

# 3<sup>RD</sup> DISTRICT OF BUCHAREST'S INTEGRATED ACTION PLAN FOR SMART SPECIALISATION

PERIOD: 2018-2022



**Document developed within the framework of the IN FOCUS –  
Smart Specialisation at City Level Project**

**URBACT III Programme**

## **Partners:**

Bilbao, Porto, Plasencia, Ostrava, Bielsko-Biala, Frankfurt, Bordeaux Métropole,  
Grenoble-Alpes Métropole, Metropolitan City of Torino



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## FOREWORD

**W**ith nearly half a million inhabitants the 3rd District of Bucharest is the most populous of the six districts of the capital city of Romania, and it presents numerous opportunities for economic and social development. If in the last few years the priorities of the local administrations were focused on improving public services, the urban image and the comfort of citizens in public space, as well as modernizing the educational infrastructure and ensuring the thermal rehabilitation of buildings, now it is time to channel our efforts to develop a favorable climate for business and innovation activities that can dynamize the local economy and support the sustainable development of the district in medium and long-term.

*In the current economic landscape, urban areas are the main engines of the global economy, as most of the processes and activities needed to create, develop and sustain innovation originates in the heart of cities. Thus, in order to obtain a favorable position in the national and international economy, the 3rd District of Bucharest became a partner of the IN FOCUS network in 2015 alongside nine other cities and metropolitan areas in Europe - Bilbao, Plasencia, Porto, Frankfurt am Main, Bordeaux Métropole, Grenoble-Alpes Métropole, Metropolitan City of Torino, Bielsko-Biala, and Ostrava.*

*With the support of our international experts and partners and with the help of the local actors gathered in the URBACT Local Group, the 3rd District has managed to outline its strategy on smart specialization, which takes the form of this Integrated Action Plan.*

*This document is the result of a comprehensive, collaborative process, as the URBACT Local Group of the 3rd District brought together all the relevant local stakeholders (representatives of the business environment, research institutes, and academia) and it ensured, through an integrated and participative approach, the achievement of a precise and innovative result.*

*The Integrated Action Plan will help the 3rd District to channel its future efforts towards supporting the economic areas with the highest potential for innovation and development - ICT and creative industries - through measures aimed to support, among other, the entrepreneurship, business, and the young entrepreneurs. We hope that the 3rd District of Bucharest will grow to be a significant mark on the map of smart specialization and, implicitly, on the investors' map.*

**Robert Sorin Negoită,  
Mayor of the 3<sup>rd</sup> District**

## **ABSTRACT**

The Integrated Action Plan is developed as a strategic planning document for the 3<sup>rd</sup> District of Bucharest by applying the methods, experience and best practices of the partners from the IN FOCUS project of the URBACT program.

IN FOCUS is a pioneering network that brought together 10 European cities willing to collaborate in order to stimulate the local economic development through the so-called smart specialization strategies. The main challenge was to link the smart specialization strategies existing at the regional level with the local level, a unique task in the EU.

In order to develop the Integrated Action Plan, the 3<sup>rd</sup> District of Bucharest has set up a URBACT Local Group (ULG). The group brought together relevant stakeholders from different levels of government, from the ranks of elected representatives, businesses, entrepreneurs, NGOs, clusters, academia and R&D institutes.

From an administrative point of view, Bucharest is known as "The Municipality of Bucharest" having the same level as that of a county. It is part of the Bucharest-Ilfov region, and it's divided into six districts, of which the most populous is the 3<sup>rd</sup> District.

According to statistical data, Bucharest-Ilfov is the most developed region of Romania. As a result, funds needed for the support of the sustainable urban development are scarcely and the interest in developing a regional smart specialization strategy has been low.

Currently, there is no smart specialization strategy working at the regional level, and, as a consequence, the 3<sup>rd</sup> District had to look further at the national level, at the National Strategy for Research, Development and Innovation 2014-2020 which sets the main priorities in the field of research and innovation. Because the principles of The National Strategy are too general, the local smart specialization strategy has also been developed having in consideration The Sustainable Development Strategy 2014-2020 of the 3<sup>rd</sup> District, which was approved by the Local Council in 2015. According to this document, until 2020, the second strategic objective of the 3<sup>rd</sup> District is to "create opportunities for the business environment". Thus, the main objective of the 3<sup>rd</sup> District in the IN FOCUS network was to use the smart specialization approach to challenge this issue and to drive changes in the local economy. The goal was to develop a beneficial ecosystem for business and R&D activities that foster economic growth and job creation.

The Integrated Action Plan of the 3<sup>rd</sup> District has 5 objectives:

- Transform the local economy into creative and innovation-driven one
- Promote the 3<sup>rd</sup> District as an attractive destination for investments
- Make the 3<sup>rd</sup> District a core point of the logistics chains at the national level
- Facilitate workforce training and retention of local talents
- Digitize the local economy and administration

To achieve the first objective of the IAP, 4 actions were drawn:

- Develop at least one business incubator in the 3<sup>rd</sup> District
- Partner with research entities and academia to attract and retain local talents
- Support the development of infrastructures for creative industries in former industrial areas
- Transform Dâmbovița riverbank into a hotbed of Bucharest's creative economy

9 actions were drawn to achieve the other three objectives, and the most important are:

- Stimulate the dialogue with business and increase investors' access to information
- Create links between the educational system and employers to ensure that the demand for labor matches the offer
- Support for a central-located logistic hub of carriers

To implement the Integrated Action Plan, a financing mix which includes sources from the local budget, national programs, European funds, and private capital will be used. The involvement of stakeholders in implementing the Integrated Action Plan will be carried out according to the responsibility matrix. The City Hall of the 3<sup>rd</sup> District will be directly involved in implementing most actions, and indirectly in others. No action will be implemented without the involvement of the City Hall.

To time the IAP's implementation over the next five years, a Gantt chart was developed. To monitor the implementation, for each strategic objective and action, performance indicators were established. The IAP's implementation will be assessed annually based on the results from the current year, correlated with the proposed actions. Next year's priorities will be established based on the documents and proposals initiated by the responsible structures.

The IAP's risk management process includes the following steps:

- Identify the risks related to the IAP's implementation
- Analyze the risks, respectively determine the likelihood and the impact associated with these risks
- Risk response by measures intended to mitigate their likelihood and impact

Most of the risks associated with the IAP's implementation are low, and as a result the relevant response is monitoring. As a result of the risk response actions, most risks will have an insignificant level, and it won't endanger the implementation of the Integrated Action Plan of 3<sup>rd</sup> District.

## 1. THE URBACT-IN FOCUS FRAMEWORK

The 3<sup>rd</sup> District of Bucharest became a partner in the IN FOCUS network of the URBACT Programme in 2015, with the aim of developing a propitious ecosystem for business and innovation activities, by shaping a smart specialization strategy at local level.

The URBACT Programme is an instrument of the EU Cohesion Policy, financed from the European Regional Development Fund (ERDF), that facilitates the sharing of knowledge and good practice between elected representatives, officers, and other key actors of various European cities. It improves the planning and implementation process of the integrated urban plans and national programs, through a learning process on sustainable urban development policies, through the establishment of the URBACT Local Groups and through the development of the Integrated Action Plans.

URBACT's mission is to enable European cities to collaborate and jointly develop integrated solutions, for the common challenges they face in the field of urban development, by shaping an environment where cities' representatives can work together, learn from one another and develop solutions and best practices.

URBACT III Programme was adopted in December 2014 by the European Commission, with a total budget was of € 96.3 millions, of which € 74.3 million is provided through the ERDF.

These funds are intended for the financing of three different types of transnational networks:

- Action Planning Networks: they improve cities' capacity to develop integrated action strategies/plans for sustainable urban development
- Implementation Networks: they improve the cities' capacity to implement integrated action strategies/ plans for sustainable urban development;
- Transfer Networks: they improve cities' capacity to implement integrated action plans/strategies by transferring, adapting and reusing at local level examples of good practice identified in sustainable urban development.

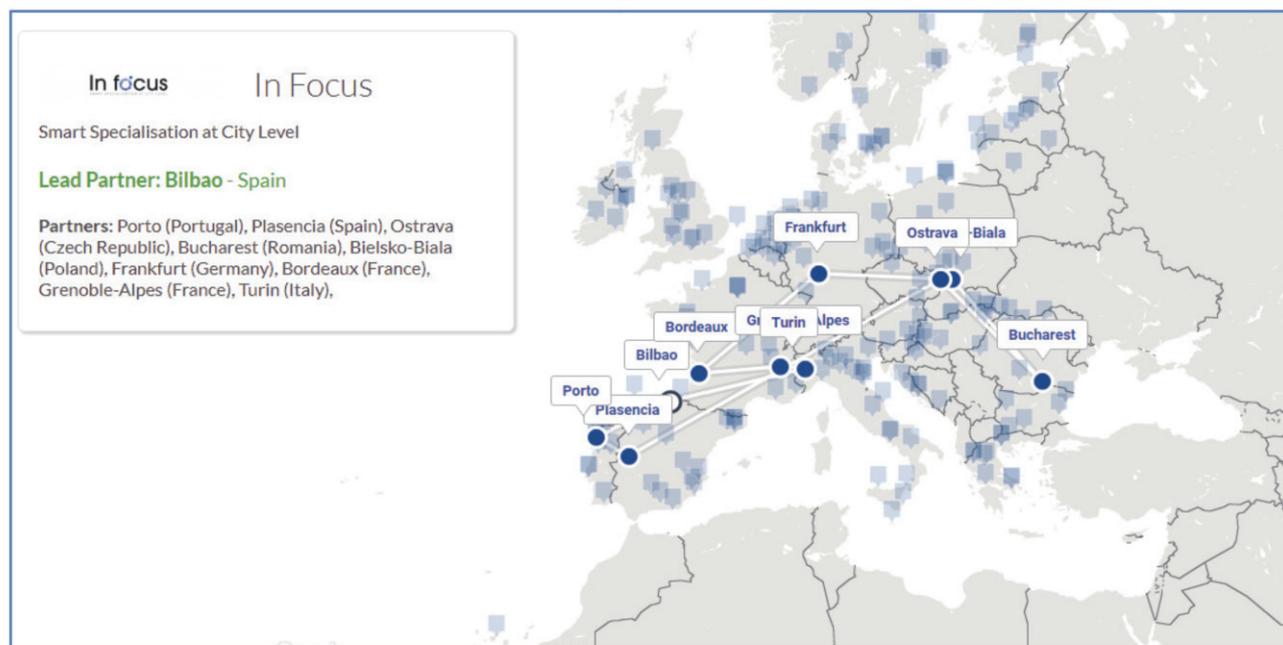
IN FOCUS is an Action Planning Network established by ten cities that, under the "Smart Specialization at City Level" theme, worked together in order to develop effective urban policies capable of stimulating the economic development through the smart specialization strategies.

Although in recent years there has been a proliferation of the so-called smart specialization strategies at regional and national levels, there has also been a shortage of experimentation on how to design and implement these strategies in urban economies.

Thus, the IN FOCUS network sought to fill this knowledge gap, through an integrated approach on urban development, and on how sectorial policies can be improved and better adapted locally through the smart specialization strategies.

These strategies can help cities identify and capitalize on emerging sectoral opportunities that, in conjunction with cross-cutting actions such as entrepreneurship, talent development, city branding, or promoting urban centers as attractive locations for investments, have the role of offering the best possible position for local economies on the global economic landscape.

IN FOCUS network has been active from the 15th of September 2015 until the 3rd of May 2018. Its goal has been that of identifying new emerging sectoral opportunities, supporting and stimulating local entrepreneurship and innovation, branding and marketing of urban centers as attractive locations for business development.



### In Focus Network - Smart Specialisation at City Level<sup>1</sup>

The IN FOCUS network partners of the 3rd District were: Bilbao - Spain (lead partner), Porto - Portugal, Plasencia - Spain, Ostrava - Czech Republic, Bielsko-Biala - Poland, Frankfurt am Main - Germany, Bordeaux Metropole - France, Grenoble-Alpes Metropole - France, and the Metropolitan City of Turin - Italy.

The participation in the IN FOCUS network helped the 3rd District to find optimal solutions to boost the local economy, in close collaboration with the stakeholders involved in the URBACT Local Group.

Moreover, through the thematic workshops organized at network level, the local actors involved in the drafting of this document had access to the knowledge and know-how of transnational partners as well as those of URBACT experts.

Thus, the primary lesson learned from the URBACT experience and, implicitly, IN FOCUS was that of an integrated and participatory approach to the development of urban policies, which generated, at the level of local authority, a series of processes through which local actors began to be directly involved in community issues.

At the same time, the results show that different cities, but with similar challenges, can efficiently collaborate to find innovative solutions. Furthermore, the IN FOCUS experience highlights the need for cities, which want to become competitive and want to invest in economic development, to be capable of shaping their smart specialization strategies. Thus, the IN FOCUS network can serve as a useful practice model at European level, and the experience gained by the partners can be shared with other local authorities willing to develop their smart specialization strategies.

<sup>1</sup>Source: <http://urbact.eu/interactive-map?network=7442>

## 2. COLLABORATIVE MODEL

### 2.1. The URBACT Local Group

To elaborate the Integrated Action Plan and to fulfill all the obligations assumed by participating in the IN FOCUS network, the 3<sup>rd</sup> District of Bucharest set up, as mentioned beforehand, a URBACT Local Group (ULG).

The local groups are the core structure of the URBACT programme as they bring together all of the relevant stakeholders involved in the urban policy issue that needs to be solved. By partnering with partners to solve a particular problem and exchanging experience at the transnational level, the Local



Support Group ensures a more accurate and innovative outcome, reflected in the joint development of action plans. The groups are means of propagation through which integrated and participatory approaches towards urban policies are generated. By collaborating to solve a particular problem and exchanging experiences with the partners at the transnational level, the URBACT Local Group ensures a more accurate and innovative outcome, reflected in the joint development of the action plans.

**January 2016: Launch of the URBACT Local Group in the presence of Mr. Miguel Rivas, URBACT expert**

The structure of the URBACT Local Group of the 3<sup>rd</sup> District was established by mayor's order in 2016, opting for a flexible structure that could undergo improvements depending on the context and the specific conditions that could have occurred during the implementation of the In Focus project. Regardless of the situation, both the group and its outcomes sought to be as representative as possible for the entire community of beneficiaries.



