme, the strengthening of the supporting nature of child care and the increasing number of local activities.

b)		'Goo	od	Pla	ce	to
Be'	-	new	Sι	ıre	St	art
Chil	dre	n H	ous	ses	а	nd
com	ıple	х		chile	dre	n's
programmes						

The project aims to improve access to quality services and programmes, creating opportunities in the settlements with regard to families with children.

- a) Component: to provide early childhood opportunities by establishing Sure Start Children Houses in settlements with a permanent population of 1,000-4,000 where the rate of children in need (with regular child protection benefit) reaches 50%.
- b) Component: to provide the 'Good Place to Be' complex programme scheme in order to accelerate integration in small settlements with a population below 1,000 lacking services where the number of children is not decreasing and the rate of children in need (with regular child protection benefit) reaches 50%.

Call for tender based on Government Decision 1037/2016. (II. 9.): June 2016.

Project period: 2016-2020 (implementation: 48 months).

Human Resources Development Operational Programme priority 1, measure 4

Government Decision 1037/2016. (II. 9.):

EDIOP HDOP 1.4.3 Good Place to Be – new Sure Start Children Houses and complex child programmes in small settlements

Budget of tender: HUF 5.5bn.

Expected cost (domestic budget):

Resources are necessary to be planned first for the fifty newly established Sure Start Children Houses in the 2021 budget.

It is expected that the domestic financing of 'Good Place to Be' Programme shall be first designed in the 2021 fiscal year.

A maximum of fifty new Sure Start Children Houses and at least eighty complex children's programmes in small settlements will be implemented within the framework of the scheme, thereby providing access to quality services and programmes creating opportunities regarding families with children in the deprived settlements.

History of the schemes and their results:

In the 2007-2013 period, 115 Sure Start Children's Houses were established within the framework of SoROP, out of which 112 children's houses operate from the domestic budget from 2015. Children's houses were included in primary child care in Act XXXI of 1997, effective as of 1 January 2013. Children's houses provide services for children under kindergarten age and their parents, thereby developing parents' competencies in raising children. The Children House's projected effect on children is speaking development, cognitive and locomotory development and in cooperative behaviour; the cognitive and behaviour advantages will prevail in kindergarten as well — children will better adapt to kindergarten and have less learning disabilities.

Advantages at school: better performance; less chance of dropping out early; less chance of deviance.

The 'Good Place to Be' integrated small settlement service did not exist between 2007-2013. The target group is children under 25 (aged 0-17) and the youth living in small settlements, if necessary, with the parents' involvement. Within the framework of the development, a community space, open all day, will operate where activities and free-time and prevention programmes take place based on the ages of the groups (e.g., in the morning, for parents with small children, in the afternoon, activities helping with catch-up for those going home from school, in the evening, for youth with the help of appropriate professionals).

	1	Ī		,
c) Professional	The scheme provides for the continuation	Call for tender: 26	Human Resources	The scheme provides for the continuation of the
11		January 2016.	' '	ı '
c) Professional support of integrated children's programmes	of the professional-methodological elements of long-term programmes against child poverty launched in previous years, and can be regarded as the successor project of the SoROP 5.2.1 priority project. The priority project provides for the permanent professional support of 31 integrated regional children's programmes of beneficiary districts, 112 old and 50 new Sure Start Children Houses, and 80 small settlement programmes, characteristically in the peripheral regions of the country which are difficult to access. It aims to provide harmonised, practice-oriented background support for those implementing regional and settlement projects enhancing the opportunities of children, help develop an integrated approach, increase professional efficiency of local projects and establish sustainability.  Activities: network-building within the	Call for tender: 26 January 2016.  Project period: 73 months.	Human Resources Development Operational Programme priority 1, measure 4 Gov. Decree 1037/2016. (II. 9.): HDOP 1.4.1. – Professional support of integrated child programmes. Budget of tender: HUF 3bn.	The scheme provides for the continuation of the professional-methodological elements of the long-term programme against child poverty launched in previous years.  This scheme contributes to the development of services and programmes in local projects which respond better to the needs for the long-term enhancement of opportunities. The number of the projects supported by the programme will also increase: while the SoROP 5.2.1 priority project supported altogether 135 local projects, the HDOP 1.4.1 project is planned to provide the professional support of more than 270 local projects.  By disseminating the community planning method, it will be possible to implement substantive development, even in areas in the worst situations, to avoid skimming and to spread common and responsible thinking about the children's future.
	Activities: network-building within the framework of methodological and professional support; implementing			
	training sessions; raising awareness; developing community; supporting processes, mentoring and assessment and research related to the projects.			

