

## Financing adult learning database

<b>Name of the instrument - Local language</b>	Foglalkoztatást elősegítő képzés
<b>Name of the instrument - English translation</b>	Labour market training programme to support employment
<b>Scheme ID</b>	104
<b>Country</b>	 Hungary
<b>Reporting year</b>	2020
<b>Type of instrument</b>	Grant for individuals
<b>Sub-type of instrument</b>	Cost-related support
<b>Type of entry</b>	Single instrument

<b>Short description</b>	The instrument provides support to disadvantaged target groups in the labour market to participate in training in order to improve their labour market situation. The training is funded by the National Employment Fund and can be accessed through the National Employment Service. Public co-funding share is not defined by law but in practice amounts to 60%-70% on average. In addition to the course fee, other costs related to the training (e.g. travel cost, wage substituting allowance etc.) if justified, may also be financed from the National Employment Fund to the individuals.
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<b>Level of operation</b>	National
<b>Name of a part of the country</b>	Not applicable
<b>Name of the region (for regional instruments)</b>	Not applicable
<b>Name of the sector (for sectoral instruments)</b>	Not applicable
<b>Relevance</b>	Key instrument
<b>Legal basis</b>	Act IV of 1991 on the promotion of employment and unemployment benefits. Ministerial Decree 6/1996. (VII. 16.) issued by the Minister of Labour on financial support promoting employment and on tackling employment crisis

	situations from the Labour Market Fund
<b>Objective(s) and target(s)</b>	To support training of job-seekers and facilitate employment with the aim "to terminate, manage and dissolve labour tensions and mitigate their negative consequences" (Act IV of 1991); to help jobseekers to return to work, which has both economic (reduce unemployment) and also social purposes (reduce social exclusion).
<b>Year of implementation</b>	1991
<b>Operation/management</b>	Training support is financed from the National Employment Fund. Its income derives from compulsory contributions paid by employers and employees and budgetary support. The National Employment Service implements the support measure, as applicants need to apply for the support to the Employment Department of the local government office.
<b>Eligible group(s)</b>	The measure targets mainly the unemployed and other specific vulnerable groups such as young people not entitled to unemployment benefits, persons receiving social benefits, persons who receive childcare support or permanent support for caring for sick or disabled people, those who receive rehabilitation allowance and those who take part in community employment (public work) scheme.
<b>Education and training eligible</b>	Vocational and general competency development training programs that help employment, eg: - VET programmes (except for ISCED 5B advanced level VET) and foreign language training as part of these - general training preparing participants for entering VET - career orientation and job-search skills training - training preparing participants already having a vocational qualification for obtaining a state-recognised foreign language certificate - training awarding professional driving licenses and foreign language training
<b>Source of financing and collection mechanism</b>	Training support is financed from the National Employment Fund. Its income derives from compulsory contributions paid by employers and employees (e.g. vocational training, health insurance, labour market, social etc. contributions) and budgetary support.
<b>Financing formula and allocation mechanisms</b>	The share of public funding is not regulated; in practice, it is on average around 60-70%; about half of beneficiaries are required to pay 50%, with only a few less than 10%. It depends on the individual's personal social circumstances and the available budget of the employment service. The minimum and maximum amount individuals may receive is not defined (only the maximum amount of support per training programme defined by the type of programme (such as awarding a recognised qualification or not)) and kind of training (theory versus practice). The waiting period after receiving a grant (participating in a training programme) is (minimum) twice as long as the duration of the previous training (except for courses which build on each other (such as one preparing for entry into VET and a VET programme). One individual can, in theory, get more than one grant (participate in more than one training programme) observing the regulation regarding

	<p>the waiting period. Allocation: Employment Service pays training provider directly, the money is transferred to licensed adult training institutions. Applicants are selected by the government offices by the weighting of various factors: social circumstances, labour market demand for the qualification/skills that could be gained by the training, age, educational attainment. Other costs related to the training (e.g. travel cost, wage substituting allowance etc.) can also be financed from the National Employment Fund.</p>
<b>Eligible costs</b>	<p>In addition to the course fee, other costs related to the training (eg. travel cost, wage substituting allowance etc.) if justified, may also be financed from the National Employment Fund to the individuals.</p>
<b>Volumes of funding</b>	<p>Not available</p>
<b>Beneficiaries/take up</b>	<p>2018: 28 957 persons 2017: 29 060 persons 2016: 23 467 persons The data do not include public works participants simultaneously involved in training (50 124 public works participants in 2015, 29 686 public works participants in 2016, 40 432 public works participants in 2017. These programmes are financed by the ESF).</p>
<b>Organisation responsible for monitoring/evaluation</b>	<p>National Employment Service, Ministry for Innovation and Technology, Ministry of Finance</p>
<b>Monitoring/evaluation reports available</b>	<p>Ministry of Finance (2019) Key figures of beneficiaries of active employment policy measures. National Employment Service  <a href="https://nfsz.munka.hu/nfsz/document/1/3/3/7/doc_url/A_fog_lalkoztataspol...">https://nfsz.munka.hu/nfsz/document/1/3/3/7/doc_url/A_fog_lalkoztataspol...</a></p>
<b>Most relevant webpage - in English</b>	<p><a href="http://en.munka.hu/">http://en.munka.hu/</a></p>
<b>Most relevant webpage - local language</b>	<p><a href="https://munka.hu/">https://munka.hu/</a>; <a href="https://nfsz.munka.hu/">https://nfsz.munka.hu/</a></p>
<b>Recent changes</b>	<p>There has been no significant change since 2016.</p> <p>Recent changes in response to COVID-19</p> <p>The Economy Protection Action Plan was issued by the Government in March 2020 to mitigate the negative effects of COVID-19. The budget provides funding for programs, developments, investments, as well as measures related to the promotion of employment through the Economic Protection Fund. An important part of the Economic Protection Fund is the Economic Protection Employment Fund established from the National Employment Fund. (Government Decree 92/2020, 7 April 2020). Until 2020 November some 969 214 Hungarians received labor market or training support, 112 103 registered job seekers benefited from cash benefits. The new job creation program, launched on October 15, focusing on jobseekers under the age of 25 and low-educated workers has helped 1 435 workers find work.</p>

<b>Sources</b>	<p>Ministry of Finance (2019). Key figures of beneficiaries of active employment policy measures. National Employment Service  <a href="https://nfsz.munka.hu/nfsz/document/1/3/3/7/doc_url/A_fogalkoztataspol...">https://nfsz.munka.hu/nfsz/document/1/3/3/7/doc_url/A_fogalkoztataspol...</a></p>
	<p>The Hungarian Labour Market 2019. Institute of Economics, Centre for Economic and Regional Studies, Budapest, 2020 <a href="https://www.mtaki.hu/wp-content/uploads/2020/07/LMYB2019_onefile.pdf3">https://www.mtaki.hu/wp-content/uploads/2020/07/LMYB2019_onefile.pdf3</a>.  Financing adult learning database  <a href="https://www.cedefop.europa.eu/en/publications-and-resources/tools/finan...">https://www.cedefop.europa.eu/en/publications-and-resources/tools/finan...</a></p>
	<p>Webpage of the National Employment Service  <a href="https://nfsz.munka.hu/">https://nfsz.munka.hu/</a></p>
	<p>Cedefop-Refernet (2019): Vocational education and training in Europe: Hungary. Cedefop ReferNet VET in Europe reports 2018.  <a href="https://cumulus.cedefop.europa.eu/files/vetelib/2019/Vocational_Educati...">https://cumulus.cedefop.europa.eu/files/vetelib/2019/Vocational_Educati...</a></p>