By creating the URBACT Local Group, the local authority learned that it is important not to act alone, but to involve as many stakeholders as possible in its actions. This situation favors the emergence of a multi-stakeholder system that can help the authority to "share" the risks with those citizens and specialists interested in solving the local problems.

## 2.1 Members of the URBACT Local Group and their active involvement in the project

The first meeting of the URBACT Local Group was held in July 2016, when, some of the more critical elements of the Smart Specialization Strategy, were established: development of clusters and new spaces and facilities for business, promotion of research and innovation, the attraction of investments and the entrepreneurial environment development.

Before the end of the project, the URBACT Local Group addressed, in several plenary sessions, topics such as:

- the importance and the role of clusters and poles of competitiveness in developing the local economy
- the need to set up at least one business incubator in the district
- the promotion of the district as an attractive location for investors
- the need to attract talents and to support innovative activities



May 2017: URBACT Local Group meeting



## The URBACT Local Group of the 3<sup>rd</sup> District included the following active members:



Agenția pentru Dezvoltare Regională  
București - Ilfov

### BUCURESTI - ILFOV REGION DEVELOPMENT AGENCY (ADRBI)

ADRBI is a non-governmental, non-profit, public utility entity with legal personality, that functions according to the Law No. 315/2004 of Regional Development in Romania. It is the intermediate body for the Regional Operational Program 2014-2020, the implementation agency for the Phare Programme - Economic and Social Cohesion, and for other programs financed by the Romanian Government.

ADRBI members have supported the actions of the 3<sup>rd</sup> District from the outset and are still one of its vital dialogue partners. The participation of the ADRBI representatives was essential in the development of this document as it ensured the transfer of good practices and know-how between the regional and local levels, in the context in which Bucharest-Ilfov region does not benefit from a smart specialization strategy.

### Different Angle Cluster (DAC)



## Different Angle Cluster

Different Angle Cluster is the first IT cluster in Bucharest, formed in 2014 with a clear mission: to promote and support research, innovation, and education in order to develop and implement solutions capable of transforming the capital city of Romania into a real smart city.

As a direct result of the URBACT Local Group's activity, the 3<sup>rd</sup> District became an honorary member of the cluster, and this has strengthened the interaction between the private and the public sectors while fostering the flow of information, knowledge transfer and know-how. At the same time, the City Hall and DAC have collaborated and developed the "S3 City Guide", an app that provides the citizens with useful information about the schools, kindergartens, police stations, medical units and important landmarks from the district.

### The Bucharest University of Economic Studies (ASE) – Faculty of Management



The Bucharest University of Economic Studies is one of the largest institutes of higher education in Romania, and it is graded as an advanced research and education university.

Members from the Faculty of Management represent the institution in the ULG meetings, and they have contributed to the analysis of the local context and the shaping of the IAP's strategic approach. They have provided examples of good practices regarding the operation of business incubators with mixed portfolio and have formulated potential solutions for organizing the 3<sup>rd</sup> District's business incubator.



### Asociația Activității Sociale, Turism, Antreprenoriat, Formare (AASTAF)

AASTAF is an NGO whose primary objective is to support local entrepreneurs from creative industries. AASTAF has set up a business incubator in the 3<sup>rd</sup> District, and it also aims to establish a pole of competitiveness in the Timpuri Noi area.

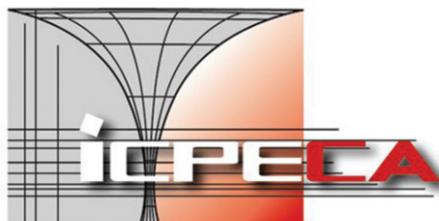
Following the interactions within the URBACT Local Group, AASTAF and the 3<sup>rd</sup> District have concluded a collaborative protocol. Moreover, the business incubator model promoted by AASTAF has been an important starting point in the theoretical and practical approach for the business incubator which the 3<sup>rd</sup> District aims to set it up.

### 360 HUB



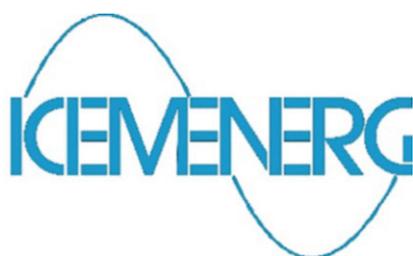
The result of a private initiative, 360 HUB aims to provide support and hosting, in a modern workspace, to local startups and entrepreneurs that are active in sectors such as IT, photography, advertising or PR.

### National Institute for Research and Development in Electrical Engineering ICPE-CA



ICPE-CA is a national institute carrying out accredited research, development, and innovation activities in the field of electrical engineering. ICPE-CA members actively participated in the group meetings, always emphasizing the importance of research activities as a driver of economic progress.

### National Research and Development Institute for Energy – ICEMENERG Bucharest



The primary activity of ICEMENERG includes researches and developments in the field of energy, such as research on advanced energy generation technologies, research in the field of renewable energy systems, solutions to increase energy efficiency, environmental technology in energy, transfer technologies of advanced materials used for the development of sustainable energy, and other.

### Institute For Public Policy (IPP)



Institutul pentru Politici Publice  
București

IPP is an NGO that aims to support an increased quality of processes related to the development of public policies in Romania. IPP members are committed to promote high-quality policies in areas such as the transparency of the legislative process, reform of local government, fight against corruption, promoting integrity at all government levels, the organization of the election system and of its processes, funding of political parties, promoting the rights of the disabled and so on. In 2017, in partnership with the 3<sup>rd</sup> District City Hall, IPP launched a call for proposals regarding the revitalization of the Laminor brownfield. After, the discussions were continued within the local group.

In addition to those mentioned above, representatives from The Technical University of Civil Engineering of Bucharest and from "Ion Mincu" University of Architecture and Urban Planning have also taken part in the first meetings of the URBACT Local Group.

## 2.2 Challenges and achievements

Active collaboration between the 3<sup>rd</sup> District City Hall and members of the URBACT Local Group was not an easy task. Some challenges have tested the group's ability to function as an inclusive and interactive body in which ideas are being generated and shared to gain valuable insights about the potential opportunities of the 3<sup>rd</sup> District.

One of the main issues was that of the low attendance at plenary assemblies, some of the group members taking part in only a session.

To address this situation informal meetings with members who have shown a particular interest in the project were set up, and, also, they were involved in transnational meetings as much as possible.

**Table no.1**

URBACT Local Group of the 3 <sup>rd</sup> District	
ACHIEVEMENTS	CHALLENGES
Establishing a functional ULG composed of NGOs, R&D institutes, academia and local government.	Challenges in determining all of the stakeholders to assume an active role in the IAP's development.
Develop the authority's capacity of working alongside local stakeholders.	Challenges in keeping the ULG members' interest.
Signing protocols with DAC and AASTAF, which ensures the collaboration with these members even after the IN FOCUS project.	Difficulties in explaining and defining the concept of smart specialization.
Further use of the collaborative model of action, by establishing The Business Office and The Local Development Service in Communities Responsibility, two specialized structures of the City Hall that facilitate direct and effective interaction with stakeholders.	

### 3. SMART SPECIALISATION AS A DRIVER

#### 3.1 Vision

Because Bucharest's 3<sup>rd</sup> District lacks a dynamic business environment and is facing the constant problem of brain-drain, the local economic development has been weak. Also, the administrative fragmentation of Bucharest into six districts and the fact that there is no RIS3 for the Bucharest-Ilfov Region have taken a toll on the economic development.

**The primary objective of the 3<sup>rd</sup> District in the IN FOCUS network is to use the smart specialization approach to challenge this issues and to drive change within the local economy. The goal is to develop a beneficial ecosystem for business and innovative activities that can foster economic growth and job creation.**

Within the Municipality of the 3<sup>rd</sup> District, there is a strong political will to use the Integrated Action Plan as a tool to stimulate the entrepreneurial environment, to foster cluster development, to create new workspaces and facilities for businesses, and to better manage the potential of the local talents and youth.

#### 3.2 Local context

Bucharest, the capital of Romania, is the primary political, administrative, economic and commercial center of the country, as well as the largest city. With a population of over 2 million inhabitants, Bucharest is the sixth city within the European Union in terms of population. But in fact, Bucharest collects more than three million people a day, and specialists predict that over the next five years the total will exceed four million. In addition, the localities around the city, which will be part of the future Metropolitan Area, add a population of approximately 430,000 inhabitants.

Stretching over an area of 240 square kilometers, the city measures about 22 kilometers between its northern (Străulești) and southern end (IMGB -Berceni), and almost 20 kilometers between its western (Militari) and eastern extremities (towards the Căldăraru village).

The first historical mentioning of the locality appears in the year 1459. In 1859 it became the capital of Romania and since then it has been continually changing, being the center of the artistic, cultural and economic scene. Between the two world wars, the elegant architecture and the elite of Bucharest brought him the nickname "Little Paris." Currently, the capital has the same administrative level as a county.

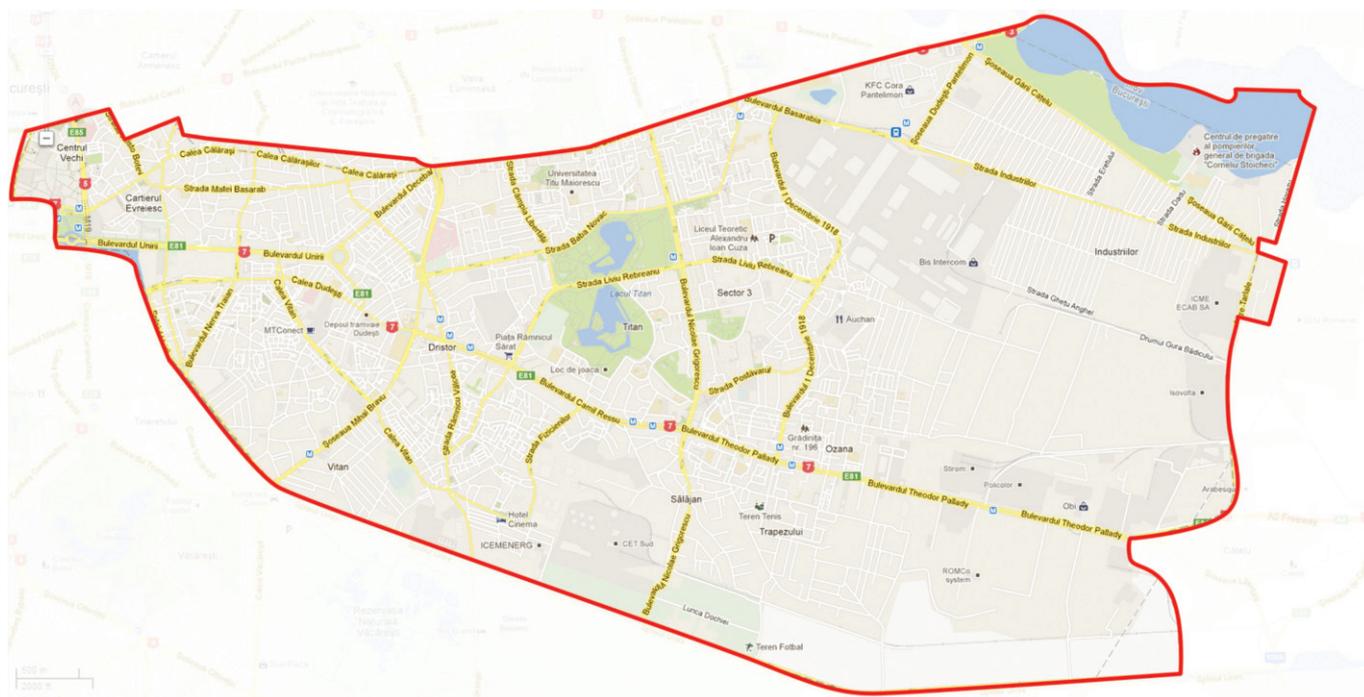
The 3<sup>rd</sup> District extends from the city center, University Square, to the eastern edge of Bucharest and has an area of 34 km<sup>2</sup>. It is the most populated district of the city, its residents counting for nearly 17% of the total inhabitants of Bucharest.

As a result of its historical evolution, characterized by successive attempts to modernize the boulevards, starting in the middle of the 19th century and continuing with the 1980s regularization, Bucharest lost most of its historical tissue and, also, its old slums and some of its historic districts. Thus, in the current urban landscape, there is visible a stratification of socio-spatial structures (often assimilated to the neighborhood notion) formed in different historical periods, structures evident also in the 3<sup>rd</sup> District. Among them, its worth mentioning traces of the old slums (Colțea), of the old lots from 1900-1940 (Hala Traian), of the communist-era neighborhoods (Titan - Balta Albă) and the new residential complexes built over recent years.



**Figure no.1 Location of 3<sup>rd</sup> District in Bucharest**

The Pantelimon, Cernica, Glina and Popești-Leordeni Communes, which are part of the first crown of localities around the capital, provide the transition between the 3rd District and the rest of the Ilfov County. Being in contact with the large metropolitan area, the limits of the 3rd District are composed from a different range of lands, both in nature and in use: lands with recreational potential in the North (the shores of Lake Pantelimon), unused or in development (for storage, industry, etc.) along Bucharest's ring road in the East, and agricultural lands in the South. It is noteworthy that, in comparison to the North and North-East side of the Capital, the 3<sup>rd</sup> District shows an insignificant development of the urban agglomeration adjacent to the metropolitan territory.



