

# **Action Plan for Improving the Policy Instruments that Contribute to the Support and the Development of the Cultural and Creative Industries**

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## **CENTRU REGION - ROMANIA**



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## 1. Description of the Regional Context

The following analysis will present the updated 2017 situation of the CCI in Centru Region - Romania, which includes 6 counties: Alba, Brasov, Covasna, Harghita, Mures and Sibiu.



When referring to the CCI sector, Romania follows the definition formulated within the Creative Europe Program (CE 2011): “Cultural and creative industries are those industries that produce and distribute goods and services that, when created, are considered to have a characteristic, use or specific purpose that materializes or transmits cultural expressions, regardless of the commercial value they may have”.<sup>1</sup>

When we talk about the specific classifications of the creative industries' economic activity, many scenarios have been used in various previous analyses ranging from 40 to 65 of codes of economic activity classification (NACE). To 1) avoid the influence of activities that have a strong industrial core, without too much creative content, and 2) compare with existing relevant analyses, a structure of 40 codes of economic activity classification (NACE) will be investigated:

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<sup>1</sup> In addition to the traditional artistic sectors (arts of the show, visual arts, cultural heritage - including the public sector), these include movies, DVDs and video, television and radio, video games, new media, music, books and the press. This concept is defined in relation to cultural expressions in the context of the UNESCO Convention from 2015 on the Protection and Promotion of the Diversity of Cultural Expressions.

"Creative industries" are those industries that use culture as an input and have a cultural dimension, although their results are mainly functional. These include architecture and design, which integrates creative elements into wider processes, as well as sub-sectors such as graphic design, fashion design or advertising.

[http://ec.europa.eu/culture/documents/greenpaper\\_creative\\_industries\\_en.pdf](http://ec.europa.eu/culture/documents/greenpaper_creative_industries_en.pdf)

The economic activities that were investigated are as follows:

<b>No.</b>	<b>NACE Code</b>	<b>Economic activity</b>
1	1811	Printing of newspapers
2	1812	Other printing activities
3	1813	Preparatory Services for Preprinting
4	1814	Binding Office and Related Services
5	1820	Reproduction of Records
6	3220	Manufacture of Musical Instruments
7	4763	Retail of disks and magnetic tapes with or without audio / video recordings in specialized stores
8	5811	Books Publishing Activities
9	5812	Editing of Guides, Compendis, Address Lists and other similar things
10	5813	Newspapers Publishing Activities
11	5814	Publishing Activities of Magazines and Periodicals
12	5819	Alte activitati de editare
13	5821	Computer Games of Editing Activities
14	5829	Other Software Editing Activities
15	5911	Cinematographic, Video and Television Production Activities
16	5913	Distribution Activities of Cinematographic, Video and Television Programs
17	5914	Projection of Cinematographic Films
18	5920	Audio Recording and Music Editing Activities
19	6010	Radio Broadcasting Activities
20	6020	Television Broadcasting Activities
21	6201	Performance Activities of Custom Software
22	6202	IT Consultancy Activities
23	6209	Other Activities of Information Technology Services
24	6311	Data Processing, Web Page Management and Related Activities
25	6312	Activities of Web Portals
26	6391	News Agencies Activities
27	7111	Architectural Activities
28	7311	Advertising Agencies Activities
29	7312	Media Representation Services
30	7410	Specialized Design Activities
31	7420	Photographic activities
32	7430	Written and Verbal Translation Activities
33	9001	Performing Artistic Activities
34	9002	Support Activities for Artistic Interpretation
35	9003	Artistic Creation Activities
36	9004	Management Activities of Showrooms
37	9101	Activities of Libraries and Archives
38	9102	Museum Activities

39	9103	Managing Monuments, Historical Buildings and other Tourist Interest Objectives
40	9329	Other Recreational and Fun Activities

*Table. Classification of the Activities of the National Economy (NACE) of the Cultural and Creative Industries in the Region*

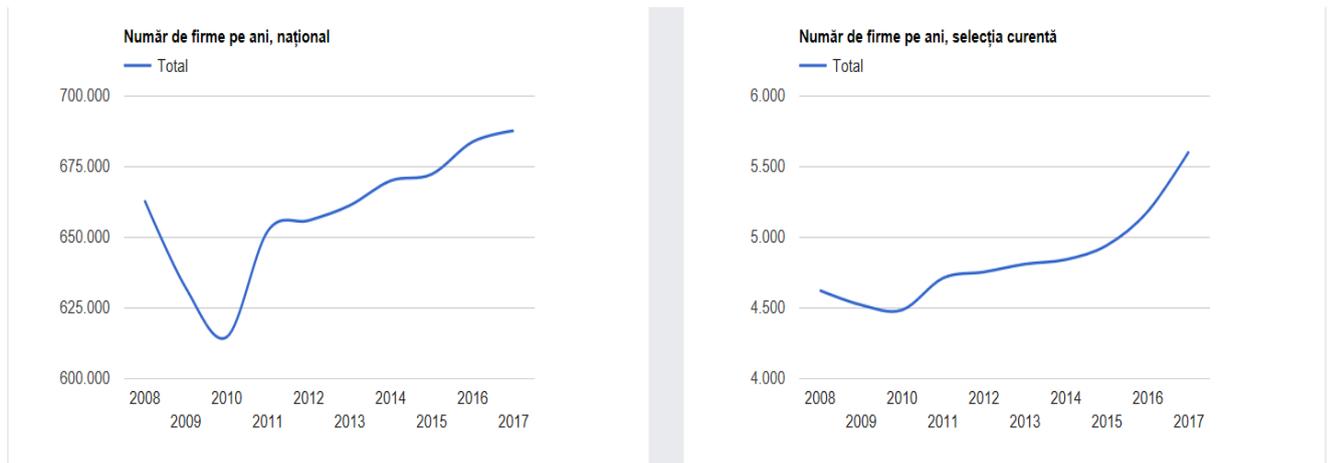
The evolution of creative industries in Centru Region has registered a steady increase in all the relevant indicators – number of companies, the turnover and the number of employees and profitability. In contrast to the previous periods, there is a discrepancy between the growth rate of the turnover or the profitability in relation to the increase of the employee's number - practically the increase of number of CCI employees started to limit themselves while the profit obtained at the level of the total CCI has doubled over the last 4 years.

On the one hand, the increase of turnover and profitability is due to the CCI's polarization around IT and to the growth dynamics of this subsector in the recent years. On the other hand, the limit of the dynamics of the number of employees is due to the relatively low growth of human capital, resulted from the relation between the number of graduates in the relevant areas in the region (+), the migration of human resources specialized in the field, to the region (+), and the migration of human resource specialized in the field, to other regions (-). Especially the counties Alba, Mures and Harghita were captive during 2015-2017 in this trend of limiting the dynamics of the number of CCI employees.

<b>Total of Creative Industries</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Number of Companies	3.898	4.424	5.112
Turnover (RON)	1.906.607.303	2.200.100.936	2.507.487.246
Number of Employees	13.718	15.141	15.801
Profit (RON)	283.868.146	309.987.933	429.363.387

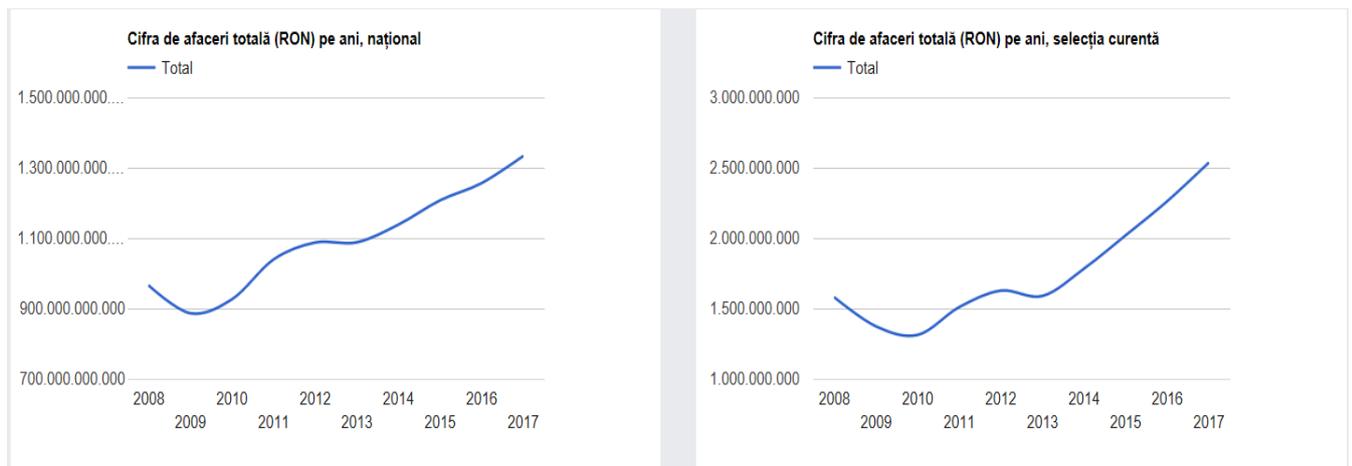
*Table. Dynamics of the Number of Companies, Turnover, Number of Employees and Profit in Centru Region. Source of data: listfirme.ro*

In comparison with the rest of the country, Centru Region has recorded a spectacular dynamic. In terms of number of companies, turnover and number of employees (except for the period 2015-2017), the region registered a higher growth rate than the national one.