d) Infrastructural background for the Chances for Children programmes	The infrastructural background for HDOP 1.4.2 and 1.4.3 is provided by this scheme. Its aims correspond to the aims of HDOP 1.4.2 and 1.4.3 programmes providing human development. The scheme supports the modernisation of included (existing) buildings, making them appropriate for the required function (developing spaces appropriate for children and youth activities, outdoor and indoor units enabling learning, playing and health-improving physical exercise). Help is provided with the development of the equipment and toolkits necessary for the provision and mobilisation of services and involvement of parents.	Call for tender based on the Gov. Decision of 1037/2016. (II. 9.): June 2016. Project period: 2016- 2022 (implementation: 48 months).	Human Resources Development Operational Programme priority 2, measure 1 Gov. Decision: 1037/2016. (II. 9.): HDOP-2.1.2 Infrastructural background for the Chances for Children programmes; Budget of tender: HUF 5.5bn.	The scheme provides the infrastructural development of the programmes to be implemented in the framework of the Integrated regional child programmes, the Good Place to Be Sure Start Children Houses and the small settlement complex children's programmes.  In the 2007-2013 period the eligibility rules allowed some flexibility — to a determined extent — between ESF and ERDF within the given scheme. Accordingly, the predecessor projects of HDOP 2.1.1 are the following:  - SoROP 5.2.3. (in three rounds of call);  - SoROP 5.2.2. (in three rounds of call).  It is a risk if ESF and ERDF tenders cannot be appropriately adjusted in terms of time and procedure as they contribute to the implementation of the same programme at the local level.
e) Expanding free holiday food services for children in need outside the institutions	Free food services for children in need during holidays have been financed through application, from a continuously increasing specific item in the budget since 2002 (in 2015 about 134 thousand children were provided with the service in 1,482 settlements). Since 1 January 2016, with an amendment to Act XXXI of 1997 on the Protection of Children and the Administration of Guardianship, it became the obligation of local governments to provide free food services during each school holiday (and when nurseries and kindergartens are closed) to every disadvantaged and multiply-disadvantaged child entitled to the regular child protection benefit.	It came into effect as of 1 January 2016. Holiday meals according to this provision will first be provided during the spring holiday in 2016.	HUF 5.3bn provided by Act C of 2015 on the 2016 Central Budget of Hungary.	The holiday provision of free food services to children in need as an obligatory task for the local governments improves these children and their families' living standard and quality of life and reduces the risk of poverty. It improves the health condition of children and promotes their healthy development, thereby improving their chances of social inclusion and reducing the re-production of poverty. Gov. Decision Annex 1 point 4 of 1672/2015. (IX. 22.) on the Government implementation plan for 2015-2017 of the Hungarian National Social Inclusion Strategy II implementation will be satisfied.

