

OUTPUT FACT SHEET

Pilot actions (including investment, if applicable)

Version 3

Project index number and acronym	CE1345 SIV
Output number and title	O.T3.1 Voucher System tool - Hungary
Investment number and title (if applicable)	n/a
Responsible partner (PP name and number)	PP4 - IFKA Public Benefit Non-profit Ltd.
Project website	https://www.interreg-central.eu/Content.Node/SIV-.html
Delivery date	31 May 2022

Summary description of the pilot action (including investment, if applicable) explaining its experimental nature, demonstration character and transnational added value

IFKA Public Benefit Non-profit Ltd. developed and tested a voucher-based employment programme in the framework of the Social Impact Vouchers pilot action in Hungary.

The programme addressed the challenge of the high unemployment rates in the most disadvantaged regions and settlements of the country, which could not have been treated effectively and successfully by the traditional labour market instruments.

In order to provide a more effective alternative of these instruments, the pilot action aimed at developing a flexible employment tool that could be integrated with the ongoing social service programs already being present in those regions, ensuring this way the complex approach of complicated socio-cultural problems, of which the high unemployment rate is a symptom.

The pilot action was developed according to common principles jointly developed by the partnership, on the basis of the initial desk research and mapping activities (D.T1.2.5 Report & Infographics for Target Group Segmentation, D.T1.2.2 Voucher report), which revealed the characteristics of the Hungarian labour market as well as the labour market programmes and instruments which are available for the mitigation of the labour market problems and challenges in the country. Based on the results of the mapping the voucher strategy (Output O.T1.1) and the action plan (Output O.T1.2) had been developed as well as the voucher process (D.T.3.1.1), the management workflow (D.T.3.1.5) and the voucher recruiting concept (D.T.3.3.1). Important stakeholders had been involved in this development process in the form of workshops (D.T1.1.5 Stakeholder Dialogue, D.T1.2.4 Voucher Strategy stakeholder dialogue) who contributed significantly to the design of the SIV pilot.

As the result of the planning process an experimental voucher model was developed by IFKA which was simple enough to test the operability of a voucher-based employment programme in the most disadvantaged settlements of Hungary. The model also included the potential for extension in the case of success. According to the initial voucher model, the Hungarian pilot programme issued vouchers for employers to cover the recruitment and matching costs related to the employment of disadvantaged job seekers. The pilot was implemented in selected communities (e.g. Nyírkáta, Nyírmihálydi,

Nyírpilis, Piricse, Tarpa) of the “Emerging Settlements” Programme, which is a central governmental programme managed by Hungarian Charity Service of the Order of Malta. The Programme is implemented in the 300 most disadvantaged settlements of Hungary and provides diagnosis-based complex social services to tackle the complicated socio-cultural problems and challenges of these settlements.

The pilot was implemented with the professional support of the TUTOR Foundation which is a civil organization being involved in the implementation of the “Emerging Settlements” Programme in Eastern Hungary. The foundation provided labour market services to the recipients of the vouchers, namely recruitment and matching services financed from the “Emerging Settlements” programme budget and administrative services to IFKA financed from the budget of the SIV project.

The pilot action was implemented between the February, 2021 and December 2021. During the testing period 4 vouchers had been issued in the nominal value of 8,000.00 EUR to the two employers (Hungarian Charity Service of the Order of Malta Association and Tranzit Food Ltd.) which joined the programme. Six recruitment events were implemented in the selected settlements, 43 participated in the events, 66 job seekers registered to the programme of which 40 job seekers were matched with the employers and got employed for at least 3 months with a potential extension or for longer periods. According to the experimental nature of the pilot action, IFKA continuously collected and evaluated the data of the employers and the job seekers. Main data acquisition points were: registration, onboarding to the programme and offboarding from the programme. The collected data was processed and assessed with the support of PP10 (WU) based on a jointly developed evaluation methodology in the frameworks of the regular data evaluation labs. The results of the pilot had been demonstrated on several forums including blog posts, stakeholder briefings, webinars and the Policy and Practice Conference at the end of the project.

The results of the evaluation have been used for the further development of the voucher model including its extension with additional services. These developments were ordered by the Hungarian Charity Service of the Order of Malta based on the experiences of the experimental programme in which they participated. The proposal for the voucher-based employment programme element of the “Emerging Settlements” Programme developed accordingly was presented to the representatives of the “Charity Service” on the 31st of May, 2022.

NUTS region(s) concerned by the pilot action (relevant NUTS level)

NUTS 2 level - HU32, Észak-Alföld

NUTS 3 level - HU323, Szabolcs-Szatmár-Bereg county

Investment costs (EUR), if applicable

Not relevant

Expected impact and benefits of the pilot action for the concerned territory and target groups and leverage of additional funds (if applicable)

- What is the expected result of the pilot action, how will it contribute to improving the situation in the territories?