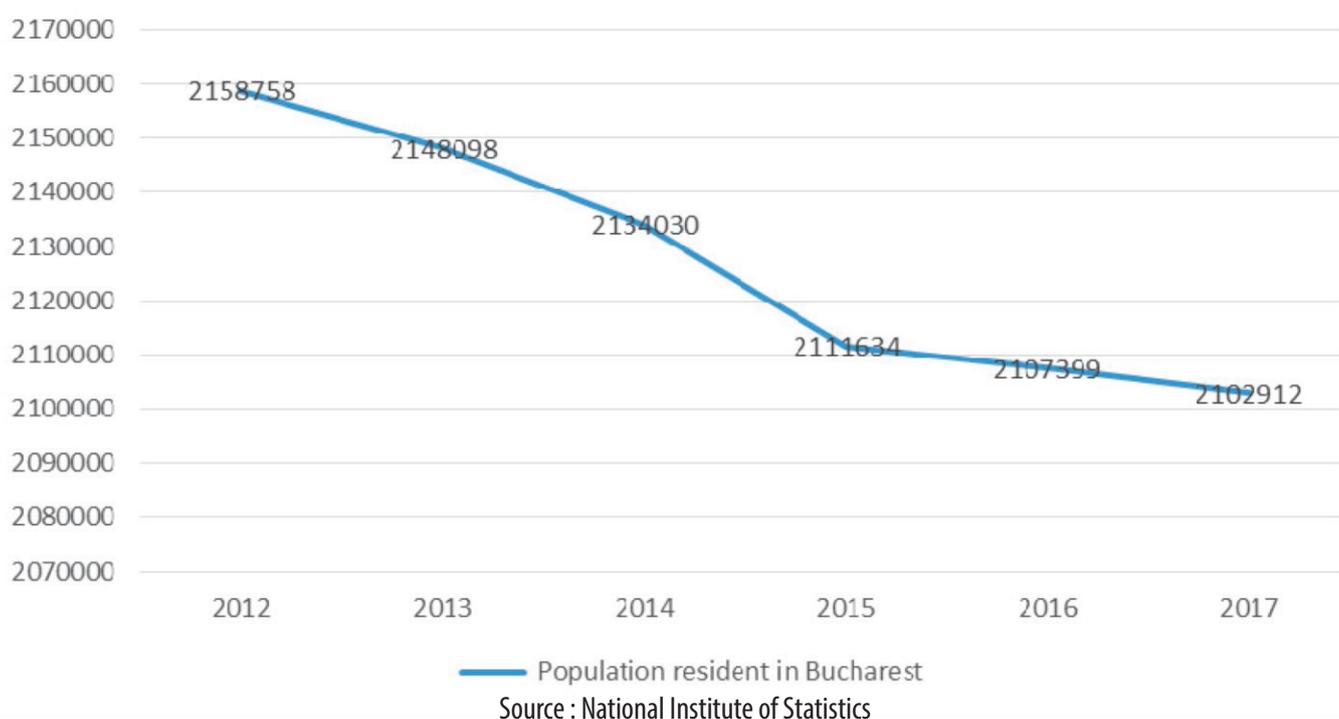
**Figure no.2 Map of Bucharest's District 3**

Accessibility and mobility between Ilfov County and 3rd District is mainly achieved through the Ring Road and the A2 Motorway, which has a continuity in the city via Theodor Pallady Boulevard. The construction of the Motorway to Constanța (A2) has, however, generated, over time, a series of problems connecting the traffic flows. However, the direction of access to it still stimulates the development and expansion of residential and service areas, with the tendency of completing the urban fabric from the eastern periphery of the district in recent years through the development along the main traffic arteries.

In 3rd District there are 21 state kindergartens, 31 primary and secondary schools (of which a special school and a school of arts), six state high schools with a theoretical profile, one theological, one economic, six state technological high schools (five of which are former industrial high schools), a sports club and a children's club.

The evolution of the population at Bucharest level shows a tendency to reduce the number of inhabitants even though Bucharest is the most important city of the country and the most attractive in terms of economic and social development.

**Graphic no.1 Population resident in Bucharest**



From an administrative point of view, Bucharest is known as the "Municipality of Bucharest" and it has the same administrative level as that of a county.

The General Mayor, is the head of Bucharest's City Hall, which is responsible for city-wide affairs. The city is further subdivided into six districts (sectoare), each governed by a local mayor. This, sometimes, contributes to the administrative fragmentation of the town.

The 3rd District is the most populous district of the capital city. According to the latest information, between 2015 and 2016, the population grew from 475.545 to 480.240 inhabitants.

Table no.2

The 3<sup>rd</sup> District Population as of 30th of January 2017<sup>4</sup>

Age 0-18	Age 18-50	Age Over 50	Total
74.008	246.301	160.271	480.580

As seen above, the population's age structure reveals a high demographic aging which could have negative implications for medium and long-term. This facts should make **retention of local talent and attraction of young entrepreneurs in the district a priority to any S3 strategy.**

From the region point of view, Bucharest-Ilfov is atypical compared to other regions in Romania, because it is composed of Bucharest, the capital city of Romania, which is surrounded by the Ilfov County.

According to statistical data, Bucharest-Ilfov is the most developed region in Romania.

Table no.3

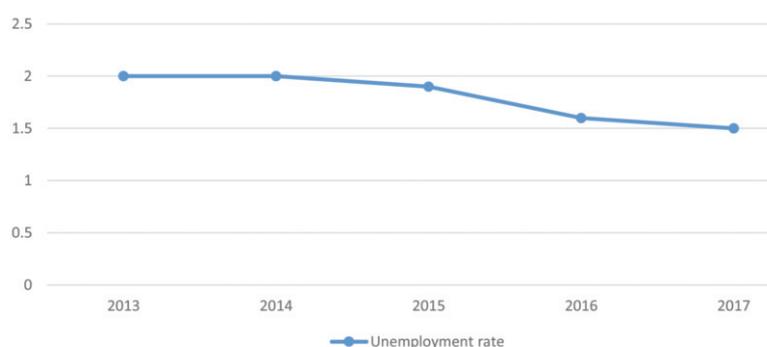
Regional GDP in the European Union, 2015<sup>5</sup>

Region (NUTS 2013)	GDP € million	GDP per capita €	GDP milion PPS	GDP per capita PPS	GDP per capita PPS, EU28=100
Bucharest-Ilfov	44 154	19 300	90 048	39 400	136

Because of this, funds for supporting sustainable urban development are not allocated and the interest in developing a regional smart specialisation strategy has been low. At this moment there is no such strategy working at the regional level and this poses a challenge to the 3<sup>rd</sup> District.

The evolution of the unemployment rate in Bucharest recorded a decrease of 0.5% over the last 5 years as a result of the economic growth trend at both regional and national level. However, the unemployment rate must also be seen in the context of labor force migration and in the context of the general working population.

## Graphic no.2 The evolution of unemployment rate in Bucharest



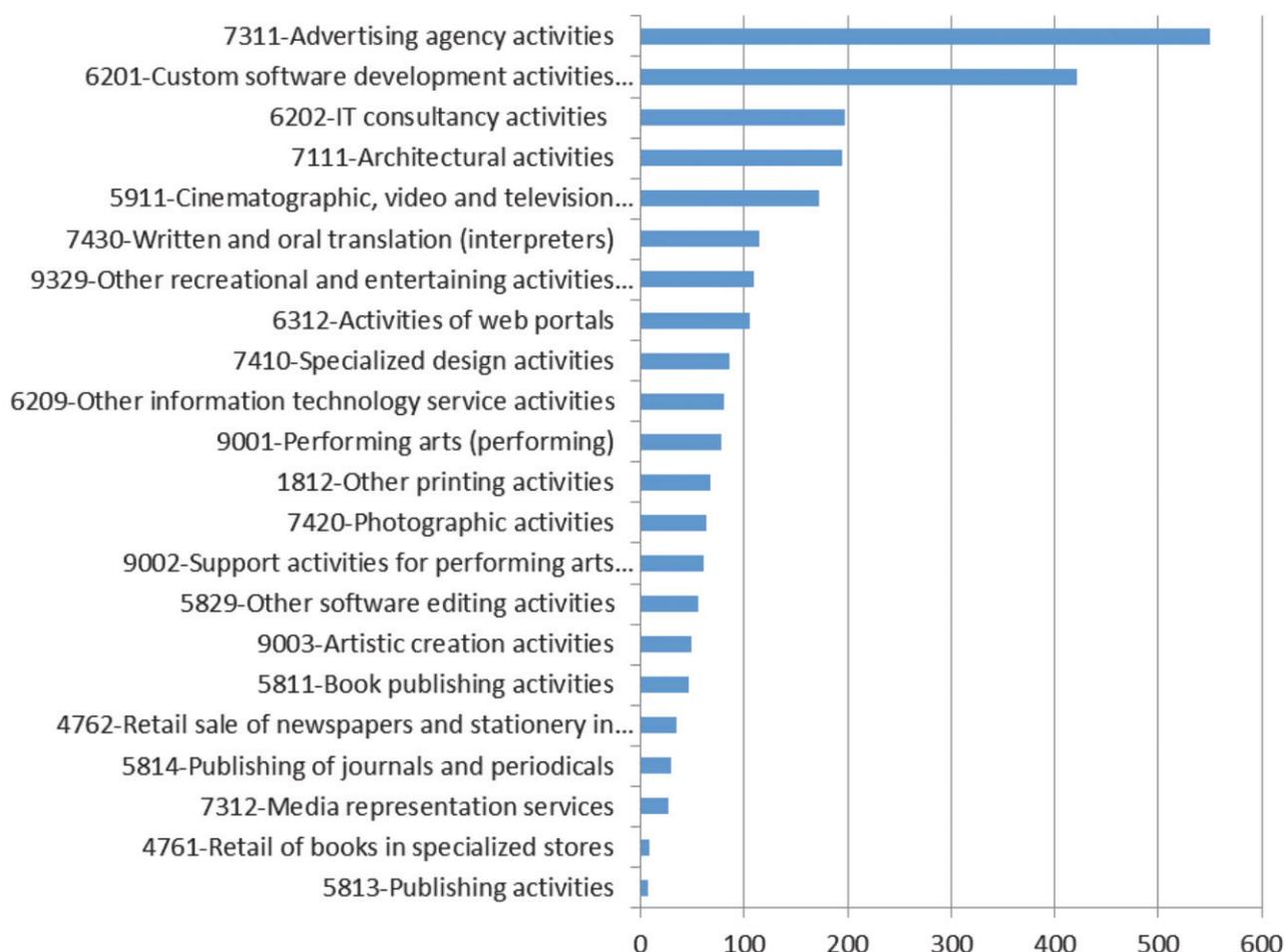
Source : National Institute of Statistics

The relatively low unemployment rate, compared to the national average, is due, among other things, to the dynamics of the entrepreneurial phenomenon in Bucharest and 3<sup>rd</sup> District. A particularity of 3<sup>rd</sup> District is the dynamics of the entrepreneurial phenomenon in the creative industries.

<sup>4</sup>The date will be update with informations regarding the active population and people without jobs.

<sup>5</sup><http://ec.europa.eu/eurostat/documents/2995521/7962764/1-30032017-AP-EN.pdf/4e9c09e5-c743-41a5-afc8-eb4aa89913f6>

According to the National Trade Register Office, most of the creative SMEs in 3<sup>rd</sup> District is in the field of advertising followed by custom-made software (customer-oriented software), information technology consultancy and architectural activities.



**Graphic no. 3 The number of SMEs in 3<sup>rd</sup> District distributed to the creative industries' CAEN codes**

Source: Own calculation using the data of the National Trade Register Office

Concerning the turnover criterion, the most important creative industries are advertising, information technology consultancy, and other software publishing activities. Creative industries with the largest number of SMEs are also the ones with the highest turnover in 2016.

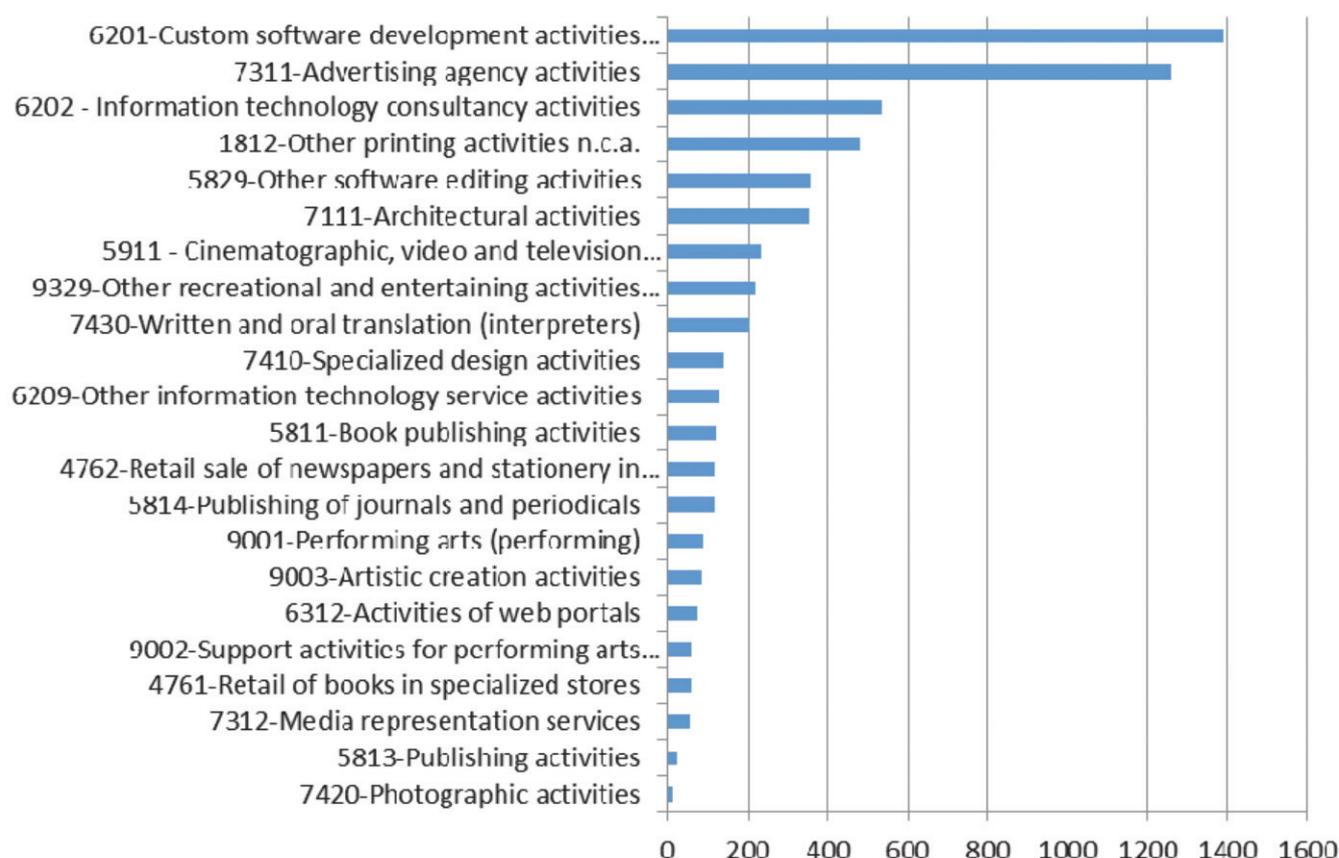
An exception is that of the architectural activities that have a lower share of SMEs. From the turnover point of view, the publishing activities of other software products have a more significant share in the local economy.