	f) Systemic development of early childhood intervention	It is necessary to strengthen early childhood intervention intersectorally in a coordinated way at the national level.  Common intersectoral protocols, modern data structures, following a standardised children's path by developing IT background, applying standardised screening, and measuring and assessment system, etc.	2016-2020 (four-year project).  The professional concept of the scheme has been prepared.	HDOP priority 1: HUF 3.99bn. CCHOP: HUF 1.71 bn.	The social and economic effect of the measure is significant. Due to the well-organised screenings, examinations, developments and therapies, it may contribute to far fewer children having initial disadvantages in public education and, later, in the labour market.
57.	Measures for disadvantaged, primarily Roma, people's social inclusion				

a) Actively for Knowledge	It aims to increase the qualification level of the disadvantaged, including the Roma,	Call for tender based on Gov. Decision	Human Resources Development Operational	The priority project will be implemented by involving 21,000 people, 8,400 of whom will be expected to
Mowiedge	thereby increasing their chances of employment.	1037/2016. (II. 9.): March 2016.	Programme priority 3, measure 7	participate in development training (elementary school completion support, functional illiteracy reduction,
	The aim is to involve people aged 18-55 with a low or no educational level or none	Project period: 2016-2019 (three-year	Gov. Decision 1037/2016.	providing the basis for learning a profession and basic skills development).
	at all in order to help them become	project).	HDOP 3.7.1 – Actively for	Predecessor projects:
	employable and be capable of self-care.		knowledge.	1. SoROP 5.3.8B – results:
			Budget of tender: HUF	Number of those involved in the programme: 44,142;
			6.3bn.	Number of those involved in competency development training: 17,846;
				Number of those who have successfully completed the development training: 14,500;
				Number of those who have successfully completed the development training and participated in subsidised employment/public work and were involved in the employment programme: 3,500;
				Number of those being employed for at least 90 days in the 180-day period following the successful completion of the competency development training: 1,750.
				2. SoROP 5.3.10 – results:
				In the competencies assessment, 16,000 persons have been involved.
				Of these, 8,602 of them started the 400-hour training aimed at the development of key competencies, which also included lifestyle knowledge, but they also had the chance to obtain basic household, agricultural or architectural knowledge, depending on needs.
				7,544 people got the certificate, proving the successful completion of the training.
				2,851 people could find a job in the labour market within a short time.

b) 'Growing Chance' – the Roma's training embedded in training and employment	The scheme aims to improve the social inclusion and employment of the unemployed Roma suffering from social prejudice and labour market discrimination by increasing the number of them in public service employment.  The subsidised employment of the target group in public services (e.g., in social, child care and public education institutions), and the support of the target group's training by adjusting to the qualification needs of the job will be realised.	Call for tender based on Gov. Decision 1037/2016. (II. 9.): February 2016.  Project period: 2016-2020.  Gov. Decision 1011/2016. (I. 20.)  Call for CCHOP: January 2016.  Project period: 2016-2020.	Human Resources Development Operational Programme priority 1, measure 1 Gov. Decision 1037/2016. (II. 9.) HDOP 1.1.2. — Growing Chance — the Roma's training embedded in training and employment. Budget of tender: HUF 4.05bn. Gov. Decision 1011/2016. (I. 20.) CCHOP-7.1.1-15 — Growing Chance — the Roma's training embedded in training and employment.	Within the framework of the project, altogether 400-500 Roma people – primarily Roma women – will be employed in public services, and the necessary training of the target group participating in the related tender scheme will be carried out (1,000 persons).  The predecessor projects of the scheme are the priority SoROP 5.3.1.B-1-11/1 and the tendered SoROP 5.3.1-B-2-12/2 projects, in which more than 1,107 Roma women obtained a vocational qualification in one of the listed areas: kindergarten nurse; childminder; early childhood teacher; child and youth supervisor; social carer and nurse; and social assistant. As a result of the programme, 499 persons from among those qualified will be employed in the social and child care system.
'Growing Chance' – the Roma's training embedded in employment	The scheme aims to improve the social inclusion and employment of unemployed Roma suffering from social prejudice and labour market discrimination by increasing the number of them in public service employment.  The subsidised employment of the target group in public services will be satisfied (e.g., in social, child care and public education institutions).	Call for tender based on Gov. Decision 1037/2016. (II. 9.): February 2016. Project period: 2016- 2020 (24-month subsidised employment).	Human Resources Development Operational Programme priority 1, measure 1 Gov. Decision 1037/2016. (II. 9.) HDOP 1.1.3. — Growing Chance — the Roma's training embedded in employment. Budget of tender: HUF 3.15bn.	Within the framework of the project, altogether 400-500 Roma people – primarily Roma women – will be employed in public services.  The predecessor projects of the scheme are the priority SoROP 5.3.1.B-1-11/1 and the tendered SoROP 5.3.1-B-2-12/2 projects in which more than 1,107 Roma women obtained a vocational qualification in one of the listed areas: kindergarten nurse; childminder; early childhood teacher; child and youth supervisor; social carer and nurse; and social assistant. As a result of the programme, 499 persons from among those qualified will be employed in the social and child care system.