- Direct and short term results of the pilot action were:
 - 2 employers became committed to recruiting employees from the most vulnerable target groups
 - Creation of 40 jobs in one of the most disadvantaged regions of Hungary
 - Job placement of 40 job seekers from the most vulnerable target groups: mainly members of ethnic minority groups (the Roma), persons with low education, reduced working capacities and disabilities, people under 25 and long term unemployed
 - 59% of participants became more reliable in fulfilling their tasks
 - 58% of the participants learned how to work independently

- Development and long term expectations:

Based on the results of the experimental voucher program and the lessons learned during the implementation of the pilot, IFKA elaborated a proposal for scaling the voucher program and integrating it in the ‘Emerging Settlements Programme’. The voucher program will provide an extended circle of services including services to support on-the-job training and skills development of target group members, wage subsidies and work integration and labour force retaining services (e.g. healthcare consultancy, transportation and accommodation, etc.) besides the tested recruitment and matching services.

- **Has it led to an uptake at policy or institutional level?**

The program planned as the result of the pilot action will be implemented within the Recovery and Resilience Plan of Hungary.

- **Will it leverage additional funds (e.g. is any upscaling foreseen)?**

The financial resources will be provided by the Recovery and Resilience Facility (RRF) for the ‘Emerging Settlements Programme’ including the proposed voucher programme. The proposed financial pocket proposed to be allocated for the voucher programme from the budget of the ‘Emerging Settlements Programme’ is EUR 1,39 million. **IFKA expects that based on the experiences of the pilot action an effective labour market instrument has been developed that will be attractive to potential employers due to its modular structure that ensures its flexibility and adaptability to employer and job seeker needs. The scaled voucher program will be integrated into the “Emerging Settlements Programme” which supports the implementation of the program with providing labour market preparation and social services to the target group of the programme.**

- **Who benefits from it and how?**

- 2 employers being active in the employment of disadvantaged job-seekers in the action territory of the “Emerging Settlements” Programme.
- 40 job seekers being in disadvantaged labour market situation from certain

settlements (e.g. Nyírkáta, Nyírmihálydi, Nyírpilis, Piricse, Tarpa) of the Emerging Settlements Programme action territory

- According to the preliminary plans that had been developed in the framework of the SIV project and are direct results of the pilot action, IFKA expects that the complex voucher programme will contribute to the improvement of the labour market situation of the most disadvantaged settlements in Hungary by creating new jobs for **1.000 persons** from the most vulnerable target groups (e.g. long term unemployed, Roma, younger than 25, over 50, single parents, low educated people, etc.) at **60 employers** (SMEs, social enterprises, big and multinational companies) committed to recruiting employees from the most disadvantaged target groups in the target area.

Sustainability of the pilot action results and transferability to other territories and stakeholders

IFKA prepared and submitted its proposal for scaling the voucher program within the frameworks of the ‘Emerging Settlements Program’. The proposal is under approval by the Hungarian Charity Service of the Order Of Malta as the responsible body for the ‘Emerging Settlements Programme’.

- **Which lessons learned from the development/implementation process should be considered?**

IFKA integrated the experiences gained and the lessons learned during the pilot action for testing the voucher program in the scaling proposal. The most important of these experiences had been taken into consideration in order to improve the effectiveness and increase the positive impacts of the voucher program as follows:

Lessons learned	Voucher programme improvements
Due to the complex background of their long-term unemployment, the target group needs complex and long-term support regarding labour market skills development, preparation for work, work integration and job-retaining. “Job placement and employment are not enough!”	The service portfolio of the voucher programme had been extended significantly, thus it includes: <ul style="list-style-type: none"> • Recruitment and matching services • On-the-job training and skills development services <ul style="list-style-type: none"> ○ Wage subsidies in case of the target group members participating in on-the-job training and skills development ○ Wage subsidies in case of those team leaders who are mentoring and supporting the work integration of the target group • Work integration and job-retaining services: <ul style="list-style-type: none"> ○ Healthcare consultancy services ○ Works-start package (work
Employers as beneficiaries of the program emphasized the importance of the profound preparation of the target group for the work as well as their need for supporting the preparation and sensitization of the existing staff, especially team leaders for the reception and integration of the special target group.	