### Number of Companies per Years, Nationaly /Number of Companies per Years, the Current Selection

Figure. Evolution of the Number of Creative Industries Companies 2008-2017 (left: Romania, right: Centru Region), source: listfirme.ro



### Total Turnover (RON) on Years, Nationaly /Total Turnover (RON) on years, Current Selection

Figure. Evolution of Turnover 2008-2017 (left: Romania, right: Centru Region), source: listfirme.ro



### Total of Employees on Years, Nationally / Total of Employees on Years, Current Selection

Figure. Evolution of Employees in Creative Industries 2008-2017 (left: Romania, right: Centru Region), source: listfirme.ro



### Total of Net Profit (RON) per Years, Nationally / Total of Net Profit (RON) per Years, the Current Selection

Figure. The Evolution of Net Profit in Creative Industries 2008-2017 (left: Romania, right: Centru Region), source: listfirme.ro

Returning to the economic structure of the Region, we will see that the most significant structural changes have seen the distribution of the turnover, where Sibiu County's share of the total CCI in the region has increased in the last 3 years from 18.76% in 2015 to 23.80% in 2017, while in Harghita and Mures the shares declined significantly during this period.



Year	2015	2016	2017
<b>Total of Centru Region (RON)</b>	<b>1.906.607.303</b>	<b>2.200.100.936</b>	<b>2.507.487.246</b>
Alba County	83.620.214	82.710.646	107.346.801
Brasov County	803.527.543	926.705.419	1.046.278.563
Covasna County	76.155.660	81.588.837	93.063.353
Harghita County	231.933.857	249.553.553	256.913.828
Mures County	353.635.301	377.086.858	408.038.835
Sibiu County	357.734.728	482.455.623	595.845.866
Regional dynamics compared to previous year, no.		+293.493.633	+307.386.310
Regional dynamics compared to the previous year, %		+15.4%	+14.0%

*Table. Dynamics of CCI Turnover in Centru Region and its Counties*

Year	2015	2016	2017
<b>Centru Region (number of people)</b>	<b>13.718</b>	<b>15.141</b>	<b>15.801</b>
Alba County	731	782	712
Brasov County	5.328	5.795	6.167
Covasna County	574	670	697
Harghita County	1.293	1.355	1.382
Mures County	3.200	3.392	3.577
Sibiu County	2.592	3.147	3.266
Regional dynamics compared to previous year, no.		1.423	660
Regional dynamics compared to the previous year, %		10.4%	4.4%

*Table. The Dynamics of the Number of Active Employees in Centru Region and its Counties*

In parallel, from the point of view of the number of employees and the number of companies, the structure of the distribution among the counties of the region remained relatively constant, which shows that the phenomenon of the limit of the increase of the number of employees is a generalized one, which, given the increase in the number of CCI companies at regional level, show signs of a dissolution of the companies in this economic sector.

Year	2015	2016	2017
<b>Total of Centru- Region (number of companies)</b>	<b>3.898</b>	<b>4.424</b>	<b>5.112</b>
Alba County	378	446	526
Brasov County	1.468	1.655	1.856
Covasna County	223	257	280
Harghita County	377	417	478
Mures County	794	885	1.080
Sibiu County	658	764	892
Regional dynamics compared to previous year, no		+526	+688
Regional dynamics compared to the previous year,%		+13.5 %	+15.6 %

*Table. Dynamics of the Number of Active CCIs in Centru Region and its Counties*

This dissolution translates into the emergence of a growing number of small-sized companies, lacking the ability to survive the incipient period - usually the first three years of existence. This phenomenon - which is based on an increasing entrepreneurial rate - can have a positive impact on the region, due to the innovative and creative spirit that these newly established enterprises, also known as startups, usually have.

In the same way, in Centru Region, 37 promoters were selected, within the call for proposal *POCU/82/3/7/Increasing the employment by supporting non-agricultural enterprises in the urban area - Romania Start Up Plus*, to implement projects through which they select, form, finance and mentor start-up projects, including projects in creative sectors.

The total amount of funding for these 37 projects is about 470 million Lei, which will translate into about 2.000 start-ups set up at regional level, through these initiatives. Of these, we estimate that approximately 8-10% (200 startups) will be in the creative sectors.

The **Regional Development Agency Centru** implements the StartUP Hub Centru project within this POCU call for proposal, aiming to provide entrepreneurial training for at least 300 people in the region and to finance at least 36 business plans, encouraged especially in the field of IT and creative industries. Thus, RDA Centru contributes not only at the level of public policies and financial instruments, but also at the level of direct interventions in the development of the cultural and creative sectors in the region.

Through the POCU Start Up Plus projects, the entrepreneurial rate registered in 2019 (the year when project participants will set up their startups) will be an unusually high

one, and we can expect that the total entrepreneurial growth (the number of companies set up without a subsidy + the number of the companies created because of / through a subsidy) in creative industries to reach 1.000 enterprises, this year.

With the creation of a significant number of startups in the region, they will require spaces to carry out their activities, support services, various forms of organization (clusters, associations) and animation events. Especially because of the stricter regulations on the social offices and work sites regime, as well as on changing the destination of office spaces from residential into offices, startups will increasingly look to locate themselves in coworking spaces, hubs and business incubators. Along with the development in the number of startups in creative industries and the market for these spaces and specific services is in continuous growth.

Thus, the first coworking space for entrepreneurs and freelancers in Alba Iulia - Hub 7 - was opened in March 2018, a new hub - IT Hub - dedicated to the emerging IT industry was opened in Sibiu in 2017, and a coworking space - The House - was opened in Miercurea Ciuc.

They join the coworking hubs and coworking spaces in Brasov (3 spaces), Tirgu Mures (1) and Sfantu Gheorghe (1), opened in the previous years, which makes Centru Region the first region that has a coworking space / hub open in each county (even in every county residence). In the following years it is expected that the number and size of these spaces will increase, private and public initiatives to establish such spaces already exists.

The business incubator infrastructure is also in continuous development. In addition to the existing business incubators - Sfantu Gheorghe Business Incubator, Harghita Business Incubator, the Hub Centru Business Incubator in Odorheiu Secuiesc and the Business and Technological Incubator of Transilvania University of Brasov (ITA-UniTBv) - within the call for proposal launched under the Priority Axis 2.1.B Business Incubators of the Regional Operational Program 2014-2020 have been submitted 13 projects eligible for the establishment of such new business support structures.

And if at the moment none of the active incubators in the region is focused on the creative industries, a significant number of incubators preparing for these projects is dedicated to creative industries, such as the projects promoted by the municipalities of Ciugud or Fagaras.

At the same time, IT continues to be the area with the most advanced level of smart specialization and specific support, also visible in the portfolio of projects which develop through the Priority Axis 1 of the Regional Operational Program 2014-2020, dedicated to the transfer of technology in the smart specialization areas of the region - where most of the science and technology parks projects and the infrastructure of the technology transfer aim to serve the IT industry or its derivatives.