c) Roma mentor network development	It aims that the programmes for social inclusion reach the disadvantaged—primarily the Roma – at a higher rate than previously. In order to achieve this there shall be a 'facilitating and supporting mechanism' so that the programmes creating opportunity and mitigating disadvantages widely reach the Roma, and the Roma communities get information and actively participate in the programmes.	Call for tender based on Gov. Decision 1037/2016. (II. 9.): April 2016.  Project period: 2016-2020 (implementation period: four years).	Human Resources Development Operational Programme priority 1, measure 3 Gov. Decision 1037/2016. (II. 9.) HDOP 1.3.2 — Roma mentor network development. Budget of tender: HUF 2bn.	The scheme carries out an activity which fills the gap: due to the activity of 100 Roma mentors and 10 mentor coordinators, about 8,000 Roma will be included, primarily in employment and training programmes.  The results of SoROP 2.2.15 Supporting Roma Inclusion priority methodology project as the predecessor project of this scheme:  - Nation-wide in twenty places, national Roma non-profit work agency network;  - Roma early childhood development institution network and public education network;  - Roma pedagogical service institution; and  - Roma administrative networks were established.  Within the framework of the programme, 43 people were trained in Roma non-profit work agencies, 1,215 in early childhood, public and vocational education and 206 in Roma administrative network work.
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d) Supporting Inclusive Cooperations	The priority project aims at the professional and methodological support of regional inclusion programmes and the harmositaion of their tools.  Partial aims:
	- Continuous professional support of segregated settlements programmes, enhancing the efficiency of the projects and promoting their social acceptance; - Establishing regional cooperation and the extension thereof and coordinating the cooperating partners;
	- Establishing Roma women's civil organisations and helping their networking

and supporting existing

organisations which deal

women's representation

exclusion processes and

Roma women;

interventions

Mitigating

professional processes.

improvement of their situation as a priority

for the more active and aware participation

in community, society and public life of

regional

reversing

Call for tender based on Gov. Decision 1037/2016. (II. 9.): March 2016.

Project period: 2016-2021 (a 4.5 year period).

civil

Roma

and

with Roma

differences.

settlement

supporting

**Human Resources Development Operational** Programme priority 1, measure 6

Gov. Decision 1037/2016. (II. 9.):

HDOP 1.6.1. — Partnerships in Support of Inclusion

Budget of tender: HUF 1.98bn.

Gov. Decision 1011/2016. (1. 20.):

The priority project provides a continuous standardised and an overall professional and methodological support for the implementation of the regional inclusion programmes, especially for the Complex Programmes to Eliminate Segregated settlements.

The predecessor project of the scheme is SoROP 5.3.6./B-13/1-2014-0001 'Professional and Methodological Support for the Implementation of the Programme Aimed at Reversing Depopulating Villages' social and economic processes' priority project, which provided professional and methodological support for each SoROP 5.3.6/11 'Complex Segregated settlements Programme' (55 pcs); SIOP 3.2.3/A, 'Supporting Housing Investments' (8pcs) and Sorop 5.3.11, 'Reversing Depopulating Settlements' Deteriorating Social-Economic Processes' (6pcs); schemes with the following major interventions: professional process follow-up; supervision and social expert's support; territorial, regional and national forums; data collection and service; 'best practice software' development; accrediting and organising training programmes; developing standardised inclusion methodology; elaborating studies and guidelines to help those implementing the future tender schemes of the 2014-2020 programmes; and developing e-learning sample teaching material.

e)	Con	nplex			
Prog	Programmes t				
Elim	inate	Segrega	ated		
settl	ement	s (ESF)			

The segregated settlements programmes aim to help the social inclusion and integration of disadvantaged people living in segregated environments and severe deprivation.