Revenues of creative SMEs in the 3<sup>rd</sup> District

The primary object of activity declared at the Trade Register	Revenues (lei)	%
7420-Photographic activities	1.967.461	0.16%
5813-Publishing activities	5.092.697	0.42%
6312 - Web Portal Activities	12.083.617	0.99%
9002-Support activities for performing arts (performances)	13.062.864	1.07%
9003-Artistic creation activities	13.924.739	1.14%
7312-Media representation services	14.474.372	1.18%
4761-Retail of books in specialized stores	17.399.991	1.42%
5811-Book publishing activities	21.862.974	1.78%
7410-Specialized design activities	22.577.155	1.84%
4762-Retail sale of newspapers and stationery, in specialized stores	26.081.479	2.13%
9001-Performing arts (performances)	26.455.941	2.16%
9329-Other recreational and entertaining activities n.c.a.	29.203.694	2.38%
5814-Publishing of periodicals and periodicals	29.438.584	2.40%
5911 - Cinematographic, video and television production activities	36.264.348	2.96%
6209 - Other information technology service activities	36.724.978	3.00%
7430-Written and oral translation (interpreters)	43.583.908	3.56%
7111-Architectural activities	46.852.772	3.82%
1812-Other printing activities n.c.a.	69.878.352	5.70%
5829 - Publishing activities of other software	74.010.884	6.04%
6202 - Information technology consultancy activities	96.518.584	7.88%
6201-Custom software development activities (customer oriented software)	246.285.163	20.10%
7311-Advertising agency activities	341.766.043	27.89%
<b>TOTAL</b>	<b>1.225.510.600</b>	<b>100.00%</b>

Source: Own calculation using the data of the National Trade Register Office

From the perspective of the employees' number, custom-made software activities (customer-oriented software) rank first in the creative industries of the 3<sup>rd</sup> District, as can be seen in the figure below. After, most employees work in creative advertising and information technology consultancy activities. The lowest number of employees work in the fields of newspaper publishing and photographic activities.



**Graphic no.4 Average number of employees in Creative SMEs in the 3<sup>rd</sup> District**

Source: Own calculation using the data of the National Trade Register Office

SMEs operating in the creative industries are an increasingly important component of SMEs active in the local economy, as:

- represents 12.85% of the number of SMEs in 3<sup>rd</sup> District;
- 8.03% of the 3<sup>rd</sup> District sector SMEs' turnover;
- hold a weight of 8.05% of the number of SMEs in 3<sup>rd</sup> District.

Regarding their share in the total no. of companies operating in the district, the creative SMEs represent:

- 6,10% of all companies operating in 3<sup>rd</sup> District of Bucharest;
- 1.72% of the turnover of companies registered in 3<sup>rd</sup> District of Bucharest.

Creative SMEs are still insignificant regarding turnover in the local economy, but they are a growing sector when it comes to their share in the total number of companies operating in the 3<sup>rd</sup> District of Bucharest.

### 3.3. SWOT Analysis of the 3<sup>rd</sup> District

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Large areas of land resulting from the closure of industrial platforms (Titan - Faur - Republica and Policolor - Chimopar, Dâmbovița Valley Industrial Zone, Dudești Industrial Zone, Stefan cel Mare Industrial Zone);</li> <li>• Partnerships between the 3<sup>rd</sup> District City Hall and universities with IT specializations;</li> <li>• New development centers in the north of the District (Vergului Road and Basarabia Boulevard) and Theodor Pallady area;</li> <li>• The presence of three research institutes in the District: two operating in the field of energy (ICPE-CA and ICEMENERG) and one in textiles (The National Research &amp; Development Institute for Textiles and Leather);</li> <li>• A high school specialized in computer science</li> </ul>	<ul style="list-style-type: none"> <li>• Degradation of the industrial fund;</li> <li>• Low development of high (87) and medium-high (197) technology firms, compared to low technology firms (3.610);</li> <li>• Low quality of living and urban comfort due to functional incompatibilities - dwelling areas adjacent to industrial ones;</li> <li>• A low percentage of the active population in the total number of inhabitants;</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• The proximity of universities with IT specializations (Bucharest University of Economic Studies, Politehnica University, Bucharest University);</li> <li>• The location of the 3<sup>rd</sup> District at the exit to the A2 Motorway that connects Bucharest to the main port of Constanța and the seaside;</li> <li>• The construction of the Medial Ring that offers the opportunity for better mobility;</li> <li>• The disponibility of European structural and investment funds;</li> <li>• The presence of the road and rail corridors IV and IX;</li> <li>• The Historic Center that has a high potential for activities with significant economic, social and symbolic impact;</li> </ul>	<ul style="list-style-type: none"> <li>• The low traffic capacity of the Bucharest Belt, that leads to directing the vehicles towards the 3<sup>rd</sup> District, situation that, in the long run, can have significant adverse effects;</li> <li>• Population migration to other districts due to the lack of healthcare services and maternities;</li> <li>• The proximity of rural areas from the Ilfov County that may hinder the peripheral development.</li> </ul>

### 3.4. Priority domains

Because there is no smart specialisation strategy operating at regional level, the 3<sup>rd</sup> District had to look further, to the national level, at the **National Strategy for Research, Development and Innovation 2014-2020** which sets the main priorities in the field of research and innovation.

The second specific objective of this strategy refers to *“supporting smart specialization by concentrating resources in research and innovation areas with economic relevance and potential for R&D demonstrated through public-private partnerships leading to concentration, efficiency and effectiveness, and public-private partnership to unlock the identified potential.”*<sup>6</sup>

Smart Specialization areas supported by the National Strategy for Research, Development and Innovation 2014-2020 are:

- Bioeconomy;
- Information and communication technology, space and security;
- Energy, Environment and Climate Change;
- Eco-nanotechnologies and advanced materials.

Because the National Strategy principles are too general, the local strategic approach will be based also on **The Sustainable Development Strategy 2014-2020 of the 3<sup>rd</sup> District**, which was approved by the Local Council in 2015.

According to this official document, the second strategic objective of the 3<sup>rd</sup> District until 2020 is to “create opportunities for the business environment”.

Part of this strategy are measures intended to reinforce research and innovation and to support the business environment, brownfield regeneration and attracting investments.

In addition, the strategy identifies three areas that are worthy of strategic consideration:

- ICT;
- real estate;
- creative industries.

<sup>6</sup>Specific objective no. 2 of the the National Strategy for Research, Development and Innovation 2014-2020, pp. 11-12  
[https://www.edu.ro/sites/default/files/\\_f%C8%99iere/Minister/2016/strategii/strategia-cdi-2020\\_-proiect-hg.pdf](https://www.edu.ro/sites/default/files/_f%C8%99iere/Minister/2016/strategii/strategia-cdi-2020_-proiect-hg.pdf)

With the help of the ULG members there were identified three other **strategic advantages of the 3<sup>rd</sup> District that have not yet been used by the local authorities to their full potential:**

1. Hala Laminor;
2. The 3<sup>rd</sup> District's opening to A2 highway
3. The bank of Dâmbovița river



**Figure 3 Areas - strategic advantages of 3<sup>rd</sup> District**

#### **HALA LAMINOR – a brownfield with high potential**

- Built in 1936, HALA LAMINOR is listed on Bucharest's list of historical monuments. Initially it was a factory that produced oil pipes and later locomotives.
- Surface: 68,000 sqm
- It belongs to SC ADMINISTRARE ACTIVE SECTOR 3 SRL, a company whose only associate is the Local Council of the 3<sup>rd</sup> District.

**SUGGESTED ACTION:** Regeneration of the brownfield for creative industries and entrepreneurship. The business model of incubators can be used to develop workplaces for creative industries start-ups.

#### **A2 MOTORWAY**

- The A2 motorway connects Bucharest with Constanța, the biggest city-port on the Black Sea coast of Romania. In the western area of Bucharest (the 3<sup>rd</sup> District) there are no centers for carriers, near A2
- In 2013, the Romanian transport and logistics market was valued at over 6 billion euros. Nine of the top ten logistics companies in the world are active in Romania.

**SUGGESTED ACTION:** Offering support for a centrally-located logistic hub for carriers.

#### **THE BANK OF DÂMBOVIȚA RIVER**

- The river that crosses Bucharest could be used and transformed into a place (an urban runway) that fosters/promotes creative industries.

According to the Sustainable Development Strategy 2014-2020, in Bucharest-Ilfov region there is a low absorption rate, on the labor market, of young people with higher education - approx. 40% annually.

This situation, coupled with evidence of the brain-drain phenomenon, proves the urgent need to stimulate the economic activities that skilled young labor can occupy.

The 3<sup>rd</sup> District Municipality will focus it's S3 Strategy : Creative Economy, Digital Economy and Innovating Retailing, with a special focus on Cluster Development, Entrepreneurship, New Workspaces and Business Facilities, Retention of Local Talent.



Figure 4 The S3 strategy of the 3<sup>rd</sup> District

### CREATIVE ECONOMY

Although the creative industries represent just 1,72 % of the 3<sup>rd</sup> District total turnover, they are also one of the fastest growing business sectors in Bucharest.

Most of the young adults that work in the creative industrie sector lack business skills or do not have time for the administrative tasks that come along with the job. They are also complaining about the lack of financing.

Possible solutions:

#### Increasing the capacity of the sector (scale-up):

- Carrying out training seminars/knowledge exchange workshops that will help them to internalize expertise and to broaden the economic dimension of their work - to perceive themselves as entrepreneurs and to comply with the requirements of the role;
- Creating a center for creative people where they can get legal support, where they can have acces to experts in accounting, advocacy, fundraising, that can help them achieve their goals – The bussiness incubators could incorporate such spaces;
- Deciphering the administrative procedures that need to be performed in various situations;
- Exploring the opportunity to formalize a creative network in order to connect and support people working in the creative sector.

## Financing

- Formulating a public policy document advocating more tax-friendly fiscal treatment for the sector;

## Effective relationship between creative industries and authorities

- The need for an intermediary, that will link creative industries and authorities (a "translator" of the bureaucratic procedures)
- Identify useful and effective procedures and their promotion;
- Active involvement of authorities in various projects (eg. competitiveness poles)

## DIGITAL ECONOMY AND INOVATIVE RETAILING

Romania ranks first in Central and Eastern Europe in the IT sector. About 110.000 people working in IT, and Bucharest, Cluj, Iași, and Timișoara are the cities that have gathered some of the most well-trained IT specialists.

Most IT specialists work in Bucharest, accounting for 44% of all Romanian IT entrants. Statistics show that the number of programmers in Bucharest has increased by almost 12.000 people between 2008 and 2017, thus leading to the largest increase in IT staff at city / county level.

ICT companies accumulate 2.73% of the total turnover in 3<sup>rd</sup> District. Although the percentage is small, ICT is important because companies have substantial growth potential.

In this respect, a series of measures are recommended to support existing companies and to encourage start-ups in the field. Such measures have the great advantage of involving low local government costs, but they have the potential to contribute significantly to the 3<sup>rd</sup> District's growth.

Retailing will continue to be one of the most important sectors of the 3<sup>rd</sup> District economy as it covers a large part of the city's central area, including shopping malls, other shopping centers and major department stores. Retailing activity in 3<sup>rd</sup> District will be boosted by the hub for carriers. Retailing will be positively affected by the digitization of the 3<sup>rd</sup> District through the development of e-commerce. The development of innovative retailing and e-commerce will include: shoppable windows, through which customers can browse products and shop outside of opening hours; creating online loyalty programs in retail; customer digital coupons; computer guides for customers to find the perfect product.