From the evolution discussed above, there are some **clear tendencies regarding the evolution of CCI in Centru Region:**

- 1. Stabilization and polarization of the sector** - after a period of steady growth the human resource seems to set the limits of the development of the CCI, which will lead to a stronger polarization around the subsectors that have the capacity to produce increased value-added (IT subsector), and generate significant economic results (profitability).
- 2. Positive entrepreneurial rates** - In recent years, there has been an increase in the entrepreneurial rate of the CCI, an increase that will be further activated by the measures (projects) implemented in the region by various public and private actors (POCU Start Up Plus projects, etc.)
- 3. Development of the support regional ecosystem of CCI** - a whole series of CCI support projects - incubators, technology transfer centers, science and technology parks – are being prepared based on public policy tools managed by RDA Centru and will be able to form in the future, a complex and comprehensive support ecosystem for this sector, to the extent that these initiatives can be interconnected.

## **2. Presentation of the main features of the policy instrument approached in the project**

Under the CRE: HUB project, the **Regional Development Agency Centru** approaches, as policy instrument, which will be influenced and improved, the Regional Operational Program 2014-2020 (ROP 2014-2020).

ROP 2014-2020 - The Regional Operational Program 2014-2020 is one of the 6 operational programs through which Romania accesses and manages the European structural and investment funds provided by the European Commission through the European Regional Development Fund - ERDF. Romania has access to an estimated total allocation of € 8.25 milliard, of which € 6.7 milliard represents EU support through ERDF and € 1.5 milliard as a national contribution.

The Regional Operational Program (POR) aims promoting a smart, sustainable and inclusive inclusion in all regions of Romania, making them more attractive places to live and work. The program approaches the main development challenges for Romania: regional competitiveness, sustainable urban development, a low-carbon economy and the economic and social infrastructure on a regional and local level.

The program includes - in the updated ROP version - 12 priority axes (plus a technical assistance axis) and each axis has several sub-axes (Investment Priorities), with specific objectives and different potential beneficiaries. Of these ones, the Roadmap within the project CRE: HUB has selected the following 5 public policy instruments to be approached:

### **2.1 Policy instrument targeted - number 1**

**Priority Axis 1:** Promoting innovation in enterprises, through innovation support and technology transfer regarding the regional Smart Specialization Strategy.

**Budget:** € 206.51 million (nationwide) - € 28.54 million **available for the Centru region.**

**Thematic Objective 1** - Strengthening Research, Technological Development and Innovation.

**Investment Priority 1.1:** Promoting the enterprise investments in innovation and research, and developing enterprise linkages and synergies, research and development and higher education Centres, in particular the development of products and services, technology transfer, social innovation, eco-innovation, cultural and creative industries, applications, demand stimulation, networking, clustering and open innovation through smart specialization and supporting applied and technological research, pilot lines, early

product validation actions, advanced production capabilities and first production, especially in basic technologies and spreading general-purpose technologies.

This axis has a direct impact on the CCI sector.

**Strong points:**

It indirectly supports innovative spin-offs and start-ups that capitalize academic research and development or patented ideas. It is a unique call for proposal whereby smart specialization areas - industrial sectors that represent priorities (due to the status of a strong point or opportunity for regional development) - are supported in adopting new technologies to be more competitive at national and global level. In Centru Region, these areas include creative industries, being one of the only two regions in Romania where this sector is included in the smart specialization strategy.

**Weak Points:**

It does not directly favor the cultural dimension of the CCI - but it is supported by other axes of the same instrument of public policies. It is not (yet) based on a network of a technology transfer Centres active in all smart specialization areas - a sine qua non condition to access the financial resources through this Axis.

**Current Status:**

Within this public policy instrument, the public project selection process was initiated within the **Investments Priorities 1.1 A and 1.1. B**, and the call for proposal for **Investment Priority 1.1 C** was launched, with the following results:

- In September 2016, RDA Centru activated the Entrepreneurial Discovery mechanism for elaborating the planning document **Regional Concept Note**. Achieving of the **Regional Concept Note** is the first stage in defining the region's project portfolio for the priority investments 1.1.A and 1.1.B. - the final documentation is available here: <http://regio-adrcentru.ro/wp-content/uploads/2015/02/Concept-Note-2.zip>.
- In March 2017 RDA Centru launched a call for letters of intent to identify expressions of interest from the potential beneficiaries, namely the innovation and technological transfer entities and the scientific and technological parks, which intend to apply for funding within the Regional Operational Program IPs 1.1.A and 1.1.B. **The call for ITT letters of intent represents** the second stage in defining the region's projects portfolio for the two priority investments. According to the specific methodology of the two priority investments, **within the Regional Operational Program Priority Axes 1.1.A and 1.1.B, the eligible beneficiaries are exclusively those entities or consortia that have sent out**

**letters of intent within this call.** In this stage, **21 letters of intent** were submitted for the two investments priorities, with a total value of the projects of **EUR 82.198.000**. Of these ones, **4 letters of intent have been submitted for the scientific and technological parks** - of which **3 projects address also various CCI sub-areas** - and **17 letters of intent have been submitted for technology transfer entities** - of which **7 projects address also various sub-areas of CCI**.

- Following the submission of above mentioned letters of intent, the process of projects prioritization started according to the information provided by these letters of intent - the third stage in defining the regions projects portofolio for the priority investments 1.1.A and 1.1.B. In this process were involved the RDA Centru team and the members of the Regional Innovation Consortium. The letters of intent were evaluated qualitatively and targeted and their promoters received feedback and guidance from the RDA Centru team to better align with the strategic objectives of the region.
- On 20<sup>th</sup> of August, 2018, the call for proposal within the Regional Operational Program investment priority 1.1.A - Promotion of the technological transfer, was launched with a deadline for the submission of the projects for 20 February 2019. This call represents the fourth stage in the procedure for defining and financing the region's projects portfolio for this investment priority. The budget allocated to this call for proposal for Centru region, at opening, was EUR 9.12 million.

By the Monitoring Committee of the Regional Opertaional Program decision no. 96/26.06.2018, decreases of the financial allocations were approved. At the moment of approval of the ROP change, **the allocation will decrease** in this appeal by modifying the Specific Guideline. According to this decision, **the Centru Region has only 5.08 million EUR!**

- On August 13, 2018, the call for proposal related to the ROP investment priority 1.1.B - Support of scientific technological parks with a deadline for submission of projects was launched on February 13, 2019. This appeal represents the fourth stage in the procedure for defining and financing the region's project portfolio for this investment priority. The budget allocated to this call for proposal the Centru region, at opening, was EUR 7.74 mil. By the decision no. 96 / 26.06.2018 of the Monitoring Committee of the Regional Operational Program, decreases in financial allocations were approved. At the moment of the approval of the ROP change, the allocations for this call will decrease by modifying the Specific Guideline. According to this decision, **the Centru Region has only 5.02 million euros!**



- **Investment Priority 1.1 C**, dedicated to supporting SMEs investments to implement research results - innovation in partnership with the EITT (Innovation and Technology Transfer Entities), launched a call for proposals with a deadline for 25.08.2018 and a regional allocation of 22.842 million Lei. Within this call for proposal, 19 projects were submitted, with a total value of 20,958 million Lei. While there is still no information available on the eligible projects and those belonging to CCI areas, since the creative industries sector is mentioned in Annex 10.3 - List of areas – smart specialization sub-area within the smart specialization sub-area of Centru Region, we can expect that a significant percentage of the 19 projects belong to this field.

## 2.2 Policy instrument targeted - number 2

**Priority Axis 2:** Improving SMEs Competitiveness;

**Budget:** € 758.45 million (national level) - € 94.44 million available for **Centru Region**;

**Thematic Objective 3** - Improving the Competitiveness of SMEs;

**Priority Investment 2.1 A & B:** Promoting Entrepreneurship, particularly by exploiting new ideas and encouraging the creation of new businesses, including through business incubators;

**Priority Investment 2.2:** Supporting the creation and expansion of advanced production capabilities and of service development.

This axis, with both priorities included, has a direct impact on the CCI sector.

### **Strong points:**

Its purpose is to support the competitiveness of SMEs and those related to the CCI to engage in growth in regional, national and international markets and to approach the innovation processes. It focuses on production activities and aims at increasing the production capacity of SMEs.

### **Weak Points:**

Includes certain specific CCI activities, but not all, and specifically focuses on the production of components that are part of a product destined for CCI (for example, computerized component or camera production). No additional points for CCI projects are provided.

NACE: In bold, those with a potential CCI component will receive a maximum score, leaving 33 other potential economic and cultural activities.