	<p>clothes, hygiene package etc.)</p> <ul style="list-style-type: none"> ○ Transportation and accommodation services ○ Onboarding bonuses after 3 months <p>Furthermore, the voucher programme is integrated into the ‘Emerging Settlements Programme’ and builds a lot on the social work as well as the mentoring and employment follow-up services provided by the latter.</p>
<p>Due to the complex reasons for long term unemployment of the target group the services provided by the voucher programme should be more tailored and even personalized both in case of job seekers and employers</p>	<p>The wide range of services and the modular structure of the program ensure the variability and adaptability of the programme that can be tailored to various employer and job seeker needs accordingly.</p>

- **Which other stakeholders could benefit from this output and use it in the future?**

Based on the proposal the following stakeholders will implement the programme and benefit from it:

- Programme responsible organizations:
 - Hungarian Charity Service of the Order of Malta
- Programme implementing bodies:
 - Don Bosco Salesian Society
 - Greek Catholic Church - Archdiocese of Hajdúdorog
 - Faith Church Roma Missionary Network
 - Society of Jesus (Jesuit Order)
 - Saint Elisabeth Foundation of Kaposfő
 - Caritas Hungary
 - Hungarian Pentecostal Church National Roma Mission
 - Hungarian Reformed Church Aid
 - Diocese of Miskolc
 - Oltalom Charity Association
 - Hungarian Interchurch Aid
 - St. Francis Foundation for the Poor
 - St. Martin's Caritas Foundation
 - I Will Shine! Association
- Voucher beneficiaries (potential employers):
 - SMEs operating in the target area
 - Social enterprises operating in the target area
 - Big and multinational companies recruiting their employees from the target area

- **How will this output be sustained and continued after the project end?**

The approved voucher programme proposal will be integrated into the ‘Emerging Settlements Programme’ that will provide financial resources (approximately EUR 1,39 million) for the implementation, ensuring the sustainability of the programme until 2026. The sustainability of the programme also will be supported by the labour market preparation, skills and competence development and social services provided by the ‘Emerging Settlements Programme’ to the target group of the voucher programme, which will ensure the embeddedness of the program in the local social and economic environment.

In addition, it is planned to attract and involve private investors (potential employers) and donors (philanthropic funders) in the financing of the voucher programme which further strengthens the financial stability and sustainability of the program.

- **How can this output be used in other territories?**

The replicability and transferability of the program are ensured by the standardized and well-documented development process and implementation as well as the transparent and well-communicated scaling process. The documents of the pilot phase (methodologies, programme plans, reports, indicators and results of impact measurement) are already published on the project website (<https://programme2014-20.interreg-central.eu/Content.Node/SIV-.html>) in the Documents and SIF Starter Kit sections.

The detailed description of the voucher-based employment programme element proposal elaborated by IFKA for the Hungarian Charity Service of the Order of Malta will be available for public after the approval of the programme plan. Accordingly, the program will be easily adapted by further organizations or institutions which also would like to find innovative solutions for the employment problems of vulnerable social groups/disadvantaged territories.

If applicable, contribution to/ compliance with:

- relevant regulatory requirements
- sustainable development - environmental effects. In case of risk of negative effects, mitigation measures introduced
- horizontal principles such as equal opportunities and non-discrimination

As the main objective of the pilot was to create jobs for disadvantaged job seekers it was obvious that horizontal principles such as equal opportunities and non-discrimination had been integrated in the programme. Accordingly, the majority of the target group involved in the program belonged to at least one disadvantaged labour market groups. Due to this approach 37 persons of the total 40 involved in the program belonged to an ethnic minority group (the Roma), 17 had low education, 12 had disabilities or reduced working capacities, 10 of them were younger than 25 years old and 10 had been long term unemployed.

Equal opportunities and non-discrimination remained priority principles in the case of the scaled voucher programme according to the programme proposal elaborated and submitted by IFKA to the Hungarian Charity Service of the Order of Malta.

References to relevant deliverables (e.g. pilot action report, studies), investment factsheet and web-links

If applicable, additional documentation, pictures or images to be provided as annex

More information of the output O.T3.1 Voucher System Tool can be found in the following main deliverables prepared within the frameworks of the WP T3 Pilot vouchers:

- D.T.3.1.1 Voucher Process
- D.T.3.1.5 Voucher Management Workflow
- D.T.3.2.1 Improved Voucher Process
- D.T.3.2.4 Improved Voucher Management Workflow
- D.T.3.3.1 Recruiting Event concept and timeline
- D.T.3.3.2 Voucher Recruiting Events
- D.T.3.3.3 Contact Lists
- D.T.3.3.4 SME Registration
- D.T.3.3.5 Voucher Distribution
- D.T.3.4.1 Stakeholder Briefings
- D.T.3.5.1 Status Report on progress of work experience
- D.T.3.6.1 Status Report on job seekers Experience