



**Interreg  
Europe**

European Union | European Regional Development Fund



**SZÉCHENYI**

2020



European Union



MINISTRY FOR  
NATIONAL ECONOMY

**ATM for SMEs**

Interreg Europe



# INVOLVEMENT OF PRIORITY GROUPS (WITH SPECIAL REGARD TO GENDER EQUALITY)

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3rd study trip

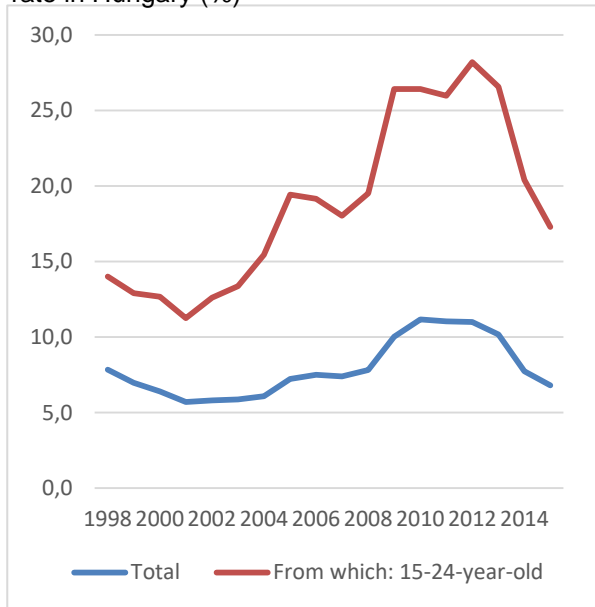
Burgos, 15-17 May 2017

# EDIOP priority target groups

## Defined priority target groups in the field of entrepreneurship in EDIOP

### Young entrepreneurs

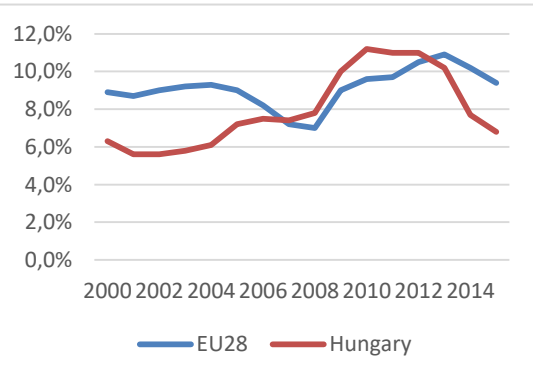
Unemployment rate and youth unemployment rate in Hungary (%)



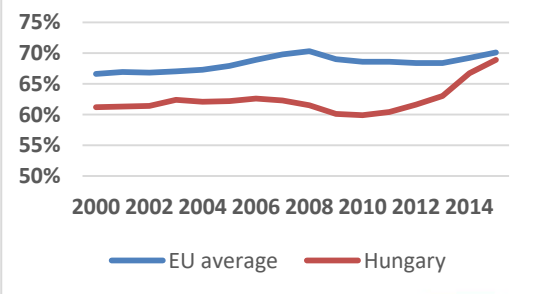
Source: Hungarian Central Statistical Office

### Unemployed people and inactive population

Unemployment in Hungary and in the EU28



Employment rate in Hungary and in the EU28



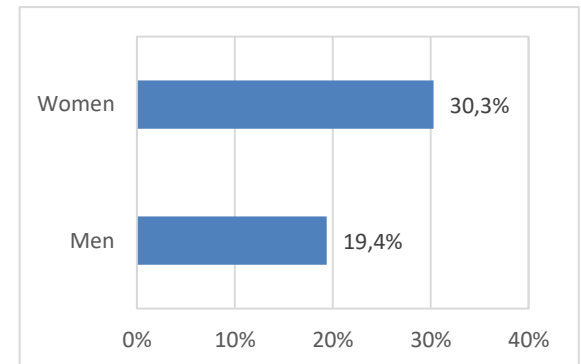
Source: Eurostat, Labour Force Survey

### Female entrepreneurs

Female/Male Total Entrepreneur Ratio in Hungary

0.5

Necessity motive in becoming an entrepreneur in Hungary



Source: Global Entrepreneurship Monitor 2015/2016 Global Report

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MAGYARORSZÁG KORMÁNYA

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# Social enterprises

In the context of EDIOP 2014-2020 social enterprises are understood as such enterprises that follow a social approach beyond their business approach. They mainly operate as non-profit or civil organisations (not-for-profit companies, social cooperatives, foundations, associations). Profit of their business is used for their social objectives. In their management they apply a participative decision making.

In 2010 4.7% of the employed population (143,000 people) worked at a social enterprise in Hungary, which comes close to the EU average -EU average 6.5%- .

Under EDIOP 2014-2020 both grant-type and refundable support is provided to social enterprises. The main objective of the assistance is to strengthen the employment potential of these enterprises and to contribute to their sustainable operation through stable, own revenue sources, which rely on market based products and services. The assistance helps social enterprises set up a feasible business model, market their products and enter new markets.