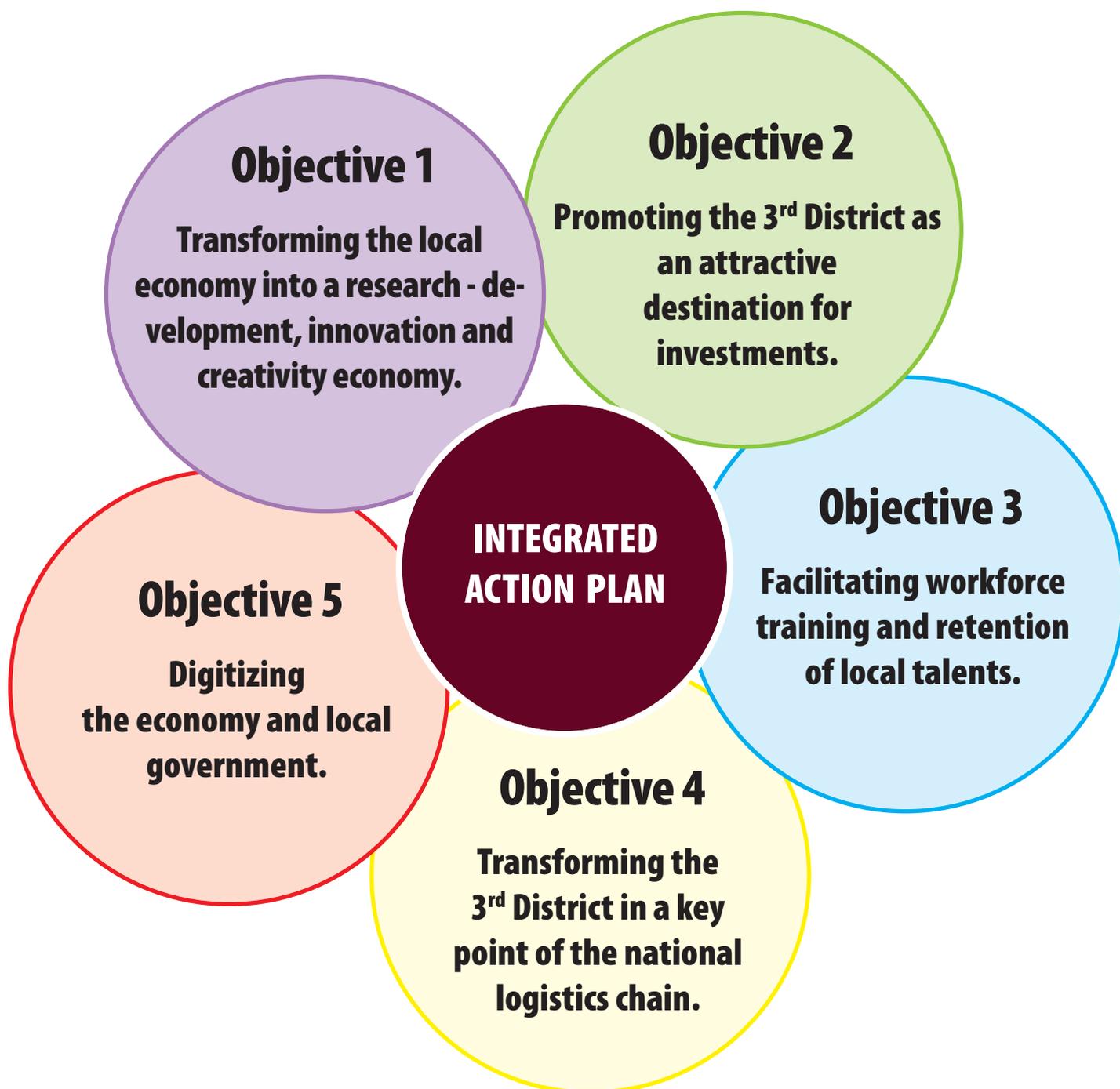
## CLUSTER DEVELOPMENT

Supporting cluster development could be useful, because in Romania there is no cluster policy, but there is a specific legislation regarding industrial parks and science and technological parks.

As a direct result of the work done in the URBACT Local Group, the Municipality of the 3<sup>rd</sup> District joined Different Angle Cluster, Bucharest's first IT cluster, and is now working alongside with the cluster's IT companies.

### 3.5. KEY OBJECTIVES OF THE INTEGRATED ACTION PLAN

As a result of the strategic vision proposed for 3<sup>rd</sup> District through the Integrated Action Plan, five objectives are to be achieved:



## 4. SET OF ACTIONS AND FINANCING SOURCES

### 4.1. Set of actions

The actions to be taken to achieve the four objectives are presented in the following table.

**Table no.4 The scope-objectives-action relationship within the Integrated Action Plan**

<b>The scope of IAP</b>	<p><b>Objective 1.</b></p> <p>Transforming the local economy into a research - development, innovation and creativity economy over the next five years.</p>	<p><b>Action 1.1.</b> Developing business support infrastructures by creating at least one business incubator in the 3<sup>rd</sup> District</p> <p><b>Action 1.2.</b> Supporting partnerships &amp; projects with academia and research institutions in order to attract talent, top specialists and skilled labor</p> <p><b>Action 1.3.</b> Developing infrastructure to support creative industries in former industrial areas</p> <p><b>Action 1.4.</b> Transforming the bank of the Dambovita River into an area of promotion of the creative industries.</p>
	<p><b>Objective 2.</b></p> <p>Promoting the 3<sup>rd</sup> District as an attractive destination for investments.</p>	<p><b>Action 2.1.</b> Defining the 3<sup>rd</sup> District's identity in the context of the Capital-city (branding)</p> <p><b>Action 2.2.</b> Stimulating the dialogue with the business environment and increasing access to information for potential investors interested in relocating to the 3<sup>rd</sup> District</p> <p><b>Action 2.3.</b> Creating spaces for SMEs wishing to operate in 3<sup>rd</sup> District</p>
	<p><b>Objective 3.</b></p> <p>Facilitating workforce training and retention of local talents</p>	<p><b>Action 3.1.</b> Encourage participation in education and training of those furthest from the labor market as a measure to increase their employability</p> <p><b>Action 3.2.</b> Encouraging links between the education system and employers to match supply and demand on the labor market</p>
	<p><b>Objective 4.</b></p> <p>Transforming the 3<sup>rd</sup> District in a key point of the national logistics chain.</p>	<p><b>Action 4.1.</b> Offering support for a centrally-located logistic hub for carriers.</p>
	<p><b>Objective 5</b></p> <p>Digitizing the economy and local government</p>	<p><b>Action 5.1.</b> Extending digitization and e-government solutions at local level</p> <p><b>Action 5.2.</b> Develop and develop basic and advanced digital skills for 3<sup>rd</sup> District City Hall employees</p> <p><b>Action 5.3.</b> Encourage enterprise digitization, e-commerce and online transactions in the local economy</p>

## **ACTION 1.1. DEVELOPING BUSINESS SUPPORT INFRASTRUCTURES BY CREATING AT LEAST ONE BUSINESS INCUBATOR IN THE 3<sup>RD</sup> DISTRICT**

This action aims to develop at least one business incubator within 3<sup>rd</sup> District. The development of such a structure, according to discussions within the URBACT Local Group, would find a favorable environment at the Laminor Hall. The building, a historical monument, is located in the eastern part of Bucharest, in the Pantelimon area of 3<sup>rd</sup> District. The 6.8 hectares plot, located on Basarabia Boulevard no. 256 belongs to SC ADMINISTRARE ACTIVE SECTOR 3 SRL, a company whose only associate is the Local Council of 3<sup>rd</sup> District.



**Figure 5 Laminor Hall**

Landmark for the sustainable development of Bucharest, nowadays the hall is unused and degraded but recoverable, waiting for solutions for reactivation and introduction into the daily circuit.

Real estate, patrimony architecture and abandonment by non-use define the current situation of the Uzina Republic, the former Tubes and Steelworks Plant, made by the Malaxa industrialist in 1936. The Laminor Hall is surrounded by Faur Industrial Park (90 hectares) and from the Malaxa Factories, which includes several large halls as well as administrative buildings.

The Business Incubator is part of a more complex action of urban rehabilitation and transformation of the Laminor Hall, which includes: relocation of the 3<sup>rd</sup> District Mayoralty and its subordinated organizations, creation of spaces for recreational activities, spaces for relocation of activities of the big companies in Bucharest given the territorial dispersal of organizational subdivisions of large companies and the need to integrate their activities)..

**The business incubator will attract mainly Information and communications technology (ICT) companies, creative industries and energy research and development. The business incubator will be a technology incubator with a mixed portfolio that will support in particular SMEs with technological potential.**

Business incubator Laminor Hall will have the following structure:

- Spaces for incubated ICT companies (30% of the area);
- Exhibition facilities of research institutes, universities and / or large firms (10% of the area);
- Areas for service providing businesses (accounting, legal services, other services (10% of the area));
- Co-working spaces to facilitate amplification of links between existing clusters (Different Angle, Go Electric, creative cluster) - 30% of the surface). They will also be used as slots for presentations and events;
- Storage areas (10% of the area);
- Microproduction spaces (10% of the area);



**Figure 6. The distribution of spaces in the business incubator Laminor Hall**

In the business incubator, within the spaces for the companies providing services, the "Information Office for Business" of the 3<sup>rd</sup> District City Hall will operate.

Universities, research institutes, and large firms will not be among potential incubators, but will have the role of supporting business research in preincubation and incubation. Two universities (The Bucharest University of Economic Studies and Polytechnic University) and two energy research institutes will be involved in the business incubator.

In the incubator there will be approximately 100 companies in the ICT field each with a minimum work space of 10 m<sup>2</sup>.

Creating the business incubator involves performing the following tasks:

- To carry out the studies that will accompany the application for the title of business incubator;
- Contracts with utilities suppliers;
- Making the application for the title of Business Incubator;
- Obtaining the title of business incubator;
- Rehabilitation and modernization of the premises where the business incubator will operate;
- Business incubator manager selection;
- Inauguration of incubator and commencement of its operation (first incubation cycle).

The award of the business incubator title, under the current legislation in Romania, is carried out by order of the head of the central public administration authority with attributions in the field of small and medium enterprises and the business environment. The title gives the founder the right to benefit from the facilities provided by law.

The application for the business incubator title is addressed to the central public administration authority with attributions in the field of small and medium enterprises and the business environment.

The application for the business incubator title will be accompanied by the following documents:

- the feasibility study for the business incubator made before it is put into operation to determine its viability and impact, establishing the incubator infrastructure, type, size, available resources, service offerings, potential business incubator residents, local support and regional, as well as the economic situation in the region;
- the business plan, which will include at least the mission, type and objectives of the business incubator, and how to ensure their realization, the description of incubator infrastructure, services and their management, a summary of the financial forecasts for self-financing, the number of incubators yearly and uniqueness, respectively the value added by business incubator;
- evidence of the existence of the infrastructure of the business incubator or of the right of use for the period of minimum 10 years on the founder's patrimony, which is not the subject of litigation and is free from any work;
- contracts entered into by the trustees, founders or owners of the incubator 's infrastructure with electricity, water - channel, internet utilities or intermediaries who have contracts with these suppliers, provided there are no disputes between them.

The new business incubator administrator will have the following obligations:

- to provide the necessary services for the proper functioning of the business incubator;
- to ensure the attraction of economic operators as residents of the business incubator;
- to develop the business incubator development plan in accordance with the development strategies of the areas concerned, which it submits to the founder for approval;
- to implement the regulation on the operation of the business incubator;
- to monitor incubated and post-incubation enterprises;
- to carry out activities to promote and attract potential residents;
- to produce the annual activity report.

In the Laminor Hala business incubator, the following services will be offered to incubated companies:

- a) *services offered to potential beneficiaries during the pre-incubation period* - for a maximum period of 6 months;
- b) *incubation services* - for an incubation cycle of up to 3 years;
- c) *business accelerator services* - for a maximum of 2 years.

**Pre-incubation services** will be the services provided during the pre-incubation cycle, which includes the period between the selection of the future resident and the signing of the incubation contract, during which the business incubator manager will provide services in the form of information sessions, seminars, training and entrepreneurship and legal advice to set up new companies to become members of the business incubator.

The services that will be provided by the business incubator manager, according to the requirements of the residents, are:

- managerial counseling and constant cooperation of resident companies;
- access to training services for current and future market needs;
- professional financial, accountancy and legal services;
- collective purchase of services and products;
- access to non-governmental funds for economic development;
- access to sources of finance, investment and working capital;
- contacts with individual investors, venture capital funds;
- technology transfer and marketing, as well as contacts with universities and research and development institutes;
- services on the internationalization of SMEs;
- services regarding the general management of the business incubator infrastructure;
- other necessary services.

**Business accelerator services** consist in the granting of grants and financial reimbursable allowances by the business incubator manager for the development and support of the resident's activity through start-up financing programs or other sources attracted by him, under the conditions contractual arrangements established by the parties to reduce the time required to market products or services through individual investors or venture capital.

Business incubator residences must meet cumulatively the following requirements:

- are newly established companies who are at least 3 years old;
- fall into the category of SMEs and are classified as autonomous enterprises, according to Law no. 346/2004 on the stimulation of the establishment and development of small and medium enterprises, with subsequent amendments and completions;
- Carries out activities in the specific business incubator;
- are not in a state of dissolution, judicial reorganization, liquidation, insolvency, bankruptcy or temporary suspension of activity;
- does not fall under the category of firms in difficulty.

In the incubator will be selected with priority for ICT field innovative SMEs specialized in:

- promoting Open Data concepts and using "Big Data" technologies for data analysis and reporting at national level;
- strengthening ICT applications for eGovernment, eLearning, digital inclusion, online culture and eHealth;
- developing, strengthening and ensuring the interoperability of information systems;
- the design of e-government services type 2.0 centered on events in the lives of citizens and businesses;
- ensuring the cyber security of ICT systems and computer networks;
- ensuring the use of cloud computing technologies and social media collaboration technologies;
- using "Big Data" technologies for data analysis and reporting at national level.

The indicators that are monitored for the business incubator are:

- survival rate of incubated firms on the incubation cycle (3 years);
- average number of employees per company incubated at the end of the first incubation cycle;
- the occupancy degree of the incubator, ie the ratio between the area occupied by the incubated firms and the total area intended for this purpose.
- incubated firms and the total area intended for this purpose.

The development of business incubators will generate for 3rd District a series of potential benefits:

- additional revenues to the local budget from taxes and fees;
- creating a favorable environment for the development of entrepreneurial-creative phenomenon, especially among young people;
- additional means of retaining local talent and attracting young people from other districts of Bucharest;
- the possibility to collaborate with other business incubators in the country and in the European Union by proposing joint projects and integrating into existing technological platforms;
- facilitating mentoring, tutoring and coaching activities for young entrepreneurs through the involvement of experienced entrepreneurs.

## **ACTION 1.2. SUPPORTING PARTNERSHIPS&PROJECTS WITH ACADEMIA AND RESEARCH INSTITUTIONS IN ORDER TO ATTRACT TALENT, TOP SPECIALISTS AND SKILLED LABOR.**

Under this action, partnerships will be concluded or continued with the following universities:

- Bucharest University of Economic Studies, an ULG member;
- Politehnica University;
- The Technical University of Civil Engineering of Bucharest;
- Other public or private universities in Bucharest.

The partnerships with universities in Bucharest will have as main objectives:

- To meet the needs of research services specific to the projects developed by the 3rd District Sector or for investment projects developed in the 3rd area;
- Involving them in the business incubator developed at Hala Laminor;
- Selection of spin-off incubators arising from research activities.

Within this action, at least two networking events will be held annually involving partner universities, research institutes and incubated companies or other companies willing to take over and develop the results of research activities.

Financing sources will include research checks from the Ministry of Research.

## **ACTION 1.3. DEVELOPING INFRASTRUCTURE TO SUPPORT CREATIVE INDUSTRIES IN FORMER INDUSTRIAL AREAS**

Within this action will be developed the AASTAF project of creating a business incubator for the creative industries. The Business Incubator is organized within the "AASTAF!" Project under the Development of the Timpuri Noi Competitiveness Pole. This activity involves organizing a competition for business ideas among entrepreneurs in the creative industries, with participants with the best ideas being selected to be supported in pre-incubation and resilience of their business ideas.