The interventions of the project aim at three target areas:

- Places of segregation not affected by previous segregated settlements programmes, where the aim is to stop further exclusion and raise the status of the population of the area, and the rehabilitation thereof;
- Non-urban places of segregation where complex segregated settlements programmes have already been carried out (SoROP 5.3.6-11), where the aim is to carry out further developments and achieve new results.
- 'Wild segregated settlements', which are places of segregation at least 1km from the settlements. Their characteristic feature is the total or nearly total lack of infrastructure. In the cases of such places of segregation, the aim is to totally eliminate the segregated settlements and integrate those living there.

Call for tender based on Gov. Decision 1037/2016. (II. 9.): June 2016

Project period: 2016-2020 (four-year project).

Gov. Decision 1011/2016. (I. 20.)

Planned call for CCHOP: June 2016.

Project period: 2016-2020 (four-year project). Human Resources Development Operational Programme priority 1, measure 6

Gov. Decision 1037/2016. (II. 9.)

HDOP 1.6.2. — Complex Programmes to Eliminate Segregated settlements (ESF).

Budget of tender: HUF 22bn.

Gov. Decision 1011/2016. (I. 20.)

CCHOP 7.1.4-16 — Complex Programmes to Eliminate Segregated Settlements (ESF).

Financing from the budget of CCHOP: HUF 0.45bn.

In 823 settlements and 10 districts of the capital city, there are more than 1,600 – mostly Roma, populated segregated settlements and parts of settlements lagging behind, where about 3% of the total population lives. It is expected that complex programmes will be launched in at least 110 segregated settlements by involving at least 7,000 people.

Expected quantifiable results:

- Minimum 7,000 target group members;
- Minimum 110 settlements where programmes aimed at integrating places of segregation will be implemented;
- The number of people participating in the training as a result of the programme: minimum 5,250;
- The number of those having accomplished the training successfully as a result of the programme: minimum 3,150;
- The number of people given health screening and specialised care within the framework of the programme: minimum 1,400.
- The number of people leaving the programme with a positive result: minimum 4,200.
- The number of people having been employed at least three months within six months following the closure of the individual development plan: minimum 786;

The predecessor project of the scheme is the SoROP 5.3.6-11/1 Complex Segregated settlements Programme scheme, within the framework of which altogether 55 settlements (25 of non-urban and 30 of urban status) have implemented the programme, from a budget of HUF 8.04bn. The number of those involved in the programme is more than 4,700 persons, with nearly 2,900 in the training, whereas the number of those having completed the training successfully is 2,421. The rate of the Roma among the participants is 61%.