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# Approach to priority target groups

## EDIOP's approach to priority target groups

### Priority target groups:

- Young entrepreneurs
- Unemployed people and inactive population
- Women at work

### Dedicated measures/calls

- **Young Entrepreneurs:**
  - EDIOP-5.1.9 – Incentive for the unemployed and young people to become entrepreneurs – training and mentoring
  - EDIOP-5.2.1 – Youth Guarantee Programme
  - EDIOP-5.2.2 – Incentive for young entrepreneurs – Component A
  - EDIOP-5.2.3 – Incentive for young entrepreneurs
  - EDIOP-5.2.4 – Incentive for SMEs employing trainees
  - EDIOP-5.2.5 – Incentive for SMEs for employing trainees
  - EDIOP-5.2.7 – Incentive for young people to become entrepreneurs
- **Unemployed people and inactive population**
  - EDIOP-5.1.1 – Incentive for unemployed people
  - EDIOP-5.1.2 – Incentive for social enterprises
  - EDIOP-5.1.3 – Incentive for social enterprises
  - EDIOP-5.1.7 – Incentive for social enterprises
  - **EDIOP-8.8.1 – Incentive for employment – Loan programme**
- **Women at work**
  - EDIOP-5.3.1 – Boosting flexible employment
  - EDIOP-5.3.2 – Boosting flexible employment
  - EDIOP-5.3.8 – Support to establishing nurseries at workplaces

### Preferential treatment in measures/calls

- **Extra scores in the project selection scoreboard for young entrepreneurs/ women at work:**
  - EDIOP-1.2.1 – Production capacity development at MSMEs
  - EDIOP-1.2.2 – Capacity development at MSMEs
  - EDIOP-1.2.3 – Combined product for the capacity development of MSMEs
- **Extra scores in the project selection scoreboard for getting enrolled in the Employment loan programme**
  - EDIOP-5.1.7 – Incentive for social enterprises

# Dedicated measures: Young entrepreneurs

## Dedicated measures 5/1

- **EDIOP-5.1.9 – Incentive for the unemployed and young people to become entrepreneurs – training and mentoring:** The call provides *training and mentoring services to unemployed people above 30 and young people under 30*, so that they are able to start their enterprise.
- **EDIOP-5.2.1 – Youth Guarantee Programme:** The Programme provides *training, wage subsidy, labour market services for persons under 25*, who do not study and do not work in co-operation with and co-funding the Youth Employment Initiative.
- **EDIOP-5.2.2 – Incentive for young entrepreneurs – Component A:** The call provides *mentoring services to young entrepreneurs through regional non-profit experts*. Young entrepreneurs receive various trainings in the fields of legal, financial issues, business administration, project management etc. Beyond that young entrepreneurs prepare a business plan with the assistance of their mentor.
- **EDIOP-5.2.3 – Incentive for young entrepreneurs:** The call provides non-refundable grants to projects of *young entrepreneurs*. Only those entrepreneurs can apply for the grant that *took part in the mentoring services in call EDIOP-5.2.2*. Young entrepreneurs receive non-refundable grant *for the implementation of their business plan* developed earlier. Maximum amount of grant is ~ EUR 10,000 (HUF 3 million) at a support ratio of 90%
- **EDIOP-5.2.4 – Incentive for SMEs employing trainees:** The call offers non-refundable grants *to SMEs if they commit to employ trainees*. Trainees are entrants who do not have previous job experience.
- **EDIOP-5.2.5 – Incentive for SMEs employing trainees:** The call provides grant *assistance to vocational training centres* for raising the awareness of employing trainees.
- **EDIOP-5.2.7 – Incentive for young people to become entrepreneurs:** The call provides non-refundable grants to projects of young entrepreneurs. Only *those entrepreneurs can apply for the grant that took part in the mentoring services in call EDIOP-5.1.9*. Young entrepreneurs receive non-refundable grant for the *implementation of their business plan* developed earlier.



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# Dedicated measures: Unemployed people and inactive population

## Dedicated measures 5/2

- **EDIOP-5.1.1 – Incentive for unemployed people:** The call provides training and mentoring services to all kinds of unemployed people (above 30, young people, persons employed in public employment schemes) so that they are able to start their enterprise.
- **EDIOP-5.1.2 – Incentive for social enterprises:** a non-profit consortium provides professional assistance to newly setup and already existing social enterprises. The targeted social enterprises are expected to contribute to the employment of disabled people, unemployed or inactive people through their business activities. The project includes training, mentoring, expert services, networking, clustering.
- **EDIOP-5.1.3 – Incentive for social enterprises:** Only such project proposals can be submitted for the call that were previously approved by the EDIOP-5.1.2 consortium mentioned above. Applicant social enterprises can work on human resources development and carry out tangible investments.
- **EDIOP-5.1.7 – Incentive for social enterprises:** Only such project proposals can be submitted for the call that were previously approved by the EDIOP-5.1.2 consortium mentioned above. Applicant social enterprises can work on human resources development and carry out tangible investments in order to intensify their business, using the employment loan available under the related EDIOP-8.8.1 scheme.
- **EDIOP-8.8.1 – Incentive for employment – Loan Programme:** The loan programme aims at improving access to external financial resources of entrepreneurs that were unemployed or inactive previously and of social enterprises. Interest rate is 0%. Maximum loan volume for entrepreneurs is EUR 32,000, maximum loan volume for social enterprises is EUR 162,000. Looser collateral requirements compared to regular banking practices. Duration: max 15 years.