The "AASTAF!" Incubator aims to facilitate the integration of young people in the creative industry on the labor market through: access to information, mentoring counseling and training, as well as continuous assistance in the field of entrepreneurship and parallel development of the Timpuri Noi community, according to Bucharest strategy, through the involvement of interested companies and partner associations.

The overall objective of the project is to facilitate integration into the labor market and to increase the employability of future entrepreneurs in the creative industries.

The specific objectives of this project are:

- Infrastructure development, general synergy to ensure the conditions for the development of residents;
- Developing the community Timpuri Noi with the help of creative industries through strategic partnerships with large players in the companies and associations market, local and central public authorities (general and specific partners, as appended);

- Developing the professional skills of the target group by organizing professional training programs specific to each creative area for residents;
- Stimulating the development of entrepreneurial activities and organizing courses and events meant to increase the visibility of residents through the development of the whole community;
- Creating the conditions for developing independent activities and internationalization through exchanges of best practices and experience, optimal participation in fairs and exhibitions.
- The target group of the project is composed of people belonging to the creative industries, according to Motivation of the New Times Competitiveness Pole.

Creative industries can become the engines of the cultural ecosystem as long as they are offered creative, production and distribution conditions. The coherent and strategic investment in the creative ecosystem can generate new productive sectors of Romania and position Bucharest in the orbit of the creative European capitals.

Taking into account the diversity of the artistic and technical education in the Capital, Bucharest has an important human capital base. However, there are insufficient spaces and new equipment to enable young people to form in an environment that supports contemporary creation, tailored to market trends and requirements. The trend towards innovation and interdisciplinarity requires a more flexible approach to professional training, which is experimentally supported (such as creative laboratories) and interacts with disciplines and diverse structures.

The propensity for creative industries to entrepreneurship calls for a new skill that has not been addressed in the cultural sector so far. The lack of tradition of a Romanian cultural management school contributes to the need to increase the entrepreneurial and managerial capacity of the cultural sector. Also, an entrepreneurial approach to the activity of public cultural institutions could reduce their dependence on the public budget by diversifying sources of funding.

Developing audiences for innovative projects and creative products is an important point for raising these ideas and businesses on the local market.

The areas of the creative industry to which participants (residents) have to adhere to are:

- |                                    |                                     |
|------------------------------------|-------------------------------------|
| ● advertising;                     | ● the music;                        |
| ● architecture, urban development; | ● the arts of the stage;            |
| ● the art;                         | ● editing (publishing);             |
| ● crafts;                          | ● research and development;         |
| ● the design;                      | ● information technology, software; |
| ● fashion;                         | ● games and toys;                   |
| ● film, video and photography;     | ● the video games;                  |
| ● television and radio;            | ● gastronomy.                       |

**The business incubator for creative industries will include in its structure:**

**1. The AA STAFF space (1900 m<sup>2</sup>) consists of:**

- multifunctional space (art gallery, association headquarters) -800 m<sup>2</sup>;
- café biblioteka (unconventional space with a lot of peace) 200m<sup>2</sup>;
- theater experimental theater 10 - 99 years (events) 500m<sup>2</sup>;
- terrace projection cinema (events) 400 m<sup>2</sup>.



**Figure no.7 The Competitiveness Pole Timpuri Noi incorporates the incubator in the creative industries**

**2. Industrial Creative Hub (600 m<sup>2</sup>)**

**3. Innovative Theater Oz ( 1200 m<sup>2</sup>)**

**4. Dual education center ( 550 m<sup>2</sup>)**

**5. INFO -EU Training and Curricular Research Center (500 m<sup>2</sup>)**

**6. Consultancy Center ( Building I800m<sup>2</sup>)**

- qualifying center;
- practice rooms.

7. Workspaces for children of 500 m<sup>2</sup> which will include:

- Cultural and art workshops 300m<sup>2</sup>
- Entrepreneurship Students 100 m<sup>2</sup>
- taxi with candies 100 m<sup>2</sup>

8. Industrial bistro Flaros 200m<sup>2</sup>

9. Vintage Market "Flacăra Roşie" 1200 m<sup>2</sup> (antique shop, vintage stores)

10. Urban industrial minimalist hotel ( Mansard 2800 m<sup>2</sup>)

11. Urban park (Courtyard Flacăra Roşie - 6000 m<sup>2</sup>) which will allow for the following activities::

- weekend craft creative industries, antiques, gastronomy, curiosities
- produced art - theater, music, dance (events, tickets or sponsors)
- gastronomic events (weekly).

For the City Hall of 3<sup>rd</sup> District, although it is not directly involved in the incubator, incubator design has a number of advantages:

- the transfer of know-how and good practices for the realization of its own incubator;
- opportunities for business relationships and collaborative platforms between startups and spin-offs in the two incubators;
- facilitating the relocation of firms that have passed the first stages of incubation in the two buildings built under Action 2.3.

#### **ACTION 1.4. TRANSFORMING THE BANK OF THE DAMBOVITA RIVER INTO AN AREA OF PROMOTION OF THE CREATIVE INDUSTRIES**

The river bank of Dâmbovița crossing 3<sup>rd</sup> District of Bucharest will be transformed into an area for the promotion of creative industries through the involvement of 3<sup>rd</sup> District City Hall, in partnership with professional associations and organizations, through:

- organizing street-food galleries (StreetFoodFestival) every season (spring, summer, autumn and winter) at traditional events (Easter, Harvest Day, Christmas).
- the biannual realization of the exhibition of traditional Romanian crafts (with the internationalization to take place at traditional craft fairs specific to South-Eastern Europe);
- organizing concerts and outdoors for children in 3<sup>rd</sup> District;
- making a festival of amateur artists' bands during the summer;
- create a permanent street exhibition area for painters, sculptors, antiques.

Through the activities within this action, the 3<sup>rd</sup> District City Hall will create the cultural context necessary to capitalize on the tourism potential of the area and of Bucharest in general.

**ACTION 2.1. DEFINING THE 3<sup>RD</sup> DISTRICT'S IDENTITY IN THE CONTEXT OF THE CAPITAL-CITY (BRANDING)**

The promotion of 3<sup>rd</sup> District and the redefinition of its identity within Bucharest will be achieved through:

1. *Increasing the promotion of the 3<sup>rd</sup> district brand (I love S3) as a result of:*

- Organizing school competitions on specific topics of 3<sup>rd</sup> district (sector history, cultural heritage, urban and architectural heritage, local industries, sector contribution to the development of the city of Bucharest);



**Figure no. 8.3rd District logo**

- Organizing the annual I love S3 cycle of events, including festivals, exhibitions and concerts on the Dambovită bank;
- Adopt a Local Council Decision stipulating that an annual percentage of the local budget is allocated for promotional activities;
- Publishing and distributing advertising materials to promote the I love S3 message among the population, existing firms and potential investors;
- Promotion of the "I love S3" logo at the meetings of the Association of Municipalities in Romania.

2. *The creation of a sense of belonging to 3<sup>rd</sup> District within Bucharest through awareness raising campaigns on the advantages of living and working in this area, including local pride.*

3. *Changing the public image of 3<sup>rd</sup> District from the sector of dormitories and former abandoned industrial areas to R & D sector, IT & C and creative industries by:*

- Organizing the launch events of the incubator at the Laminor Hall and the Timpuri Noi area for the creative industries;
- Promotion of the two newly created facilities in the media using both generalist and niche channels (TV or radio shows, newspapers, scientific, entrepreneurial or cultural themes).

## **ACTION 2.2. STIMULATING THE DIALOGUE WITH THE BUSINESS ENVIRONMENT AND INCREASING ACCESS TO INFORMATION FOR POTENTIAL INVESTORS INTERESTED IN RELOCATING TO THE 3<sup>RD</sup> DISTRICT**

Stimulating dialogue with the business environment and increasing access to information for potential investors interested in relocation to 3<sup>rd</sup> District will be achieved by:

*1. Location in the Laminor Hall Business Incubator of a 3<sup>rd</sup> District City Hall Center for Business Dialogue. This center will have the role of:*

- Ensuring faster contact between the city hall and the business environment;
- Taking into account the issues raised by the business community regarding local administrative barriers to relocation / further work in 3<sup>rd</sup> District;
- First contact for joint city-business project proposals;
- Initiator of business dialogue and consultation on projects of local interest that influence stakeholders in this area.

*2. Realisation of an online information platform for investors to include:*

- Information on Investment Opportunities in 3<sup>rd</sup> District;
- The facilities provided by the local public administration authorities for ICT investors, R & D and creative industries;
- Presentations of the most important companies in the third sector;
- News for companies already operating in the 3<sup>rd</sup> District in Bucharest;
- Rapid Alert Areas for potential investors / firms in Bucharest's 3<sup>rd</sup> District.

In addition, in order to boost the economic growth of 3<sup>rd</sup> District SMEs, with the aim of attracting them to operate within 3<sup>rd</sup> District, the City Hall has created a structure to help improve the interaction between the public administration local businesses and SMEs in the district, in order to identify their real needs and take on concrete proposals for developing their activity and the economic environment at 3<sup>rd</sup> District level.

The new structure, operational since 1 January 2018, is called the Business Environment Relations Service. According to the Order and Operation Regulations (ROF), the duties of the Business Environment Service are as follows:

- create and update an electronic database on the situation of SMEs in the district and on the state of the business environment;
- monitoring and supporting SMEs operating within 3<sup>rd</sup> District by including them in the implementation of specific projects and programs;
- proposes, develops, supports and guides investment projects and cooperation in areas of in-

- terest for the business sector in the district;
- identifies, proposes and applies financing measures;
- initiates and implements concrete and specific actions in line with local objectives with impact on the business environment;
- draws up the necessary materials and participates in business events;
- Initiates and analyzes proposals for cooperation, association or partnership for the development of the business environment;
- collaborate on specific projects with institutions, organizations or associations, ensuring the coordination of the programs and activities carried out with them in connection with the business environment;
- cooperates with the other departments for establishing relations with economic agents from the country and abroad in order to attract new investors;
- initiates and proposes the conclusion of collaboration or partnership protocols with institutions, organizations or associations;
- stimulates, organizes and chairs meetings between business and local government representatives;
- pass on the improvement proposals made in the meetings to the competent departments or institutions, propose actions to reduce bureaucracy and remove barriers to the development of the business environment;
- guides those interested in their information, research and economic cooperation activities;
- promotes projects and programs specific to all those interested.

### **ACTION 2.3. CREATING SPACES FOR SMEs WISHING TO OPERATE IN 3<sup>RD</sup> DISTRICT**

Following the identification of this need in the meetings with representatives of SMEs, as well as the recommendations of the URBACT Local Group, an investment will be made in the construction of spaces for the activity of the companies in the district. These are two buildings located at large intersections (intensely circulated, accessible, connected to the public transport network), which will include both office spaces and production areas, storage and exhibition spaces (for organizing meetings, fairs, exhibitions in which local producers promote their products):

- A building with an area of approximately 32,000 sqm, GF + 13 floors with underground parking, in the area with access to the public transport network;
- An office building with an area of approximately 15,500 sqm, GF + 10 floors, underground parking.

The buildings for SMEs can be a real solution to the need to develop physical spaces for smart specialization. At the same time, in these buildings, business accelerators can be accommodated for firms leaving the incubators provided under Actions 1.1 and 1.3.

### **ACTION 3.1. ENCOURAGE PARTICIPATION IN EDUCATION AND TRAINING OF THOSE FURTHEST FROM THE LABOR MARKET AS A MEASURE TO INCREASE THEIR EMPLOYABILITY**

This will be done by developing joint projects with the employment agency 3<sup>rd</sup> District Local Employment Agency and employers in the field. These projects will focus on:

- counseling people looking for a job;
- career guidance and guidance;
- consultancy and support for economic agents in the implementation of professional reconversion programs;
- socio-professional reintegration of disadvantaged categories of people.

### **ACTION 3.2. ENCOURAGING LINKS BETWEEN THE EDUCATIONAL SYSTEM AND EMPLOYERS SO AS TO ENSURE THE MATCHING OF THE DEMAND WITH THE LABOR MARKET OFFER**

Through this action, a series of activities will be focused on adapting the educational offer of the technological high schools to the requirements of the labor market through partnerships with the private environment. Through these activities will be pursued:

- identifying the main problems that young graduates encounter in the labor market;
- analyzing the employers' requirements regarding the professional training of young graduates;
- establishing the requirements for the correlation of the analytical programs with the employers' requests;
- stimulating innovative forms of training of young graduates to facilitate early career jobs: practice stages in innovative SMEs in business incubators; participation in simulated enterprises in ICT, R & D, creative industries.
- modifying the analytical programs of technology high schools with an emphasis on ICT and creative industries

The role of this action is to prepare the workforce for the process of transforming the local economy into an economy based on creativity and innovation.

### **ACTION 4.1. OFFERING SUPPORT FOR A CENTRALLY-LOCATED LOGISTIC HUB FOR CARRIERS**

3<sup>rd</sup> District is at the exit of Bucharest towards Constanta on the A2 motorway. The proximity of the A2 motorway and its placement on the pan-European transport corridor IV make it an extremely attractive point from the outskirts of 3<sup>rd</sup> District at the exit to Constanța (the main port of the country on the Black Sea).

This favorable situation is amplified by the connection, through the ring road, to the northern area of Bucharest, where the two airports (Otopeni and Baneasa), the main railway station and the exit to the Bucharest-Ploiesti highway (A3 motorway).

The aforementioned elements allow the start of a logistic hub by launching a public-private partnership between the City Hall and the employers' / professional associations of carriers.

The logistics hub will be built on an initial surface of 30,000 sqm and will be extended to a second stage with a surface area of 50,000 sqm. It is intended that the newly created logistics hub will include:

- storage spaces;
- Transport services;
- Handling and packing services of goods;
- Consultancy services and demand forecast for transport, storage and storage;
- Control services and inventory monitoring;
- Research and development in the field of logistics carried out by teams from the partner universities (Faculty of Transportation Engineering, Polytechnic University, Faculty of Railways, Roads and Bridges from the Technical University of Civil Engineering, Bucharest, Faculty of Management from the Bucharest University of Economic Studies) and / or research institutes (IN-CERTRANS) or innovative SMEs in the field.