- 2.1: **13, 14, 15, 16, 26, 29, 31**

- 2: **13, 14, 15, 16, 26, 27, 28, 29, 31, 43**

### **Current Status:**

Within this public policy instrument, all three priority investments were launched, with the following results:

- **The Priority Investment 2.1 A**, dedicated to the support of micro-enterprises, launched a call for proposal with a deadline for 04.05.2017 and an allocation of 224.781.000 RON for Centru Region. Within this call, it were submitted 497 projects with a total value of 509.410.000 RON. 249 projects were selected for funding, covering 72.7% of the budget allocated to the region. Of the selected projects, **60 belong to micro-enterprises active in the CCI**, according to the list of 40 NACE codes set out in this document. **The total value of these CCI projects is 35.224.283 RON.**
- **Priority Investment 2.1 B**, dedicated to supporting business incubators, launched a call for proposal with a deadline for 09.07.2017 and an allocation of 75.178.000 RON for Centru Region. Within this call were submitted 15 projects, with a total value of 173.145.000 RON. 13 projects were selected for funding, covering 114.8% of the region's budget allocated for call. Of the selected projects, **4 projects are designed to squeeze out newly founded companies in the creative industries** as it is classified by the Applicant's Guide, namely **4 projects for the ICT sector and 1 project for the Textile and Leather sector 60** - all these areas belong to a greater or lesser extent to CCI as defined in this document.
- **Priority Investment 2.2**, dedicated to the support of SMEs, launched a call for proposals with a deadline for 30.08.2017 and an allocation of 343.456.000 RON for Centru Region. Within this call, 225 projects were submitted with a total value of 1.162.823.000 RON. 140 projects were selected for funding, covering 122.1% of the budget allocated to the region. Of the selected projects, **25 belong to some active SMEs in CCI**, according to the list of 40 NACE codes set out in this document. **The total value of these projects in the CCI is 64.511.266 RON.**
- **In total, almost € 100 million was allocated directly to micro-enterprises and SMEs active in CCI at regional level, out of a total budget allocation of about 568 million EURO.** Practically 17% of all financed projects belong to CCI – in the conditions in which the basic structure of the regional economy is made up of the manufacturing industry, the food industry, the wood exploitation and tourism - **a result due to the mechanisms put in motion by the CRE:HUB project.**

### 2.3. Policy Instrument Targeted - Number 3

**Priority Axis 4:** Supporting sustainable urban development.

**Budget:** 1386.86 million EUR (nationwide) - **191.66 million Euros available for Centru Region.**

**Thematic Objective 6:** Preserving and Protecting the Environment and Promoting Resource Efficiency.

**Thematic Objective 9:** Promoting Social Inclusion and Reducing Poverty.

**Thematic Objective 10:** Investing in Education, Competences and Lifelong Learning.

**Priority Investment 4.3:** Support physical, economic and social regeneration of disadvantaged communities.

**Priority Investment 4.4:** Investing in education, training, including lifelong learning through the development of education and training infrastructure.

**Priority Investment 4.2:** Improving the urban environment, revitalizing cities, regenerating and decontaminating former industrial areas, reducing air pollution and promoting noise reduction actions.

This axis, with all the priorities included, has an indirect impact on the CCI sector.

#### **Strong points:**

Through this Axis, the regional CCI sector can be developed by first providing the infrastructure and resources needed for future generations: the development of educational, cultural and recreational activities designed to create social inclusion of marginalized communities in public spaces such as buildings, small impact parks, and educational institutions such as kindergartens, nurseries, high schools and colleges.

It also supports the revitalization of decayed and abandoned urban areas that can favorize the development of creative communities.

#### **Weak Points:**

This Axis addresses to the local authorities that can directly influence the standard of living of citizens in those cities. However, citizens themselves do not have the opportunity to locally interfere.

#### **Current Status:**

- **Investment Priority 4.4:** Investment in education, training, including lifelong learning through the development of education and training infrastructure is the only one of the three identified above to be relevant to the CCI, which has / had an open call for proposal within the current programming period. This call is

open until 31.12.2018, and until now 4 projects have been submitted, totaling RON 29.782 million, representing 44.5% of the budget allocated to this call.

The interest in this call - for public authorities - seems low, but the small percentage of budget coverage through the projects is also due to the length of time needed to prepare such a project.

### **2.3. Policy instrument targeted - number 4**

**Priority Axis 5:** Improving the urban environment and preserving, protecting and sustainable use of cultural heritage.

**Budget:** € 466.50 million (nationwide) - € 47.20 million available for Centru Region.

**Thematic Objective 6:** Environmental Protection and Promoting Effective Use of Resources.

**Investment Priority 5.1:** Conservation, protection, promotion and development of natural and cultural heritage.

**Investment Priority 5.2:** Actions to improve the urban environment, revitalize cities, regenerate and decontaminate former industrial areas, reduce air pollution and promote noise reduction actions.

This axis, both priorities included, has a direct impact on the CCI sector.

Through this Axis, the regional CCI sector can be developed by restoring, protecting and capitalizing the cultural heritage.

#### **Strong Points:**

The applications submitted by urban or rural localities with accommodation structures included in well-known tourist circuits, receive additional score, thus supporting cultural tourism.

#### **Weak Points:**

Romania has a large number of old and deteriorated heritage buildings in private ownership, which are on the way of tourist circuits. They can not benefit from this funding because the beneficiaries may be only the NGOs or the organizations that administrate the public heritage.

This Priority Axis finances buildings (restoration, preservation, consolidation, endowments) and marketing activities, but not cultural and creative activities.

#### **Current Status:**



- **Investment Priority 5.1:** Conservation, Protection, Promotion and Development of Natural and Cultural Heritage – launched one of the first call for proposals within the Regional Operational Program 2014-2020; the allocated budget of 539.601 million RON was exceeded by 31,1% by the 32 projects selected for funding. This is due to the big concentration of natural and cultural heritage objectives within the Centru Region, which need preservation, protection, promotion and development. This is obviously why the interest for this call and the need to further finance these types of objectives.
- **Investment Priority 5.2:** Actions to improve the urban environment, revitalize cities, regenerate and decontaminate former industrial areas, reduce air pollution and promote noise reduction actions – within this axis were launched two call for proposals; the allocated budget was not exceeded on the 22 projects submitted in the two calls. Again, the interest in this call - for public authorities - seems low, but the small percentage of budget coverage through the projects is also due to the time needed to prepare such a project.

### **3. Presentation of proposals for improving the political instrument**

The policy instrument intended to be influenced by the specific actions included in this action plan (inspired during the learning process conducted in the first stage of CRE:HUB project) is the Regional Operational Programme 2014-2020 (ROP 2014-2020), Priority Axis 2.

Nevertheless, we considered that a holistic approach of the respective policy instrument, based on an analyse of other priority axis of ROP that provide direct or indirect support to companies and organizations from cultural and creative industries will provide a better knowledge on the mix of possible interventions (necessary and achievable) and will assure a strategic and cohesive intervention.

The purpose of the in depth analysis conducted in chapter 2 was to provide an overall image, at program level, on the existing possibilities to support the access of CCI companies in different areas (i.e to generate added value for tourism under priority axis 5; creative tools for urban regeneration under priority axis 4 etc).

#### **3.1 General findings and recommendations regarding the Regional Operational Programme 2014/2020**

The Regional Operational Program 2014-2020 is a relatively rigid policy instrument, the result of a complex planning process that aims to ensure a balanced and fair development of Romania's regions. The program focuses on providing solutions to the problems faced by the regions and on the capitalization of regional potential and opportunities, with the support of EU funds. To ensure the correct and efficient use of European funds allocated for the 2014-2020 period, the priorities of the Regional Operational Program 2014-2020 have been negotiated and agreed with the European Commission's experts.

Given the multitude of factors and actors involved in the Regional Operational Program 2014-2020, the modification of its content is a challenge that must be approached in an attentive and responsible manner, by maintaining the overall picture and considering all the possible effects of the proposed measures. In this regard, when trying to influence and improve a policy instrument, such as the Regional Operational Program 2014-2020, a well-documented level of rigidity and inflexibility is expected from the responsible bodies, as changes can affect the overall balance of the program. However, there are processes, tools and channels of communication that could be used to bring to the attention of the Managing Authority those good practices and recommendations that could provide an improved impact of the program.

