



# **Final Report on the Action Plan for a Business Incubator in Gorj Region**

**JTP Groundwork**

January 2025

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# **Introduction**

# Importance of entrepreneurship support

According to the Territorial Just Transition Plan of Gorj Region (TJTP Gorj), a framework to support regions transitioning to a low-carbon economy, the closure of mines is expected to result in the **loss of employment** for approximately **5,400 people**. The adverse effects of the transition will **disproportionately impact** vulnerable groups, including young people.

TJTP Gorj identifies as **key development measure** the initiation of **entrepreneurship support programs** tailored to the needs of different target groups.

This includes **grant schemes for start-ups** in key industries relevant to the Gorj county's development plans. They need to be complemented by integrated **packages of measures to activate young people**.

To support region's transition, Gorj County has adopted a development strategy for 2021-2027.



Picture source: Meeting with youth, JTP TA Gorj project, 26 September 2024, Be Teen Association

# Technical Assistance objectives

- [JTP Groundwork](#), part of the EU Commission's Just Transition Platform (JTP), provides capacity building support to regions implementing their TJTPs. Two beneficiaries from Gorj Region, Be Teen Association and Constantin Brâncuși University, applied for technical assistance (TA) under JTP Groundwork. The TA had the following objectives:
- Provide capacity-building to local youth, research community when it comes to establishing companies/developing and cultivating entrepreneurial skills.
- Identify relevant stakeholders and resources at local/regional/ national level which could contribute to the implementation of the Green Business Incubator.
- Facilitate creation of a green business incubator that would support just transition through contributing to green industrial diversification and job creation.
- Improve the dialogue between the local administration, project developers/investors and the student, research, youth community.
- Develop an action plan for creation of Green Business Accelerator.



# **Needs assessment. Why a green business incubator in Gorj?**

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# Why a business incubator for the youth?

- **Consulted stakeholders identified the need for an incubator.** This Action Plan is the result of months of stakeholder consultations (+150 stakeholders) and efforts to identify the needs, structure, and services for a green business incubator targeting youth in the Gorj region.
- **Although the concept of an incubator is not new to the region, previous attempts to establish one were incomplete.** While entrepreneurial education programs are funded, there are currently no dedicated support schemes for start-ups and young entrepreneurs similar to those of a green business incubator in the region.
- **The green business incubator can leverage already existent local capacity.** Stakeholders such as the Constantin Brâncuși University in Targu Jiu, Be Teen Association and other local NGOs offer facilities and services that partially align with the concept of a green business incubator (entrepreneurship courses, mentorship, workshops, advice).



# Needs assessment based on stakeholder consultations

- During the technical assistance project, some steps related to the process of establishing such an institution have been initiated, including needs assessments, and preliminary planning for its structure and services.

Identified needs	Stakeholder target groups	Structure & services
<div><ul style="list-style-type: none"><li>- Access to entrepreneurial training and mentorship</li><li>- Tailored advice on business ideas</li></ul></div>	High-school students	Workshops, mentorship programs, and networking events
<div><ul style="list-style-type: none"><li>- Funding and financial support for startups</li><li>- Knowledge on financing opportunities available</li></ul></div>	University students and graduates	Community engagement events
<div><ul style="list-style-type: none"><li>- Community engagement and active support for youth entrepreneurship</li></ul></div>	Young entrepreneurs	Startup competitions and idea incubation programs
<div><ul style="list-style-type: none"><li>- Support for transitioning from traditional local industries (e.g., mining)</li><li>- Promotion of sustainable business practices and green entrepreneurship</li></ul></div>	Marginalized youth	<div><div>Incubator "ecosystem-like" approach</div><div>Access to funding opportunities, and expert networks</div><div>Support for green business ideas</div><div>Targeted advice (e.g., legal advisory, communication, IT)</div></div>
<div><ul style="list-style-type: none"><li>- Physical infrastructure for green business incubator</li></ul></div>	Unemployed youth	Partnerships with local stakeholders (academia, mayors, city council, private sector and civil society)
	NEETs (Youth not in employment, education or training)	Provision of co-working spaces and modern facilities
	Young women	Management services to drive the incubator forward



# Consulting the youth "Green Business Incubator Workshop"

- A youth meeting was held on 26th September 2024 in Târgu Jiu, Gorj Region, with the purpose of **consulting local youth** on the Green Business Incubator. The meeting gathered over 40 participants from Târgu Jiu and nearby localities.
- The youth consultation process was part of a series of events whose aim was to:
  1. **Present** the Just Transition Platform Technical Assistance and the Green Business Accelerator project.
  2. **Identify opportunities** for youth to participate and contribute to the incubator.
  3. **Align youth expectations** and needs with the Action Plan.

Workshop agenda	Description
Welcome and Introduction	Opening remarks by Be Teen Association
Icebreaker	Interactive icebreaker session
Presentation of JTP Assistance and Green Business Accelerator	Presentation by JTP Groundwork Team and Be Teen Association
Interactive workshop and discussion	Moderated group discussions on digitalization for green transition, green tourism and agriculture, energy infrastructure, and required competences for business development
Plenary discussion	Presentation by group representatives
Conclusion and feedback	Summary of key takeaways and distribution of feedback forms

# Perspectives of the youth (1/6)

- During the workshop, the participants were divided in 5 discussion groups, each focusing on one of the following themes: digitalization for green transition, green tourism and agriculture, energy infrastructure, and required competences for business development.
- The groups brainstormed and documented their ideas for each theme based on a set of questions:

If you would participate in the Green Business Incubator tomorrow, what green business ideas would you come up with?

