



## YOUTH ENTREPRENEURSHIP PROGRAMME (GINOP AND VEKOP), HUNGARY

### What?

The Youth Entrepreneurship Programme offers entrepreneurship training and start-up financing. It was launched in 2014 and is delivered as VEKOP in Central Hungary and GINOP in other regions. GINOP and VEKOP schemes are open to young people aged 18-30 years old, with some activities targeting youth up to 35 years old, women, and the registered unemployed over 30 years old. The programme is implemented at the regional level, providing flexibility to adapt the content to the local needs.

### Why?

In Hungary, young people generally express more interest in entrepreneurship than other adults and are more likely to view self-employment as feasible, and often need routes out of unemployment. However, Hungarian youth are less active in entrepreneurship than youth in most other European Union (EU) countries. In 2018, 4.3% of all youth aged 20-29 years were self-employed, which was less than half of the EU average of 9.7%. This gap can be partly explained by negative attitude towards entrepreneurship overall, and few perceived opportunities.

### Key activities

The programme consists of two components. In the first component (GINOP 5.2.2 and “Be a young entrepreneur in Hungary!”), service providers deliver entrepreneurship training, mentoring, and business counselling, focusing on the development of business plans. In the second component (GINOP 5.2. and VEKOP 8.3.1), participants can apply for a grant to cover their start-up costs if they have completed the training programme and have an accepted business plan. Until 2018, the grant could go up to HUF 3 million (approximately EUR 10 000) to cover their start-up costs if they have completed the training programme and have an accepted business plan, and required at least 10% co-financing by the youth entrepreneurs. However, the youth entrepreneurs must contribute at least 10% of the start-up financing needed. Since 2019, the grant amount was increased to HUF 4.5 million (approximately EUR 13 000) per project and the requirement for co-financing was dropped. In addition, support was extended to include a 12-month coverage of the salaries and taxes of the entrepreneurs.

The programmes are part of Hungary's Youth Guarantee, so the entry point for youth is through the National Employment Service. The programmes are co-financed by the European Social Fund.

## Impact

GINOP and VEKOP aim to support 6 500 youth in business creation by the end of 2022. Monitoring data on the 2015-18 programme indicate that the GINOP and VEKOP measures had received 1 359 applications by the end of 2018, with 616 supported 827 successful projects entrepreneurs having received support – about 9.4% of the target indicator. The relatively low figure can be attributed in part to some implementation delays. Programme adjustments introduced mid-2019 are expected to contribute to an increase in uptake and help reach the initial target, including a . Adjustments included reduced administrative burden, a faster streamlined evaluation process, larger grants and the elimination of relaxed entry requirements the end of the co-financing requirement and an increased budget. As of May 2020 an additional 1 700 entrepreneurs had registered with the programme.

*This case study was adapted from material published in: OECD/European Union (2019), “Policy brief on Recent Developments in Youth Entrepreneurship”.*

**Source URL:** <https://betterentrepreneurship.eu/en/content/youth-entrepreneurship-programme-ginop-and-vekop-hungary>