Regarding the better support of the CCI sector through the Regional Operational Program, the improvement proposals described in the previous section could be presented to the Managing Authority using the following mechanisms:

- a) The active involvement in the mid-term evaluation process and ROP 2014-2020 review - in view of (re) launching calls related to ROP IPs 1.1.C, 2.1.A, 2.1B, 2.2, 5.1 by using non-downloaded budgets (2.1A, 1.1 C), allocating additional budgets up to the overcontracting limit (150/200% for 2.1B, 2.2, 5.2) or by reallocating amounts in calls that did not use the allocated budget (3.1.A, 5.2, 8.2.B, etc).
- b) Active involvement in the design of guidelines for applicants, during the consultation phase when Management Authority is requesting feedback from potential applicants and other relevant organization about technical and administrative eligibility conditions; eligibility of costs and activities in order to underline the strategic priorities of the region in respect to priority sectors that should and need better support for getting access to finance;
- c) Presentation of the conclusions of the CRE:HUB project and of the documents produced within the project, during the meetings of the Monitoring Committee of the Regional Operational Program, of the events dedicated to the launch of various Investment Priorities and of the other events to which RDA Centru participates.
- d) Submitting the project conclusions and the above consultations to the other RDAs in the country to generate a common understanding of how the smart specialization areas and sub-areas of each region can be supported by the public policy instrument and how the RDAs can collaborate with the ROP's Managing Authority so the next Regional Operational Program 2020-2027 and the projects funded through it to be better aligned with the smart specialization strategies of each region.
- e) Performing impact studies in cooperation with the CCI stakeholders - RIC members, clusters, incubators, TSIs, hubs, etc. - in order to estimate the impact on absorption, the added value and of the contribution to the ROP 2013 -2020 indicators in case of integrateing the proposed improvements, and their submission to the Managing Authority of the Regional Operational Program.
- f) Creation of a working group/ consortium for the development of CCI at regional level - similar to RIC - and the involvement of public and private actors in the region in coordinating its activities in order to have permanent access to a

network of cooperation and consultation with the stakeholders in these sectors in order to validate and quickly implement the subsequent initiatives in the area.

### **3.2 Specific recommendations regarding improvement of the Policy Instrument**

**Targeted: Priority Axis 2: Improving SMEs Competitiveness.**

#### **Proposed Improvements:**

- Considering the smart specialization strategy of the region, we believe that it should play a more important role in selecting the beneficiaries of this public policy instrument. In practice, the evaluation grid related to the projects submitted within potential new calls related to the Regional Operational Program 2.1.B and 2.2. should be given a more favorable score to micro-enterprises and SMEs active in the smart-specific sub-domains of the region, including the CCI. It is already visible the increased interest of enterprises in the CCI sub-domains for these funding, and their support through this public policy instrument would contribute to the achievement of the objectives assumed through the strategic documents of Centru Region.
- Also, given the increased interest in all the calls for proposals under this public policy instrument (ROP 2014/2020) - without the maximum limits for over-contracting being reached (150% and 200% respectively), we consider/recommend the re-launch of all calls by 2020 - depending on the final results of the selection and contracting phases, as well as the value of the amounts decommitted in the contracted projects. Re-launching these calls should consider the recommendation in the previous paragraph.
- A very specific recommendation is to include in the list of the inventory items or consumables in a fixed limit or a flat-rate value in the eligible expenses list to allow for the acquisition of essential items for certain types of specific CCI activities.

## **4. Presentation of the mechanisms, measures and concrete actions to influence the policy instrument**

We have included in this section recommendation and findings, on what type of improvement should be expected only in case of Priority Axis 2, based on the analysis conducted in the previous chapter of this document.

**What is the purpose of the actions proposed and what is the expected impact on the policy instrument addressed.**

The main policy instrument addressed by RDA Centru, indicated in the Application Form is the **Regional Operational Programme 2014-2020, Priority Axis 2, Priority Investment 2.1 A & B: Promoting Entrepreneurship**, particularly by exploiting new ideas and encouraging the creation of new businesses, including through business incubators but also **Priority investment 2.2**.

Although this priority axis is a specific one for encouraging emergency of new ideas, in line with the obvious potential of the creative industries, offering them the opportunity to “test” economic viability of their creative potential, we have conducted a broad analysis on all the priority axis of the policy instrument addressed: **Regional Operational Programme** in order to select targeted actions that should have a strategic and long term impact the ecosystem built up around the cultural and creative industrie.

Three actions were identified, by the stakeholder group of CRE:HUB project, as important and necessary to be performed in order to support the consolidation of CCI as a smart specialization sector and stimulate the innovation potential of this sector into a transectoral perspective. Only one action, out of the three identified, is directly linked to the policy instrument addressed by RDA Centru as part of CRE:HUB project. The other two actions should act as support tools to enhance the efficiency of the specific intervention on the priority axis 2 and to ensure a strategic and long term perspective of the regional and local decision makers on the CCI sector.

**In this respect, only the ACTION 1, directly linked to the policy instrument addressed by RDA Centru as partner in CRE:HUB project, will be monitored in the second phase of the project.** The other two actions (Action 2 and Action 3) are included in this document for information purposes, as additional and complementary actions to be taken in order to assure the continuity of the support given to CCI and the replication of project results in relation to other policy instruments.

**The actions decided by the stakeholder group of CRE:HUB project are listed below:**

**Action 1** reffers to improving the guidelines of applicants for future calls for proposals under ROP/POR 2.1.A, 2.1B, 2.2. **and** will have a direct impact on the way the priority axis of ROP 2014-2020, especially Priority Investment 2.1 A & B is designed with respect to CCI.

**Action 2** reffers to the necessity of creating a platform for dialogue and consultation in the field of cultural and creative industries, as part of the governance system of the Smart Specialization Strategy of Centru Region. It will have a broader impact at the level of CCI community; it will act as a permanent professional support and “Voice” of CCI, both in relation to ROP 2014-2020 but also with Regional Innovation Strategy, Regional Development Plan and other policy instruments.

**Action 3** reffers to the need for an innovation and development services business support structure, for CCI companies, more specifically, a business incubator. This

**action will** have a direct impact on the potential beneficiaries of Priority Investment 2.1 A & B, creating a favourable environment for incubation of new ideas in ICC sector.

### **What is the link of the action plan with the CRE:HUB project**

The purpose of CRE:HUB project is to improve regional development policies in partner regions to support the creation and development of new SMEs in the cultural creative sector. In fact, for participating regions, including Centru Region, the CCI represent a strategic development sector as proven by RIS3 documents.

CRE:HUB overall objective, as stated in the application form, is to improve 8 Programmes for Investment and Growth for Jobs (TO3) to support creation and development of new SMEs in CCI sector at regional and national level. CRE:HUB will concretely result in improvements of the management of policy instruments addressed (way to organise calls, select projects; coordination among regional policy instruments at regional/interregional level; new methodology for monitoring/evaluating policies), in implementation of new projects and change of some OPs addressed.

Following the overall objective of the CRE:HUB project, the action proposed will support development of new businesses in CCI, by facilitating the access of the companies in CCI, as potential applicants/beneficiaries of the Regional Operational Programme 2014/2020 (Priority Axis 2), to the available funds of ROP.

The in depth analysis of the policy instrument addressed (ROP 2014/2020) from the perspective of its capacity to assure real chances to the development of new or existing businesses in CCI sector, articulated by the importance of the CCI as sector of excellence in the RIS3 and based on the recommendations of the project partners during the peer review process (underlined in the background section of ACTION 1) resulted in a range of possible and feasible interventions, integrated in the so called ACTION 1.

## **ACTION 1**

### **The background**

During the first phase of project implementation, the experts of RDA Centru, together with regional CCI stakeholders and other European experts participated in two peer-review visits in Spain and Hungary. During these visits they were able to assess the access to funding for CCI SMEs in the two regions of the project and to propose measures to improve the policy instruments that support CCI at regional level and not only.

Therefore, during the peer-review visit in Pamplona / Navarra / Spain, between the 30<sup>th</sup> and the 31<sup>st</sup> of October 2017 when examining the access to finance for the SME's in the

field of CCI, the recommendation of the experts – Ionut Tata (Romania) and Roberto Linzalone (Italy) – Ionut Tata (Romania) and Roberto Linzalone (Italy) was to concentrate the financial resources rather than distribute it. This implies identifying priority subsectors, on which concentrate financial budget and focus investments, at each stage of the program, depending on their importance and impacts. Also, one of the conclusion of the peer-review was that there is a need to finance the activities and related economic players, strictly relating to Programming (success of a Program is path-dependent, and then finance should reflect the designed program).

During the peer-review visit in Szekesfehervar / Hungary, between the 20<sup>th</sup> and the 22<sup>nd</sup> of November 2017, when examining the access to finance for the SME's in the field of CCI, the experts – Ionut Tata (Romania) and Roberto Linzalone (Italy) – found that financial support for SMEs in general, including CCI companies is managed by central government, with no local funding available under de MINIMIS schemes, or equivalent. The regional and local funding is directed towards public infrastructures, some of them aligned with the ECoC 2023 programme. Their recommendation was to insure a development of new CCI entrepreneurial initiatives within the region with the support of fiscal/financial incentives or other specific support services for emerging creative or cultural entrepreneurial initiatives. Another recommendation was to set up local grant schemes for CCI start-ups, based on the de MINIMIS funding rules and run by the city of Székesfehérvár in order to boost cultural and creative entrepreneurship in the region.

The Regional Development Agency Centru, hosted in the period 4-6 October 2017, in Alba Iulia and Sibiu, the study visit of the CRE:HUB Peer Review teams from Navarra Region (Spain) and Central Transdanubian Region (Hungary). The agenda of the event was designed to offer to the Peer Reviewers a clear picture of the CCIs in Centru Region. The Peer Reviewers that visited Centru Region were from Spain (Nuria Álvarez Ajuria and Nancy Tarjenian) and from Hungary (Máté Szalók, Csaba Jakab and András Lévai). Their recommendation were:

#### **Regional Strategy**

- The regional strategy should have the same or more focus on the other sectors of the CCI than ICT.
- According to the state of art document, on corporate/enterprise level the main stakeholders are ICT companies, the stakeholder pool should contain other sectors'viable companies, even if they are smaller in scale or financial performance comparing the world of ICT.
- The strategy should use the benefit of the local prominent ICT knowledge; they suggest starting a technology transfer center which should service the entire region first place.



- **Within the tenders/applications of the ROP 2014-2020 the specific regional CCI demands should be represented at least in the SME development, the educational and the ESF type community development call of proposals**
- **Reinforce “sme” from CCI more specifically, because the region strengths are based on a very dynamic style life that still need to explore more and find synergies with the other axes fostering public private collaborations**

#### **Education. Skills and Capacity Building**

- Never stop allocating funds for education regardless the outcome concerning the individuals staying in the region
- Higher education is highly important – but we should balance with every level from primary (basic skills from childhood) to adult and non-formal education
- It is hard to compete on the global IT market (and its salaries) locally, try put some emphasis on the development of living (and not just working) conditions for the local young professionals – knowing their specific preferences (better childcare services, healthy urban environment, mobility, recreation possibilities etc.)
- Development of local identities could help in some ways staying in or working for the region or at least strengthening the attitudes to return back sometime later
- ESF resources should be spent on scholarships, migrating back local born professional expats.
- Connect education with business skills even from secondary education.
- Create more stable ecosystem involving different actors from Education and business. Could design as a starting point between the University + students to generate innovative ideas continuously collaborating with the Municipality finding out specific “annual items” covering city needs.

#### **Favourable Business Environment**

- Increase the activities of local chambers, its services towards enterprises concerning trainings and awareness rising of best practices with real potential for local use. This also requires a lot of field work and international connections, cooperations as well.
- With the strengthening and spreading of social enterprises (with connection to local CCI sectors like timber, textile, tourism services) there is a chance to improve local entrepreneurial culture, the lower skilled participants gaining employment experiences through such programmes could step out to the real employment market with more confidence and success.
- There should be an organization who could mentor start-up and spin-off companies, to help them to improve their business ideas, develop their marketing strategy, create an advisory board, recruit co-founders, improve their pitch, launch a product, prepare to raise capital, bootstrap to profitability, generate revenue, and more.



- The good innovative ideas should find “mentors”. If no available resources to create a CCI incubator, the regional involved stakeholders could find mentors from industry/business to mentor the best ideas and at the same time, public authorities could design the “Mentor programme” (in this case Regional Development Agency could be in charge of this development)

#### **Partnerships and Networking**

- Co-working spaces – room for serious work and an easy-going environment for socializing activities at the same time and place
- Specialized networking workshops for various CCI sectors
- Establish solid multiannual funding to make (intraregional stakeholder) networking occasions regular (from RDA resources, county/municipality public resources)
- Make supplementary events when stakeholders from other Romanian regions can join and build partnerships with locals (in regional sense) – e.g. for particular CCI subsectors like fashion, or how to make our mediaeval castles more attractive for cultural tourism, etc.
- Centru Region should analyse the possibility to enhance a regional strong cluster of CCI gathering the main assets and specialities from each county covering the whole value chain, and involving the main relevant actors to both, promote international activities and business and synergies with other regions that complete the value chain fostering innovative activities.

#### **Access to Finance**

- Teach investors with free investment capacities how to become an angel investor.
- Sustain a regional information system on up-to-date financial possibilities and their requirements towards local CCI beneficiaries, and also find new international partners to export using more the specific calls for CCI in EU programs.

#### **Administrative and Technical Issues**

- Counties should have commonly adopted parts within the regional CCI strategy, formulate sections which can depict the lowest common denominator when it comes to envision regional CCI development and its objectives.
- Improve the visibility of the online and offline communication and know-hows among regional CCI stakeholders and actors of the various counties.
- Beside building up a common framework for CCI funding, it should be useful to establish a common platform for providing support services for the wide range of CCI businesses (e.g. management, marketing, PR, counselling, or R&D services, etc.). Along the specific strengths of various actors (like the universities), one could provide its services for all regional beneficiary.
- Maybe as a first step the cooperations among the county-level chambers could ease the hindsight of the political-administrative level.



- The region has a very strong potential on CCI. Taking advantage from S3 follow up meeting, the regional entities could work more close to the “main stakeholders” and prioritize the relevant projects or initiatives to promote better development of CCI, balancing among involved actors and identified needs/ trends.

### **Awareness Rising and Motivation**

- Communication of the successful stories in the local CCI.
- Create workshops for the creative industries to allow local creatives to meet and network.
- The agency should inform the decision-makers about the CCI.
- ESF type local community building initiatives (through CLLD, or through other ROP matching measures) should contain CCI elements focusing on the cultural part – establish a platform for various level local decision makers (for public sector, even make a try with the private sector) to know what is bottom up local community building, what are the needs and the demands, how can they hook with such local activities, what could be the benefits for them).
- First step to have a good impact of the above could be establish a proper, professional and medium-long term strategic animation activity led and executed by the RDA naturally – a good chance to spend more TA founding on a useful purpose. Animation is not simply a PR event-based activity of spreading the CCI idea in the region. The Agency should spread and collect information for and from potential stakeholders, whoever and wherever they are, build trust – that requires a lot of field work and it has a continuous nature. When animation works well then mentoring-counselling-cooperation building can have a much easier start.
- CCI need to find the collaboration with the traditional sectors in order to create an added value, to innovate. Promoting “cross sectors” workshops could generate motivations to new challenges that could be supported by the ROP

### **Internationalization**

- Have no fear to use the ‘Dracula phenomena’, to gain more profit from tourists and support the local cultural activities.
- Launch investor events to promote the regional CCI strengths, use the international connections of local chambers or improve their matching (or non-existent) activities
- Sit down with the locally important banks and credit providers and open their eyes towards the possibilities of local CCI sector, initiate some ideas towards them what is needed for local CCI enterprises (e.g. guarantee funds, export subsidisation, micro loans etc.)

- The region should promote more its CCI potential and identify active networks and programs to take part in order to disseminate and catch new users creating if needed international events adhoc collaborating with other clusters/entities.
- The regional development agency can take this responsibility while creating more dynamic ecosystem will facilitate the new companies / start-ups that could generate the work.

It is obvious that most of the recommendation are targeting other issues than the policy instrument upon RDA Centru decided to intervene upon signing up for this project. Nevertheless, the recommendations pertaining to Regional Strategy (see above) are emphasizing on uptaking into the ROP the specific demands of the CCI sector, especially in terms of SMEs development, and, also, the need to reinforce the SME from CCI.

On the other hand, during the peer review visits in Szekesfehervar and Pamplona we have learned a lot about the financing of small and medium sized enterprises acting in the field of CCI.

In Hungary, the source of funding seems to be Economic Development and Innovation Operative Program (GINOP), Priority: Development of SMEs' competitiveness with focus on the priority tackling "Increasing the competitiveness and productivity of SMEs". This program has no particular focus on CCI and the impact is the same as in our Region, where the Regional Operational Program has no such focus, also. The result is the same as in our case – with no specific incentives to cope with the more established industrial sector the CCI SME's are prone to experience difficulties in accessing this programme.

The importance of access to financing for SMEs in CCI field was emphasized also during the peer review visit in Pamplona (Spain). With no ERDF funding for the SMEs, the local government had created SODENA, an organization managing government funds designated for the SMEs, with special instruments for the CCI sector, especially in the technology related subsector. During the meeting, the partners from Pamplona had acknowledged the need for financial support for the CCI sector and the need to design and embed in the financing instruments certain mechanisms able to provide at least some protection for the SMEs in the CCI sector in the competition with SMEs from other sectors.

Considering the above mentioned findings and the experience learned from the CRE:HUB partners concerning the ways to better use the financing mechanisms already in place for supporting SME's in order to increase the participation of CCI SME's in those mechanisms, we came to the conclusion that one way to support the CCI SME's in our region is to make these financial instruments more CCI friendly. A CCI friendly financial instrument for SMEs must provide access to SMEs acting under every NACE code associated with CCI (or almost all), must recognize the importance of CCI industries by

the means of scoring comparing with other sectors (in the project evaluation process) and it must take into consideration their needs when setting the thresholds for access (the minimum value for the projects, the foreseen value for some financial indicators such as solvency ratio, return on equity, the growth rate of operating profit) Thus, it is our goal to get involved more in the programming life cycle in order to influence the outcome of the programming mechanisms – especially the financing schemes which are not under our authority – to a better access for the CCI companies.

We noticed, for instance, that the last guidelines for applicants launched for consultation under priority axis 2.2 of ROP, the chances of companies from CCI to get access to finance was limited due to eligibility criteria. So, based on the profile of the CCI companies in our region, (resulted from the analyse of the CCI sector conducted with the support of CRE:HUB- State of Art of CCI sector in Centru Region) and the lessons learnt from the project partners (Pamplona / Navarra / Spain and Szekesfehervar / Hungary) we identified a type of intervention (mentioned under Action 1) that will have a direct impact on the policy instrument, with important chances to influence the access of CCI companies to financial support under ROP 2014/2020.

### **Action**

This first action is based on improving the guidelines of applicants for future calls for proposals under ROP/POR 2.1.A, 2.1B, 2.2, or government programmes such as Romania Start-up Nation in order to further support CCI in Centru Region and beyond. The proposals focused on the ROP/POR require, as it is presented in the section “Players involved”, the initiative of the ADR/RDA Centru via written position papers, with the potential written support from the other ADR/RDAs in the country (RDA North-East, RDA South-East, RDA South-Muntenia, RDA South-West Oltenia, RDA West, RDA North-West, RDA Bucharest-Ilfov), on the proposed guidelines of applicants. The success of these measures is dependent on the support that might be generated on behalf of the other RDAs, and the acceptance of the Managing Authority of the ROP/POR and of the Steering Committee of the ROP/POR. The proposals related to other government programmes focused on the support of CCI in Centru Region and beyond involve written proposals towards the Ministry for SMEs and Business Environment. In relationship with all these stakeholders the conclusions of the CRE:HUB project can be used as a basis for argumentation.

We have identified mainly two conditions/ criterias that should be included in the guidelines for applicants in order to ensure a better access of companies in the CCI to funding schemes available under Priority axis 2. In this respect, we will monitor the provision of these conditions in the guidelines for applicants and, in their absence; we will request (to the Management Authority of ROP) to include it in the guidelines for applicants as criterias to ensure at least a fair treatment for the CCI companies:

- All the NACE codes assimilated to cultural and creative industries should be eligible for being financed under priority axis 2
- Additional score for the CCI activities should be granted to companies in the CCI industries as the IT and cultural and creative industries were declared sectors of excellence in the Smart Specialization Strategy. On the other hand, the EU Regulation 1301/2013 on ERDF Fund states that **“It is necessary to promote innovation and the development of SMEs, in emerging fields linked to European and regional challenges such as creative and cultural industries and innovative services, reflecting new societal demands, or to products and services linked to an ageing population, care and health, eco-innovation, the low-carbon economy and resource efficiency”**
- Other conditions, upon case: costs eligibility or minimum threshold for project budget, the the last one could be a limitation for companies in cultural and creative sectors that are small and medium size companies with limited possibilities for investment.

Therefore, the steps of implementing the action above presented are:

- RDA Centru will address proposals for adapting guidelines towards stakeholders such as the other RDAs, the Management Authority, the Steering Committee, the relevant ministries (upon case).
- With the support of the other RDAs, the next step will be the approval of the Managing Authority (AM POR)
- The final step is to obtain the approval of the POR Steering Committee
- For the improvement of guidelines under government programmes, the final step will be the approval of the Ministry for SMEs and Business Environment on the proposal for improvement of guidelines.

The foreseen position papers will refer especially to (but not be limited by, meaning that we can take other issues into consideration, such as performance financial indicators):

- eligibility of NACE codes pertaining to CCI
- eligibility of specific costs or expenses
- eligibility of specific activities
- the scores for projects proposing activities related to NACE codes pertaining to CCI, comparing to other projects

This action can be carried out considering the following:

- All call for proposals have a period of 30 days (more or less) for public consultation in which any interested party can examine the draft of the documents pertaining to the call and can make observation or proposals to be included in the final version.



- RDA Centru, as Intermediate Body for the Regional Operational Program is already involved, due to its place in the institutional framework, in the consultation process for the Regional Operational Program.
- For other programs, either European funded or national funded, RDA Centru is already scanning the public resources in order to gather information needed to publish the Financing Sources Catalogue, a monthly publication with more than 10 years history in providing information on financing resources available for anyone in Centru Region.
- During the consultation stage, we can issue positions on the eligibility of NACE Codes, activities or costs, the scores in the Technical Evaluation stage for certain fields of activity in order to secure a higher score for certain criteria.

One example of such an action is the RDA Centru effort to qualify the recommission of old industrial buildings as eligible expenses for entities aiming to establish technology transfer structure with the support of the Regional Operational Program, Priority Axis 1. After several documents addressed to the Managing Authority and at least one meeting, the RDA Centru was accepted and the documents of the call were amended accordingly. On the other hand, RDA Centru already tested this mechanism of promoting CCI related projects during the public consultation phase for a program called Start Up Nation financing start-ups in Romania. In the initial version of the guideline, most of the CCI related NACE codes had a lower score than manufacturing but, after RDA Centru sent a position paper to the program managing body highlighting the importance of CCI industry – including arguments from the documents of the CRE:HUB project – the final version of the guidelines included the CCI related NACE codes to the highest score.

### **Players involved**

- RDA Centru
- AM POR;
- CM POR.
- Ministry of SMEs (upon case)

### **Timeframe**

24 months taking into consideration the following schedule:

- Analyse of the guidelines for applicants package, Priority axis 2 (2.1A, 2.12B, 2.2) (when launched for consultation) towards the purpose of the ACTION 1 and formulation of recommendation regarding the NACE codes and additional score for CCI companies/potential applicants – **within the consultation period but not later than 24 months of project monitoring timeframe**
- Submitting the recommendations to the Managing Authority of the Regional Operational Programme 2014-2020 (AM POR) – within the consultation period of



the respective calls for proposals - **not later than 24 months of project monitoring timeframe**

- Getting the approval of AM POR and of the POR's Steering Committee – not later than 24 months of project monitoring timeframe (having in mind the fact that CMPOR meets at least twice a year - according to the Regulation of Organization and Functioning of CMPOR 2014-2020).

**Costs:** It includes communication and travel costs

**Funding sources:** The funding source for ACTION 1 is the Regional Operational Program 2014-2020 budget for technical assistance.

## **Actions that will influence indirectly the Policy Instrument tackled within the CRE:HUB project (Action 2 & Action 3).**

**Action 2 and Action 3 will not be monitored during the 2<sup>nd</sup> Phase of the CRE:HUB project.**

### **ACTION 2**

#### **The background**

The elaboration of this action was inspired by the good practice FOLD - a communication platform for creative industries in Latvia and other countries that help the discovery, learning and collaboration process.

The creation of this platform (FOLD) came from the need to ensure a steady flow of information about events and projects in creative industries sector and to share the success stories in creative industries, thus facilitating an active dialogue between professionals and entrepreneurs from the cultural and creative industries sector.