In the realization and exploitation of the logistics hub, the main actors of the logistics market in Romania will be involved: Essers Logistics, DB Schenker, Tibbet Logistics, Norbert Dentressangle Logistics. Except for the first company, none of the other companies have their own spaces of the size of those in the logistics hub to be built.

### **ACTION 5.1. EXTENDING DIGITIZATION AND E-GOVERNMENT SOLUTIONS AT LOCAL LEVEL**

The City Hall of 3<sup>rd</sup> District made a first step towards the concept of eGovernment in 2015 through the development of the DataCenter project aimed at integrating the individual databases of all services and public institutions subordinated to the Local Council of 3<sup>rd</sup> District.

In September 2017, through the decision of the Local Council of 3<sup>rd</sup> District, the Digitization Strategy of the 3<sup>rd</sup> District City Hall was adopted, a document whose implementation will lead to the harmonization of the institution's development with the recommendations of the Digital Agenda of Romania, but also with the technological progress and the tendency at national and European level to provide digital services to citizens by eliminating as much as possible both the physical presence of citizens and the large amount of physical documents generated.

The idea and purpose of the Data Center project have been maintained in the configuration of the future digital system designed at the institution level through the Digitization Strategy of the City Hall of 3<sup>rd</sup> District. According to the digitization strategy, the following areas will be pursued in this field:

- strategic planning of IT & C procurement within 3<sup>rd</sup> District City Hall;
- acquisition of data recovery systems in case of disaster;
- improving the existing information system (especially information flows);
- electronic archiving of documents for which scenarios of internal processing, outsourcing of the service and mixed approach (internal and outsourcing) have been taken into account;
- implementing software solutions to support the institution and citizens.

In order to achieve the objectives of the digitization strategy, it is intended to integrate existing computer applications in operation at 3<sup>rd</sup> District City Hall by interfacing them with the applications of an integrated system. The implementation of an integrated IT system would aim at ensuring the necessary performance

for the activities of the City Hall of 3<sup>rd</sup> District. The subsystems of the integrated software solution will be:

- the "Single Counter / Registry" subsystem;
- the "Integrated System for City Hall Activities" subsystem;
- "Online Payment" subsystem by integrating with the system used by DGITL 3<sup>rd</sup> District;
- The "Electronic Signature" subsystem;
- "GIS" Subsystem;
- The "E-learning" subsystem;
- "Electronic archiving" subsystem.

The portal can be used by citizens / business representatives / public institutions to access public interest information and to use the on-line services provided by 3<sup>rd</sup> District City Hall.

### **ACTION 5.2. DEVELOP BASIC AND ADVANCED DIGITAL SKILLS FOR 3<sup>RD</sup> DISTRICT CITY HALL EMPLOYEES**

This action will seek to develop the core digital skills of employees in the following areas:

- computer use and file organization;
- editors of texts;
- information and communication;
- basic concepts of Information Technology;
- spreadsheet editors;
- databases;
- presentations.

Through this action, advanced digital skills will be developed and expanded through courses aimed at:

- getting familiar with some of the latest data analysis tools;
- use of some of the most modern technologies: cloud computing, open source data analysis software, online collaboration platforms, reproducible and reusable analytics and research tools, data visualization tools, etc.

Also in this case, courses will be organized to familiarize employees / citizens / other categories of citizens with the new integrated software solution at the City Hall of 3<sup>rd</sup> District.

### **ACTION 5.3. ENCOURAGE ENTERPRISE DIGITIZATION, E-COMMERCE AND ONLINE TRANSACTIONS IN THE LOCAL ECONOMY**

Businesses present at the business incubator developed at Hala Laminor will be considered the pioneers of the digitization process of the local economy through digitization solutions packages developed by the IT firms present in the incubator and adapted to small and medium enterprises such as:

1. Solutions for archiving documents in electronic format - the transition from paper to digitized documents.
2. Electronic invoicing - use of sending, receiving and processing of invoices that save time and money.
3. Define document management processes - centralizing documents from smartphones, laptops, or scanners gives you extra speed in searching and retrieving information by structuring it.
4. Digitizing consumer communication - using text messaging (SMS), web chat, social media strengthens the relationship with the consumer and optimizes costs.
5. Digitize data collection - using a smartphone, tablet, portable scanner, and connecting it to a router for electronic information transfer, instant processing and saving time and travel costs.

In the relationship between 3<sup>rd</sup> District City Hall and the companies present in the Laminor Hala Business Hall, exclusive payments will be used and electronic commerce will be stimulated.

## 4.2. FINANCING SOURCES

The possible funding sources for each of the actions to be implemented are presented in the following table

**Table no.5 – Financing sources for proposed actions**

Action	Estimated budget	Financing sources
<b>Action 1.1.</b> Developing business support infrastructures by creating at least one business incubator in the 3 <sup>rd</sup> District	4.500.000 euro	- Local budget;
<b>Action 1.2.</b> Supporting partnerships&projects with academia and research institutions in order to attract talent, top specialists and skilled labor	500.000 euro	- Local budget; - National Program for Research and Development and Innovation 3 Subprogram 2.1.
<b>Action 1.3.</b> Developing infrastructure to support creative industries in former industrial areas	3.500.000 euro	- European Funds (POR) Programul Operațional Regional- axa prioritara 2 (Imbunătățirea competitivității întreprinderilor mici și mijlocii); -Private co-financing.
<b>Action 1.4.</b> Transforming the bank of the Dambovită River into an area of promotion of the creative industries.	500.000 euro	- Local budget; - European Funds (POR) (Programul Operațional Regional – axa 4); -Private co-financing.
<b>Action 2.1.</b> Defining the 3 <sup>rd</sup> District's identity in the context of the Capital-city (branding)	500.000 euro	- European Funds ( POCA axa 2); - Local budget.
<b>Action 2.2.</b> Stimulating the dialogue with the business environment and increasing access to information for potential investors interested in relocating to the 3 <sup>rd</sup> District	1.100.000 euro	- European Funds (POCA- axa 2 și POR- axa 8); - Local budget;
<b>Action 2.3.</b> Creating spaces for SMEs wishing to operate in 3 <sup>rd</sup> District	15.000.000 euro	- European Funds Programul Operațional Regional-axa prioritara 2 (Imbunătățirea competitivității întreprinderilor mici și mijlocii); -local budget;
<b>Action 3.1.</b> Encourage participation in education and training of those furthest from the labor market as a measure to increase their employability	350.000 euro	- European Funds pene (Human Capital Operational Program axis 3);

Action	Estimated budget	Financing sources
<b>Action 3.2.</b> Encouraging links between the education system and employers to match supply and demand on the labor market	350.000 euro	- European Funds pene (Human Capital Operational Program axis 6);
<b>Action 4.1.</b> Offering support for a centrally-located logistic hub for carriers.	8.500.000 euro	- Public-private partnership; - European funds (Large Infrastructure Operational Program).
<b>Action 5.1.</b> Extending digitization and e-government solutions at local level	1.200.000 euro	- European funds ( POC- axis 2 and POCA); - Local budget;
<b>Action 5.2.</b> Develop and develop basic and advanced digital skills for 3 <sup>rd</sup> District City Hall employees	200.000 euro	- European funds (Human Capital Operational Program axis 3); - Local budget;
<b>Action 5.3.</b> Encourage enterprise digitization, e-commerce and online transactions in the local economy	1.500.000 euro	- European funds ( POC – axis 2); - Local budget;

The budgets for the actions in the previous table are set out in the annexes to the Integrated Action Plan.

## 5. IMPLEMENTATION AND MONITORING

### 5.1. STAKEHOLDER INVOLVEMENT

The involvement of stakeholders in the implementation of the Integrated Action Plan is presented in the following matrix of responsibilities.

**Table no.6 - The matrix of responsibilities for the implementation of the Integrated Action Plan**

Actions/Stakeholders	3 <sup>rd</sup> District City Hall	National Government	Universities (ASE, UTCB, UPB)	Research institutes	Private partners	Clustere (Different Angle)
<b>Action 1.1</b>	ID	II	II	II	II	II
<b>Action 1.2</b>	ID	II	ID	ID		
<b>Action 1.3</b>	II	II	II	II	ID	
<b>Action 1.4</b>	ID				ID	
<b>Action 2.1</b>	ID				II	
<b>Action 2.2</b>	ID				II	
<b>Action 2.3</b>	ID		II		II	
<b>Action 3.1</b>	II	ID			II	
<b>Action 3.2</b>	II		ID		ID	
<b>Action 4.1</b>	II	II	II		ID	
<b>Action 5.1</b>	ID				II	
<b>Action 5.2</b>	ID		II		II	
<b>Action 5.3</b>	II				ID	II

**Legend:** ID – direct involvement (contractual relationship);  
II – indirect involvement (possibility to influence the implementation of projects within an action or to be influenced by the implementation of projects within an action)

Monitoring the implementation of the Integrated Action Plan in 3<sup>rd</sup> District will be done taking into account the implementation timetable and the key implementation indicators associated with each action.

## 5.2. IMPLEMENTATION CALENDAR

The Implementation Calendar of the Integrated Action Plan is presented in the Gantt chart of the following figure. In charting, account was taken of the interdependencies between activities in terms of their implementation order.

**Implementation calendar of the Integrated Action Plan(Gantt chart)**

Actions/Years	2018	2019	2020	2021	2022
Action 1.1					
Action 1.2					
Action 1.3					
Action 1.4					
Action 2.1					
Action 2.2					
Action 2.3					
Action 3.1					
Action 3.2					
Action 4.1					
Action 5.1					
Action 5.2					
Action 5.3					

### 5.3. KEY PERFORMANCE INDICATORS – KPI

The key performance indicators are presented in the following table for each of the actions to implement the Integrated Action Plan of 3<sup>rd</sup> District.

**Table no.7 - Key Performance Indicators - KPI**

Objectives	Actions	Key Performance Indicators
<p><b>Objective 1.</b></p> <p>Transforming the local economy into a research - development, innovation and creativity economy.</p>	<p><b>Action 1.1.</b> Developing business support infrastructures by creating at least one business incubator in the 3<sup>rd</sup> District</p> <p><b>Action 1.2.</b> Supporting partnerships&amp;projects with academia and research institutions in order to attract talent, top specialists and skilled labor</p> <p><b>Action 1.3.</b> Developing infrastructure to support creative industries in former industrial areas</p> <p><b>Action 1.4.</b> Transforming the bank of the Dambovita River into an area of promotion of the creative industries.</p>	<ul style="list-style-type: none"> <li>- A business incubator with mixed portfolio;</li> <li>- 16 firms incubated on the incubation cycle;</li> <li>- the survival rate of the incubated enterprises over 50%;</li> <li>- occupancy rate of incubator over 70%.</li> <li>- two partnerships with universities;</li> <li>- two partnerships with research institutes.</li> <li>- a creative hub;</li> <li>- 60 incubations per incubation cycle;</li> <li>- the survival rate of the incubated enterprises over 50%.</li> <li>- 10 events organized annually;</li> </ul>
<p><b>Objective 2</b></p> <p>Promoting the 3rd District as an attractive destination for investments.</p>	<p><b>Action 2.1.</b> Defining the 3rd District's identity in the context of the Capital-city (branding)</p> <p><b>Action 2.2.</b> Stimulating the dialogue with the business environment and increasing access to information for potential investors interested in relocating to the 3<sup>rd</sup> District</p> <p><b>Action 2.3.</b> Creating spaces for SMEs wishing to operate in 3<sup>rd</sup> District</p>	<ul style="list-style-type: none"> <li>- 300 presentation materials;</li> <li>- 10 events organized;</li> <li>- a functional center;</li> <li>- an online platform.</li> <li>- two buildings for SMEs</li> </ul>
<p><b>Objective 3</b></p> <p>Facilitating workforce training and retention of local talents</p>	<p><b>Action 3.1.</b> Encourage participation in education and training of those furthest from the labor market as a measure to increase their employability</p> <p><b>Action 3.2.</b> Encouraging links between the education system and employers to match supply and demand on the labor market</p>	<ul style="list-style-type: none"> <li>- increasing the employability of the unemployed in 3<sup>rd</sup> District with 5% by 2022;</li> <li>- the analytical programs of two technological high schools reconfigured according to the requirements of the labor market.</li> </ul>
<p><b>Objective 4</b></p> <p>Transforming the 3<sup>rd</sup> District in a key point of the national logistics chain.</p>	<p><b>Action 4.1.</b> Offering support for a centrally-located logistic hub for carriers.</p>	<ul style="list-style-type: none"> <li>- a hub built up to 2022;</li> <li>- 10 private partners involved in the hub.</li> </ul>
<p><b>Objective 5</b></p> <p>Digitizing the economy and local government</p>	<p><b>Action 5.1.</b> Extending digitization and e-government solutions at local level</p> <p><b>Action 5.2.</b> Develop and develop basic and advanced digital skills for 3<sup>rd</sup> District City Hall employees</p> <p><b>Action 5.3.</b> Encourage enterprise digitization, e-commerce and online transactions in the local economy</p>	<ul style="list-style-type: none"> <li>- An ERP system implemented</li> <li>- 1000 employees with basic digital competences;</li> <li>- 200 employees with advanced skills.</li> <li>- 100 firms from the fully digitized Hala Laminor incubator.</li> </ul>

## 5.4. MONITORING METHODOLOGY FOR IAP IMPLEMENTATION

The evaluation of the implementation of the Integrated Action Plan will be carried out as follows:

- Initial evaluation of the content of the Integrated Action Plan and its implementation possibilities;
- Peer evaluation - to be carried out during the implementation of the Integrated Action Plan to verify the state of completion of the main objectives and actions and, if necessary, to take corrective measures;
- Final evaluation - which will address the achievement of the main planned objectives and associated key performance indicators.

The implementation and monitoring of the actions of the Integrated Action Plan will be carried out at the level of the Project Management Directorate of the City Hall, involving a responsible person, designated as an implementation coordinator of the Integrated Action Plan, from the management of the institution.