	f) Complex	The aim is to enhance the social inclusion	Call for tender based on	Human Resources	In 823 settlements and 10 districts of the capital city,
	Programmes to Eliminate Segregated Settlements (ERDF)	and integration of disadvantaged people living in segregated environments and severe poverty by improving their housing conditions.  Interventions:  - Launching and strengthening desegregation processes with new social housing and the promotion of housing mobilisation;  - Developing residential buildings; - Eliminating life-threatening flats and those inappropriate for living in order to dissolve segregation; - Handling health-damaging environmental problems and establishing a more liveable residential environment; - Improving access to services.	Gov. Decision 1037/2016. (II. 9.): June 2016 Project period: 2016- 2020 (four-year project).	Development Operational Programme priority 2, measure 4  Gov. Decision 1037/2016. (II. 9.)  HDOP 2.4.1 — Complex Programmes to Eliminate Segregated Settlements (ERDF):  Budget of tender: HUF 22.85bn.	there are more than 1,600 – mostly Roma, populated segregated settlements and parts of settlements lagging behind, where about 3% of the total population lives. It is expected that coplex programmes will be launched in at least 110 segregated settlements by involving at least 7,000 people.  The scheme supplements the set of intervention tools supported by HDOP 1.6.2 Complex Programmes to Eliminate Segregated Settlements (ESF) scheme with the improvement of living conditions.  Its predecessor project is SIOP 3.2.3 A-13/1, the Subsidising Housing Investments scheme, within the framework of which altogether eight settlements were supported to launch and stimulate desegregation processes by establishing new social housing and housing support mobilisation. Results: 73 renovated flats, with 488 target group members. Net area of renovated flats is 3,470m². Number of renovated residential buildings: 17, with a net area of: 2,961m². The number of newly-built social housing units is 39, and the number of families affected by the housing investments is 132.
58.	Mitigating regional Disparities				

2)	Endless	Based on Gov. Decision 290/2014. (XI. 26.),	Call for tender based on	Human Resources	The target area of the programme is the five districts in
a)			the Gov. Decision		· ·
	opportunities –	the project aims to launch the pilot		Development Operational	which the greatest accumulation is shown regarding
	Pilot programme	programme in the five districts having the	1037/2016. (II. 9.):	Programme priority 1,	economic, infrastructure, social and labour market
	for the regional inclusion of the	lowest complex indices:	September 2016	measure 5	disadvantages, and the rate of the population living in
	least developed districts	- Curbing further exclusion of the least developed regions concerned to stop exclusion and reduce the large differences within the region by developing the local communities and enhancing the local	Period: 2016-2020 (implementation period: four years)	Gov. Decision 1037/2016.  (II. 9.)  HDOP 1.5.1. — Pilot programme for the regional inclusion of the least	poverty is significantly higher than the Hungarian average.  The programme is expected to be implemented in about 15 settlements involving 500 Roma.  As a result of the project, the cooperation between the settlements of the districts concerned will increase. The
		communities' way of thinking;  - Running the interventions aimed at improving the population's life chances, quality of life, access to services, managing disadvantages, mobilisation and activating the capacity of the community;  - Supporting and developing under-motivated services and services lacking capacity, using the opportunities of connecting services.		developed districts:  Budget of tender: HUF 2bn.	access to public services of those living in the settlements of the districts concerned will improve. The local development policy of the district's settlements and their harmonisation at the district level, and the ability to raise funds and implement the programmes necessary for the developments will improve. The disparities between the settlements within the district will decrease.
b)	Backyard Programme	By implementing the programmes of backyard farming, local food production will increase, partly with the aim of personal food provision (self-sufficiency), and partly with the aim of processing and selling products locally. The short supply chain provides for energy savings and GHG emissions reduction by drastically shortening or eliminating transportation miles.  Mentoring and getting the village population back to work are of special importance.		HUF 300,000,000  (according to Act C of 2015 on the 2016 Central Budget of Hungary, a part of the appropriation of the Homestead Development Programme of the Ministry of Agriculture, Chapter XII)  Budget is for 2016; the programme lasts for several years.	A risk to be considered is the possible lack of motivation regarding the rural population. Beneficial effects: dissemination of locally-produced and processed food; revival of backyard farming; increase in employment and, thereby, income production capability.

c) Homestead Development	The programme aims to reduce the disadvantages of the farmstead lifestyle	HUF 920,000,000 (according to Act C of 2015	A risk to be considered is the possible lack of motivation regarding the rural population. Beneficial effects:
Programme	and to renew farming by saving its values. The programme deals with the electricity supply of farmsteads without electricity as a special target area; this concerns individual developments using renewable energy, based on solar energy. The main target group of the scheme are the people farming and living on homestead farms. In addition, within the developments announced for local communities within municipalities, it will be possible to develop farmstead caretaker services (target group: the elderly; families with children; those socially in need), to establish farmstead trademarks, water quality examinations, improvements aimed at public security and the implementation of public lighting and farmstead dormitories.	in the 2016 Central Budget of Hungary).  Budget is for 2016; the programme lasts for several years.	significant improvement of the quality of life of those living on farmsteads; an expansion in the use of renewable energy sources; and a farmstead caretaker network helping individuals and families in social need.