In Centru Region, where this FOLD inspired action will be implemented, this "platform" will not only have the role of disseminating good practices, creating synergies between different initiatives in the field of cultural and creative industries, but will also work as technical advisory group of other planning and programming structures, especially for the Regional Innovation Consortium, in connection with the Smart Specialization Strategy of Centru Region.

#### **Action**

The objective of this action is to create a platform for dialogue and consultation in the field of cultural and creative industries, as part of the governance system of the Smart

Specialization Strategy of Centru Region. The cultural and creative industries sector has been included in the current RIS3 of Centru Region.

This dialogue platform will be organized as a working group for IT and creative industries and will operate as an advisory structure of the Regional Innovation Consortium (RIC). RIC is a consultative body of the Regional Development Council, involved in the development, adaptation, and implementation and monitoring of RIS3.

The RIC approves the Smart Specialization Strategy of Centru Region, a document on the basis of which areas of the selected policy instrument have been identified.

The main goal of this working group is to create a dialogue platform where various organizations involved in cultural and creative industries policy development / project implementation and professionals in the field, discuss the existing regional opportunities, identify the issues faced by these areas and propose solutions for the development of the CCI sector that can be taken over in RIS3 or in the Regional Development Plan of Centru Region, in order to prioritize the European or national funds programming documents, such as the Regional Operational Program or Start-up Nation Programme. Thus, the CCI could be better represented in business finance programs or research - development - innovation in Centru Region.

### ***Phase 1: Creation of the working group***

The RDA Centru will create the working group and will coordinate the first activities of the group. The group will gather a minimum of 18 IT / CCI organizations / professionals and 3 representatives from each county of the region. These will include clusters, companies, relevant local public authorities that support these areas, universities or other organizations relevant to RDI.

The composition of the working group will be finalized in the first monitoring year (stage 2) of the CRE: HUB project.

The working group will have a coordinator and a secretariat. During the first meeting, the group will decide about the functioning regulation / mode of operation, the attributions and role of the group.

### ***Phase 2: Development of a working plan / calendar of activities of the group***

As part of the governance structure for RIS3 development / adaptation / implementation / monitoring, the **IT and CCI working group** will have a calendar of activities that will include:

- Advisory on RIS3 documents and development strategy of Centru Region
- Entrepreneurial discovery process (EDP) - attending meetings and identifying projects that integrate in the Smart Specialization Strategy
- Proposed joint actions: studies, analyses, proposals for funding programs, participating in joint projects funded by European or national programs

- Recommendations on planning and programming documents at regional and national level.

The activity of the workgroup will take place in regular meetings or online.

### **Players involved**

- RDA Centru will be responsible for setting-up the working group and for proposing a working methodology/regulation on the basis of which the group will work.
- An important role in setting-up the working group will have the Regional Innovation Consortium whose members will be selected to be part of the working group, relevant organizations for the cultural and creative industries such as: CCI clusters, universities, research centres/institutes, business support organizations, local public authorities, museums, HUBs, etc.

### **Timeframe:**

- Phase 1 - aims to set up the working group, is expected to be achieved in the first year of monitoring the action plan (October 2018 - September 2019)
- Phase 2 – development of a working plan of the group / joint actions will be carried out in the 2nd year of monitoring of the Action Plan (October 2019 - September 2020)

### **Costs**

The costs for Phase 1 and 2 include communication costs, travel costs, event costs, and staff costs involved in the coordination of the working group.

We estimate that the value of these expenditures will not be significant, and they can be covered from RDA Centru budget, dedicated to the organization of the partnership framework for the elaboration of the Regional Development Plan and the Smart Specialization Strategy.

Synergies will also be created with other initiatives or working group partners' projects related to events funding, working group meetings.

**Funding sources:** RDA Centru budget and creation of synergies with other funding sources from existing CCI projects.

## **ACTION 3**

### **The background**

The idea of a technology incubator for start-ups and SMEs involved in integrating ICT with other sectors of the RIS3 came after visiting the ABC Accelerator in Ljubljana, as part of the second CRE:HUB event organised by the Slovenian Regional Creative Economy Centre. The idea was interesting considering the following issues:

- in Centru Region, ITC is an important part of the creative industries
- we have no incubator or accelerator specialised in fostering the start-ups in the ICT field
- we have the opportunity to finance the establishment of such a support structure within the Regional Operational Program, Priority Axis 1

Another contribution to the idea of a technological incubator came from the 7<sup>th</sup> study visit of the project, in Lisbon / Spain, during which we got in contact with the initiatives like the creative hub LX Factory, an initiative that recommissioned an old industrial area to the purpose of cultural and creative industries. Inspired by this example, the stakeholders behind the initiative in Centru Region are planning to use an old industrial building to create the new technology incubator.

And last but not least, the promoters of the technological incubator in Centru Region got inspiration from Friuli Innovazione Incubator during the 3<sup>rd</sup> Cre:Hub Event in Friuli Venezia Giulia Autonomous Region / Italy. The stakeholders were interested by the combination between incubation services, co-working areas, spaces to rent for events, local alliances, resources provided and the projects in which the incubator is involved.

## **Action**

The third action involves setting up in Centru Region a flagship infrastructure project for the development of the most dynamic subsectors of the CCI from the region. Since ICT seems to be the subsector with both the highest development and the most dynamic growth rate, a technology incubator for start-ups and SMEs involved in integrating ICT with other sectors of the RIS3 would be the most appropriate action. Such an incubator could be financed via the Regional Operational Program Priority Axis 1.1.A, focused on Technology Transfer Infrastructures, including technology incubators as potential funded investments.

The most appropriate location for such an investment would be Brasov, since it is the county/city with the highest concentration of the ICT subsector. An ideal project would include a variety of functions, including incubation area, conference rooms, training rooms, prototyping and digital manufacturing facilities, co-working area. Such an infrastructure requires an attached set of activities focused on animating and promoting the incubator and the incubated projects. These activities could be supported via the de Minimis budget within the Regional Operational Program Priority Axis 1.1.A.

This action is not owned by the RDA Centru but it is promoted by one of our stakeholder in the project, Iceberg Consulting. Thus, RDA Centru has no control over the outcome. Our involvement in this action is to provide the access to the financial instrument – Regional Operational Program, Priority Axis 1 – which was provided by accepting the letter of intent concerning the project, submitted during the call for letters of intent open as a preparation phase for the launch of the call for projects in order to have a pre-qualification of the projects.

### **Players involved**

The following stakeholders are necessary for the setup of such a project:

- The project is promoted by Iceberg Consulting, together with ALT Technologies Cluster Brasov and will be submitted for financing by INAR Brasov
- The Regional Development Agency as intermediary body
- The Management Authority of the Regional Operational Program
- Start-ups and SMEs involved in CCI in the Region

### **Timeframe**

The complete timeframe is of approximately 48 month:

- 12 month for concept note, letter of intent, business plan and application
- 24 month for application approval and implementation of investment
- 12 month for animating and promoting the incubator

**Costs:** Aprox 3.000.000 euro

**Funding sources:** Regional Operational Program, Priority Axis 1.1.A



## 5. Expected Results

- In the case of the relaunch of calls for proposals under the Regional Operational Program Investment Priorities 2.1, A, 2.1.B and 2.2. it would be possible to increase the number of CCI projects submitted for funding under the Regional Operational Program 2014-2020, respectively to increase the number of projects funded in the CCI sub-areas
- Improved Guidelines for applicants under the calls for proposals that will be launched during the monitoring phase of CRE:HUB, with respect to CCI sector

## 6. Monitoring Mechanisms

*(Presentation of the methodology that will be used to evaluate the success of measures and actions to influence the policy instrument.)*

The monitoring mechanisms to achieve the results above proposed are based on:

- Making a regular record of SMEs/start-ups benefiting from financial support under Priority axis 2 of the regional Operational Programme 2014-2020
- Performing a comparative analysis of the financing guidelines for the calls for proposals launched so far and those related to the calls for proposals that could be launched to evaluate whether CCI sub-areas are properly supported; checking for possible up-to-date versions of specific policy documents for verifying if CCI subareas benefit from the predicted support (Regional Operational Program 2014-2020, Regional Development Plan, Smart Specialization Strategy, etc.)

Date: 28.09.2018

Signature: 



Stamp of the organisation (if available): \_\_\_\_\_