Monitoring the implementation of the Integrated Action Plan will be done on the basis of key performance indicators set for each Strategic Objective and Action Plan. Based on the results of the current year, correlated with the established action plan, the implementation of the Integrated Action Plan will be assessed annually and the priorities for next year will be established, based on the documents and proposals initiated by the responsible structures.

The carrying out of the monitoring process presupposes, from a methodological point of view, the following steps:

- obtaining all the agreements, approvals, approvals necessary for the implementation of the Integrated Action Plan;
- nominating the members of the Integrated Action Plan Implementation Monitoring Team;
- establishing the responsibilities of each member of the monitoring team;
- performing periodic and ad hoc analyzes of the tasks of each member of the team;
- Preparation and participation in all activities, in accordance with nominations and competencies;
- Elaboration and transmission of monitoring reports;
- Participation in all sessions on the analysis of the progress of the Integrated Action Plan with the other stakeholders;
- Participating in field visits to assess the progress of implementation;
- Developing information on the progress of the Strategy or Progress Reports;
- Archiving documents afferent to the implementation of the Integrated Action Plan.

## 5.5. RISKS ANALYSIS OF IAPs IMPLEMENTATION

The risk management process of the Integrated Action Plan included the following steps:

- identifying the risks related to the implementation of the Integrated Action Plan;
- analyzing the risks identified, ie determining the likelihood and impact associated with these risks
- risk response by measures to mitigate the likelihood and impact of the most important risks.

The results of the risk identification and analysis steps are summarized in the risk table.

**Table no.8 -Risk Table associated with the Integrated Action Plan**

Actions	Identified risks	Probability	Impact	Risk level
<b>Action 1.1.</b> Developing business support infrastructures by creating at least one business incubator in the 3 <sup>rd</sup> District	Delays in financing the project of the future incubator	Medium	Medium	Medium
	Difficulties in obtaining authorizations and permits necessary for construction works	Medium	Medium	Medium
<b>Action 1.2.</b> Supporting partnerships& projects with academia and research institutions in order to attract talent, top specialists and skilled labor	Lack of interest of specialists for involvement in partnerships	Low	Low	Low
<b>Action 1.3.</b> Developing infrastructure to support creative industries in former industrial areas	Difficulties in obtaining authorizations and permits necessary for construction works	Medium	Medium	Medium
<b>Action 1.4.</b> Transforming the bank of the Dambovită River into an area of promotion of the creative industries.	Difficulties in obtaining authorizations and permits necessary for construction works	Medium	Medium	Medium
<b>Action 2.1.</b> Defining the 3 <sup>rd</sup> District's identity in the context of the Capital-city (branding)	Lack of interest of the inhabitants for the identity of the sector	Low	Low	Low
<b>Action 2.2.</b> Stimulating the dialogue with the business environment and increasing access to information for potential investors interested in relocating to the 3 <sup>rd</sup> District	Difficulties in establishing contacts with potential investors interested in relocation in 3 <sup>rd</sup> District	Low	Low	Low
<b>Action 2.3.</b> Creating spaces for SMEs wishing to operate in 3 <sup>rd</sup> District	Difficulties in obtaining authorizations and permits necessary for construction works	Medium	Medium	Medium
<b>Action 3.1.</b> Encourage participation in education and training of those furthest from the labor market as a measure to increase their employability	Lack of interest in the target group	Low	Low	Low
<b>Action 3.2.</b> Encouraging links between the education system and employers to match supply and demand on the labor market	Difficulties in implementing curricular changes	Low	Low	Low
<b>Action 4.1.</b> Offering support for a centrally-located logistic hub for carriers.	Delays in formation of the partnership for the realization of the project	Medium	Medium	Medium
<b>Action 5.1.</b> Extending digitization and e-government solutions at local level	Problems in ensuring interoperability of databases	Low	Low	Low
<b>Acțiunea 5.2</b> Develop and develop basic and advanced digital skills for 3rd District City Hall employees	Employees' lack of interest in advanced digital skills	Low	Low	Low
<b>Action 5.3.</b> Encourage enterprise digitization, e-commerce and online transactions in the local economy	Mistrust of users in the online transactions system	Low	Low	Low

The majority of the risks associated with the implementation of the Integrated Action Plan are minor risks, for which the most important measure of risk response is monitoring. For the other risk categories, the risk response options are detailed in the following table.

**Table no.9 -Risk response options**

Actions	Identified risks	Risk response options	Expected residual risk level
<b>Action 1.1.</b> Developing business support infrastructures by creating at least one business incubator in the 3 <sup>rd</sup> District	Delays in financing the project of the future incubator	Implementation of the project financed by European funds using payment requests	Low
	Difficulties in obtaining authorizations and permits necessary for construction works	Involvement in the technical project of a team of specialists in the rehabilitation of heritage buildings	Low
<b>Action 1.2.</b> Supporting partnerships & projects with academia and research institutions in order to attract talent, top specialists and skilled labor	Lack of interest of specialists for involvement in partnerships	Monitoring	Low
<b>Action 1.3.</b> Developing infrastructure to support creative industries in former industrial areas	Difficulties in obtaining authorizations and permits necessary for construction works	Involvement in the technical project of a team of specialists in the rehabilitation of heritage buildings	Low
<b>Action 1.4.</b> Transforming the bank of the Dambovitza River into an area of promotion of the creative industries.	Difficulties in obtaining authorizations and permits necessary for construction works	Collaboration with the Environment Ministry to obtain environmental endorsements.	Low
<b>Action 2.1.</b> Defining the 3 <sup>rd</sup> District's identity in the context of the Capital-city (branding)	Lack of interest of the inhabitants for the identity of the sector	Monitoring	Low
<b>Action 2.2.</b> Stimulating the dialogue with the business environment and increasing access to information for potential investors interested in relocating to the 3 <sup>rd</sup> District	Difficulties in establishing contacts with potential investors interested in relocation in 3 <sup>rd</sup> District	Monitoring	Low
<b>Action 2.3.</b> Creating spaces for SMEs wishing to operate in 3 <sup>rd</sup> District	Difficulties in obtaining authorizations and permits necessary for construction works	Monitoring	Low
<b>Action 3.1.</b> Encourage participation in education and training of those furthest from the labor market as a measure to increase their employability	Lack of interest in the target group	Monitoring	Low
<b>Action 3.2.</b> Encouraging links between the education system and employers to match supply and demand on the labor market	Difficulties in implementing curricular changes	Monitoring	Low
<b>Action 4.1.</b> Offering support for a centrally-located logistic hub for carriers.	Delays in formation of the partnership for the realization of the project	Initiation of partnership by City Hall of 3 <sup>rd</sup> District through an informal event for interested employers / professional associations	Low
<b>Action 5.1.</b> Extending digitization and e-government solutions at local level	Problems in ensuring interoperability of databases	Monitoring	Low
<b>Acțiunea 5.2</b> Develop and develop basic and advanced digital skills for 3rd District City Hall employees	Employees' lack of interest in advanced digital skills	Monitoring	Low
<b>Action 5.3.</b> Encourage enterprise digitization, e-commerce and online transactions in the local economy	Mistrust of users in the online transactions system	Monitoring	Low

As a result of the risk response actions, most of the risks will have an insignificant level, without endangering the implementation of the Integrated Action Plan of 3<sup>rd</sup> District.

## 6. CONCLUSIONS

The Integrated Action Plan of 3<sup>rd</sup> District was developed with the experience gained by the project team from the City Hall in the IN FOCUS project funded through the URBACT programme. The outline of the vision, the five objectives, and the most important actions were based on the study of the local context, the experience of the other cities involved in the IN FOCUS project and the main opportunities that can be capitalized in the strategic period of 2018-2020.

The Integrated Action Plan comprises of five major objectives: transforming the local economy into a research-development, innovation and creativity economy; promoting the 3<sup>rd</sup> District as an attractive destination for investments; facilitating workforce training and retaining local talents; the transformation of 3<sup>rd</sup> District into a key point in the logistics chain at national level; digitization of the economy and local administration.

In the hierarchy of the Integrated Action Plan objectives the most important place is that of transforming the local economy into a research-development, innovation and creativity economy over the next five years. In order to achieve this goal, the actions are to develop a business support infrastructure by creating a business incubator at the Laminor hall and two centers as a business accelerator. They will have a fundamental role in changing the local economy and in transforming 3<sup>rd</sup> District from one to live in a sector with strong economic activity.

The actions foreseen for the achievement of the objectives will be implemented within the time frame 2018-2022 and for each, there have been developed key performance indicators that can be used in the monitoring process. The risks associated with the implementation of the Integrated Action Plan are, for the most part, minor risks and without major impact when materialized. Within the Integrated Action Plan, responses were provided for each identified risk in a formal risk management process.

The experience gained by 3<sup>rd</sup> District City Hall in the IN FOCUS project and the transfer of know-how and best practices between partners played a key role in the development of the Integrated Action Plan. Equally important were the meetings organized within the IN FOCUS project in different cities, which allowed the immediate knowledge transfer regarding the implementation of smart specialization strategies at city level.

## ANNEXES

## Budget Action 1.1.

Cost category	Value (Euro)
Obtaining and arranging land	–
Providing utilities	180.000
Design and technical assistance	225.000
Constructions and plumbing	3.750.000
Machinery	50.000
Equipments	250.000
Intangible assets	45.000
<b>Total</b>	<b>4.500.000</b>

Estimated cost for an incubator with spaces for up to 100 businesses

## Budget Action 1.2.

Cost category	Value (Euro)
Costs organizing networking events	50.000
Costs promoting networking events	15.000
Expenditures on applied research activities	400.000
Equipments	20.000
Intangible assets	15.000
<b>Total</b>	<b>500.000</b>

**Budget Action 1.3.**

<b>Cost category</b>	<b>Value (Euro)</b>
Obtaining and arranging land	–
Providing utilities	140.000
Design and technical assistance	175.000
Constructions and plumbing	2.800.000
Machinery	175.000
Equipments	175.000
Intangible assets	35.000
<b>Total</b>	<b>3.500.000</b>

**Budget Action 1.4.**

<b>Cost category</b>	<b>Value (Euro)</b>
Obtaining and arranging land	–
Providing utilities	20.000
Design and technical assistance	25.000
Constructions and plumbing	400.000
Machinery	25.000
Equipments	25.000
Intangible assets	5.000
<b>Total</b>	<b>500.000</b>

**Budget Action 2.1.**

<b>Cost category</b>	<b>Value (Euro)</b>
Organization of school competitions (5 contests)	80.000
Organizing the annual events I love S 3 in the Dâmbovița River area	125.000
Edit advertising material	45.000
Awareness Campaigns (4 campaigns)	80.000
Promotion of Hala Laminor incubator (4 promotion campaigns)	250.000
<b>Total</b>	<b>500.000</b>

**Buget Action 2.2**

<b>Cost category</b>	<b>Value (Euro)</b>
Operational expenditure Center for Business Dialogue (within the newly established Sector 3 City Hall) between 2018-2022	350.000
Online platform with information for investors	150.000
<b>Total</b>	<b>500.000</b>

**Budget Action 2.3.**

<b>Cost category</b>	<b>Value (Euro)</b>
Obtaining and arranging land	–
Providing utilities	600.000
Design and technical assistance	450.000
Constructions and plumbing	12.600.000
Machinery	450.000
Equipments	750.000
Intangible assets	150.000
<b>Total</b>	<b>15.000.000</b>

**Budget Action 3.1**

<b>Cost category</b>	<b>Value (Euro)</b>
Implementation of the POCU project for professional counseling and guidance	150.000
Implementation of the POCU project for professional reconversion	50.000
Implementation of the POCU project for people from disadvantaged categories	150.000
<b>Total</b>	<b>350.000</b>

**Budget Action 3.2.**

<b>Cost category</b>	<b>Value (Euro)</b>
POCU project staff costs for correlating the curriculum - labor market requirements (high school level)	250.000
Promotion events for the POCU project for correlating the curriculum - labor market requirements (high school level)	50.000
Achieving POCU project studies to correlate the curriculum - labor market requirements (high school level)	50.000
<b>Total</b>	<b>350.000</b>

**Budget Action 4.1.**

<b>Cost category</b>	<b>Value (Euro)</b>
Providing utilities	340.000
Design and technical assistance	425.000
Constructions and plumbing	6.375.000
Machinery	425.000
Equipments	850.000
Intangible assets	85.000
<b>Total</b>	<b>8.500.000</b>

**Budget Action 5.1.**

Cost category	Value (Euro)
Providing utilities	-
Design and technical assistance	75.000
Constructions and plumbing	-
Machinery	-
Equipments	250.000
Intangible assets	875.000
<b>Total</b>	<b>1.200.000</b>

**Budget Action 5.2.**

Cost category	Value (Euro)
Basic Competencies (1000 learners)	150.000
Advanced Advanced Courses (200 learners)	50.000
<b>Total</b>	<b>200.000</b>

**Budget Action 5.3.**

Cost category	Value (Euro)
Design and technical assistance	275.000
Equipments	325.000
Intangible assets (software) for 100 firms	900.000
<b>Total</b>	<b>1.500.000</b>

## ABBREVIATION SIGNIFICANCE

Abbreviaton	Significance
IAP	Integrated Action Plan
ULG	URBACT Local Group
IN FOCUS	A pioneering network bringing together ten European cities eager to work together to stimulate local economic development through smart specialization strategies.
IMM	SME
DGITL	General Directorate for Local Taxes
RIS3	National / regional innovation strategies for smart specialization
DAC	Different Angle Cluster
AASTAF	Association of Social Activities, Tourism, Entrepreneurship, Training
ADRBI	The Bucharest-Ilfov Regional Development Agency
URBACT	Interregional cooperation program aimed to promote sustainable urban development
INCD	National Research and Development Institute
ASE	The Bucharest University of Economic Studies
CD	Research and Development
INCERTRANS	Institute for Transport Research
GIS	Geographic Information System



### **URBACT – Driving change for better cities**

URBACT's mission is to enable cities to work together and develop integrated solutions to common urban challenges, by networking, learning from one another's experiences, drawing lessons and identifying good practices to improve urban policies. The URBACT Programme is jointly financed by ERDF and the Member States.

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