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# EDIOP-8.8.1 – Incentive for employment – Loan Programme

## Dedicated measures 5/3

### Conditions of the loan programme

- Financial volume of the programme: EUR 95.6 million
- Applicants: (1) micro companies of formerly unemployed and inactive people; (2) social micro-, small and medium-sized enterprises
- Type of loan: investment loan and/or working capital loan with maturity over a year and/or loan for the purchase of immaterial goods
- Loan volume: minimum EUR 3 200, maximum EUR 161 300 (in the case of micro companies of unemployed who intend to become entrepreneurs and of inactive people maximum EUR 32 000)
- Loan objective: purchase of real estate, construction, purchase of tangible assets (machinery, equipment), purchase of immaterial goods, first inventory linked to the investment
- Expected rate of own resources: min 5% in the case of de minimis aid and min 25% in the case of regional investment aid
- Fees: interest rate 0%, no other fees can be requested from applicants
- Maturity: maximum 15 years
- Length of time to fulfil loan conditions by applicants: maximum 12 months
- Grace period: maximum 12 months
- Financial intermediaries: selected and trained bank branches of commercial banks and savings co-operatives



# EDIOP-8.8.1 – Incentive for employment – Loan Programme

## Dedicated measures 5/4

Excerpt from the loan application form:  
Fulfilling the criteria set for Applicants in the loan programme

In the case of microcompanies of entrepreneurs who were previously unemployed or inactive	Owner of the applicant/applicant was previously unemployed/inactive or the applicant is young entrepreneur. Description: <to be filled in>
	The Applicant contributes to the job creation/job retention in the following way: <to be filled in>
In the case social enterprises (micro, small and medium-sized social enterprises)	The applicant is a social enterprise as defined in the loan term sheet. Description: <to be filled in>
	The applicant commits itself to conducting such business activities that contribute to the employment of disabled or unemployed people in the following way: <to be filled in>



# Dedicated measures: Women at Work

## Dedicated measures 5/5

- **EDIOP-5.3.1 – Boosting flexible employment:** In this programme selected professional service providers scan companies that are willing to introduce flexible employment forms and work out an action plan for them for introducing these new forms of employment.
- **EDIOP-5.3.2 – Boosting flexible employment:** Companies that took part in call EDIOP-5.3.1 (that is they went under a screening process and received an action plan) can apply for grant support for the introduction of flexible employment forms (e.g. dividing scope of activities in order to have part time positions). Eligible activities are hiring external expertise for organisational development for human resources development, management trainings, employee trainings, hiring mentors.
- **EDIOP-5.3.8 – Support to establishing nurseries at workplaces:** The call provides grant for setting up nurseries at companies. As such the call contributes to the employment of women with small children and to improving balance of work and private life.



# Preferential treatment in calls/measures for priority groups

## Preferential treatment in calls

- **Extra scores in the project selection scoreboard for young entrepreneurs/ female entrepreneurs (5 points from a total of 100 points):**
  - EDIOP-1.2.1 – Production capacity development at MSMEs
  - EDIOP-1.2.2 – Capacity development at MSMEs
  - EDIOP-1.2.3 – Combined product for the capacity development of MSMEs

### Excerpt from the project selection scoreboard:

The applicant belongs to at least one of the following priority groups: <ul style="list-style-type: none"><li>• <u>Young entrepreneur</u>: those companies in which 51% of the shares are owned by people under 35 AND the CEO is under 35</li><li>• <u>Female entrepreneur</u>: those companies in which 51% of the shares are owned by women AND the CEO is a woman.</li></ul>	5 points
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- **Extra scores in the project selection scoreboard for getting enrolled in the Employment loan programme (30 points from a total of 100 points)**
  - EDIOP-5.1.7 – Incentive for social enterprises

### Excerpt from the project selection scoreboard:

The applicant receives employment loan under the frame of the Employment loan programme (EDIOP-8.8.1)	30 points
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# Good practice

## **KÉZMŰ Non-profit Ltd. –**

Example of a successful social enterprise

KÉZMŰ is Hungary's largest state-owned enterprise employing people with disabilities.

Total number of employees is 4500, close to 75% of the employees are people with disabilities. Their main objective is the rehabilitative employment of employees with reduced ability to work, the promotion of their successful and long-term involvement in the open labour market. In 2015 the company was awarded non-refundable grant of ~EUR 100,000 from the Economic Development Operational Programme 2007-2013 for improvement of production technology, software development and marketing. Total project volume was roughly ~EUR 200,000.

In the period 2014-2020, KÉZMŰ also has a few projects for EDIOP-5.1.5-16 Supporting the labor market services of non-governmental organizations, whose main goals are providing labor market services for entrants and long-term unemployed, evolving a personal development plan, career orientation, mentoring and entrepreneurship promotional advice.



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**Thank you for your kind attention!**

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