## **FURTHER REFORMS**

	Description of measure	Brief introduction of measure	Status and further schedule of implementation	Sources and the indication of domestic and EU funds	Description of expected effects
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59.	Supporting the preventive capacity of the health care system	Establishing new Health Promoting Offices (HPO) in order to achieve complete national coverage (the long-term aim is that HPOs shall operate in every district). In addition to the existing ones, the new HPOs will also serve a new function through carrying out mental health development care. The already existing HPOs will be further developed by the mental health development function.	Based on Gov. Decision 1037/2016. (II. 9.), the call for tender is expected in 2016.	HDOP 1.8.2 — 'Developing the Local Capacity of the Public Health Institution System'; budget of tender: HUF 7bn.  CCHOP 7.2.2 — 'Developing the Local Capacity of the Public Health Institution System'; budget of tender: HUF 1.7bn.	As a result of the project, a single health development and institution system will be established, in the framework of which easily accessible community programmes will be implemented and policy aims and campaigns can also be more effectively implemented at the local level. The target group of the Health Promoting Offices is the entire Hungarian population, also including children.  As a result of the measure, 64 new HPOs may be established. The establishment of HPOs (14) in the CHR is also possible, which could not be done in the previous period.  Predecessor projects: within the framework of the SoROP 6.1.2/11/3 and SoROP 6.1.2/11/1 and Sorop have been established and are operating in the country.
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60.	Complex health screening	The overall aim of the development is:  -The increase in the efficiency of public health programmes, primarily the prevention of cancer and the reduction of its risk.  -The development of the population's health awareness and a review and modernisation of the screening system.  -The reduction of the risks of diseases and deaths that can be prevented by screenings; the development of the overall regulation of screening.  Implementation:  The regulatory framework of screening will be elaborated by planning and organising the regulatory process, structure and competencies; the targeted screening system aimed at public health will further be developed (breast, cervical smear and colon screenings); organised public colon screening will be extended country-wide; the efficacy and the overall health-economic impact assessment of screenings will be conducted, which are operating and are of primary importance from a public health point of view, or which are likely to be introduced and efficient.	Call for tender: January 2016.	HDOP 1.8.1-CCHOP/15: — 'Complex Health Screening'.  Budget of tender regarding all the regions: HUF 6.57bn.  (HDOP HUF 4.6bn, CCHOP HUF 1.97bn non-repayable subsidies)	Improvements in demographic indices and health conditions.
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61. d	Primary care development I-II focusing on public health	a) Within the framework of primary care development, fifty new general partnership practices are planned to be established by involving an additional 400 practices. The services close to the population will be extended:  - Making the public health services an integral part of primary care;  - Extending the scope of locally available definitive care;  - Strengthening the cooperation of those working in primary care;  - Precisely defining GP competencies in their duties, training of health care workers, developing necessary teaching material;  - Developing a primary care-centred training programme;  - Developing primary care infrastructure and mitigating accessibility inequalities.	Call for tender: in 2016.	HDOP 3.8.3 budget of tender: HUF 7bn. CCHOP 7.5.1-15 budget of tender: HUF 3bn.	More effective primary care, taking the burden off the higher care levels, developing care close to the population and strengthening general practitioners' gatekeeper role. Before this measure, four group practices were established in the deprived regions as pilot programmes; the evaluation of their operation is in progress.
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		b) The decree on the implementation of the act on primary care is under preparation; it focuses primarily on the general partnership practice community and the definition of the aspects of establishing a group practice, which may be established in order to provide a more effective preventive care within primary health care.	The Parliament adopted Act CXXIII of 2015 on Primary Care last year.	Health Insurance Fund Chapter of LXXII in the Budget of 2016, 2.3.1.22 Primary Care Renewal phase II: HUF 10bn.	More effective primary care, taking the burden off the higher care levels, developing care close to the population and strengthening the general practitioners' gatekeeper role. Several measures have promoted the strengthening of primary care in the last years, including a 50% higher fixed remuneration for general practitioner services, which are obliged to treat patients in the most deprived settlements of small regions in order to reduce regional inequalities regarding GP primary care. The primary care in the practices that have vacancies will be provided by the so-called 'Practice Programmes', the practice-change programme and the resettlement allowance for general practitioners.
62.	National Health Programme for Desired Child Birth	The professional concept of the priority project has been prepared. The measure aims to increase the number of healthy newborn babies year after year through the prevention of infertility, an improvement in infertile couples' accessibility to examinations and therapy, special examinations and treatments in the case of an unsuccessful pregnancy, the intense protection of pregnant women and the making of information for the population widely available.	Call for tender: in 2016.	HDOP 1.8.4: HUF 1.75bn. CCHOP-16: HUF 0.75bn.	Improving demographic indices.