What would make you successful in achieving those ideas?

How would the Green Business Accelerator support you?

If you were to participate in the incubator tomorrow, what skills would you need to implement your business idea? Create a list of 5-10 skills you would need.

# Perspectives of the youth (2/6)

## Results of discussions - "Digitalization for green transition" group

### Green business ideas

- **Online marketplace for local products:** Digitalization is a phenomenon interconnected with many aspects of the green transition. The objective would be to establish a local digital platform for promoting local products.
- **Consulting platform for green competences:** In the context of the green transition and the need to support the transition of the workforce (with a focus on the job loss in the mining industry), the team suggested establishing a website/networking digital space to support workers in their search for new green competencies (e.g. green competencies certifications, reskilling).
- **Digital systems for farmers:** Tailored support to young farmers to integrate digital systems in their daily tasks and provision of courses on more sustainable agricultural practices.

### Success factors

- Successful product branding and marketing
- Support from experts in green industries and IT
- Community support and promotion: In the case of the online marketplace, fostering understanding of how digitalization can optimize daily activities and promote products in hard-to-reach rural areas.

### Support from incubator

- The need for mentors and role models to provide guidance, inspiration, and support
- Tailored support for implementing projects and securing funding opportunities



Photo source: Be Teen Association, youth meeting held on 26 September 2024 as part of the JTP Groundwork technical assistance project.

# Perspectives of the youth (3/6)

## Results of discussions - "Green agriculture and tourism" group 1

### Green business ideas

- **Tomato village and restaurant:** The idea proposes an integrated approach to tomato farming that includes a PV-powered greenhouse, a restaurant, and educational programs. Visitors can spend time in nature, participate in cooking classes, and join children's courses on sustainable farming practices.
- **Ecological after-school:** This initiative focuses on educating children about sustainable behaviors and renewable energy. Activities include discussions with local leaders on sustainability, learning about green practices, and spending time in nature.

### Success factors

- Engaging the local community to foster collaboration
- Adaptable and authentic ideas that promote community approaches

### Support from incubator

- Access to knowledge on financing opportunities
- Advice on promotion and marketing

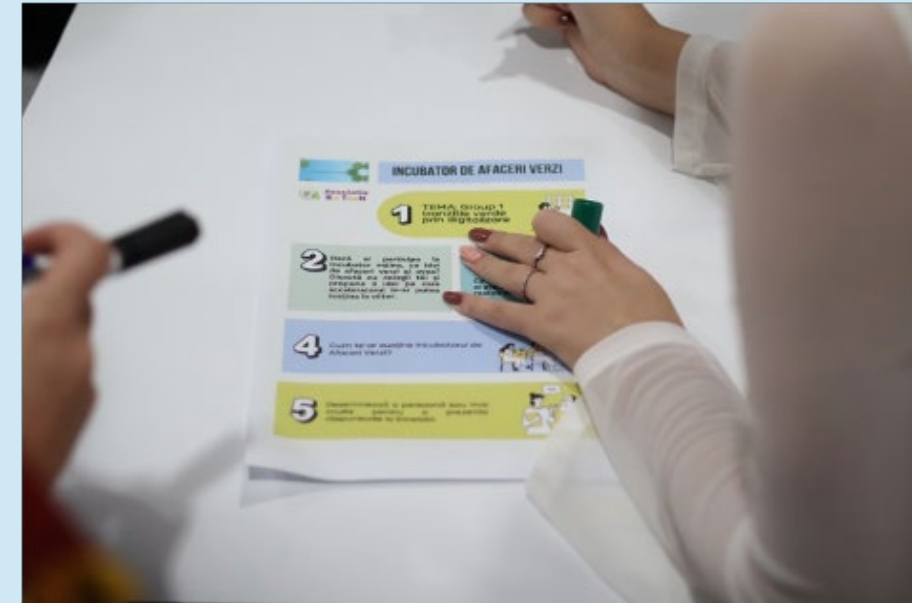


Photo source: Be Teen Association, youth meeting held on 26 September 2024 as part of the JTP Groundwork technical assistance project.

# Perspectives of the youth (4/6)

## Results of discussions - "Green agriculture and tourism" group 2

### Green business ideas

- **Wool factory:** Leveraging local resources, this factory would utilize wool byproducts from local shepherds, which currently have limited use. The factory would produce textiles, insulation materials, and lanolin-based products.
- **Agro-Tourism Guesthouse:** Designed for children from urban areas, this guesthouse offers opportunities to learn countryside skills and experience rural life.
- **Digital Bicycle Rental Service:** A platform that offers digital solutions for renting bicycles locally.

### Success factors

- Community involvement in creating a value chain and ensuring consistent access to raw materials, particularly for the wool factory
- Diverse team with varied expertise
- Marketing strategies and building a reliable network of contacts to enhance project visibility

### Support from incubator

- Access to expertise and guidance through knowledge-sharing and mentorship programs
- