

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

The main challenge that the Hungarian pilot action intended to address was the high unemployment rate in the most disadvantaged regions and settlements of Hungary which could not have been treated effectively and successfully by the traditional labour market instruments. According to the preliminary screening of the Hungarian labour market and employment landscape (D.T1.2.5 Report & Infographics for Target Group Segmentation, D.T1.2.2 Voucher report), these instruments are rather ineffective in the most disadvantaged settlements and regions because the unemployment is a symptom of an extremely complex system of disadvantages and problems (e.g. physical isolation, commuting difficulties, lack or limited availability of public services like sewerage, public transportation, healthcare and childcare services, lack of quality education, poor housing conditions, high rate of undereducated people, high rate of Roma population facing with discrimination, etc.) that requires flexible, complex and personalized labour market services which the public systems hardly can provide.

Accordingly, the Hungarian pilot action intended to introduce and test voucher-based labour market services which on the one hand incentivize employers to recruit new employees from the most disadvantaged regions and settlements while can be fit and integrated with the ongoing complex social service programs already being present in those regions. Based on these general goals the Hungarian pilot action aimed at providing voucher-based recruitment and matching services to employers which were open and interested to recruit new employees from the most disadvantaged settlements in the Northern Great Plains Region (e.g. Nyírkáta, Nyírmihálydi, Nyírpilis, Piricse, Tarpa),

where the Hungarian Charity Service of the Order of Malta already provides diagnosis based complex social services to the most vulnerable people in the frameworks of the ‘Emerging Settlements’ Program. In this regard the Hungarian pilot action aimed at developing and testing the missing employment pillar of the ‘Emerging Settlements’ program and creating jobs for 40 disadvantaged job-seekers.

The Hungarian pilot action had been developed according to the methodology jointly developed by the partnership. The frameworks of the pilot action (status of the Hungarian labour market, the social impact investments and the labour market interventions) had been mapped within the frameworks of WPT1 Pilot Preparation based on the joint mapping concept provided by the PP10 (WU). Following the voucher strategy and action plan developed based on the results of the mapping, the pilot action had been designed and implemented in a standardized way. PP11 (Centire) provided the common guidelines and standards for planning and developing various aspects of the voucher program starting with the voucher process and the management workflow through the voucher recruiting concept and events to the voucher distribution.

The voucher program had been monitored and evaluated by the partnership on a monthly basis within the frameworks of the monthly web conferences and the evaluation data labs, based on the monitoring and evaluation data collected by using the monitoring and evaluation tools jointly developed by the partnership. The results of the monitoring and the evaluation had been used for the improvement of the pilot and the preparation of the scaling of the program that ensured the experimental character of the pilot.

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)

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 program will be implemented within the Recovery and Resilience Plan of Hungary. 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**. Based on the fund leveraged 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. 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. According to the preliminary plans, 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’.

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
Employers as beneficiaries of the program	

<p>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>	<p>participating in on-the-job training and skills development</p> <ul style="list-style-type: none"> ○ Wage subsidies in case of those team leaders who are mentoring and supporting the work integration of the target group <ul style="list-style-type: none"> • Work integration and job-retaining services: <ul style="list-style-type: none"> ○ Healthcare consultancy services ○ Works-start package (work clothes, hygiene package etc.) ○ 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>

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

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.

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) as well as the scaling process (programme proposal) are already published or will be available for the public after the approval . 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 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