63.	Developing child emergency and traumatologic al care	The measure aims to achieve the strategic goal of traumatological and emergency care of an adequate standard being availble in time and space for those aged eighteen or under and special and necessary and professionally controlled care of the highest standard being provided with a wide-ranging, regulated, regional and country-wide availability.  In order to achieve these strategic objectives, the following are indIPSensable:  - The establishment of and professional concentration on the largest child, emergency and traumatological knowledge centres and practical training centres;  - The establishment of an effective, sustainable child traumatological and child emergency and traumatological care system of a high standard, which could even be a model for Europe;  - The accumulated concentration of specific professional knowledge in child care;  - The strengthening of the child traumatology and child emergency professions.	Call for tender will be announced in 2016.	HDOP2.2.1: HUF 8.65bn. CCHOP-15: HUF 1.35bn.	The accessibility and quality of care will improve.
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64.	Wage development in the health sector	In the 2012-2013 period there was a significant wage increase for health care workers. The adjustment of the so-called variable pay elements (on-call duty allowance, standby allowance, overtime pay, shift work allowance) to the increased basic salary were regulated by law as of 1 January 2016. The rules regarding medical speciality training have changed according to the regulation effective as of 1 July 2015; resident remuneration is provided by the central budget. The support of young medical specialists has been introduced as a new support scheme, according to which doctors working full-time in publicly-financed care in Hungary have been given HUF 151,000 gross monthly aid for five years after having passed the qualifying exam since 1 January 2016. The 'Scholarship Programme for Nursing Students in Support of their Career Choice' has also been announced from the 2015 budget of HDOP.	The implementation of the measure is ongoing.  Call for tender of the 'Scholarship Programme for Nursing Students in Support of their Career Choice': February 2016
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Health Insurance Fund Chapter of LXXII in the Budget of 2016, 2.3.1.13, Benefits in Kind and Preventive and Curative Care — objectives:

- Adjusting variable pay: HUF 12.8bn.
- Supporting young medical specialists: HUF 2.5bn.

Ministry of Human Capacities Appropriation 22.20, Chapter 20 of XX in the Budget of 2016: Supporting the Operation of the Resident System: HUF 6.78bn.

HDOP 1.10.1 'Scholarship Programme for Nursing Students in Support of their Career Choice': HUF 4.4bn.

The most important recent measures for improving the situation regarding salaries:

- Single sectoral measures improving the situation regarding salaries in 2011;
- Wage development in the health care sector in 2012 and 2013, as a result of which the remuneration of 75,000 health care workers increased by 24%;
- Since 2013, health care institutions have been awarded HUF 53.4bn on an annual basis to provide a wage increase.

As a result of the measures, the social prestige of health care workers will increase, and the sector's retention capabilities will improve.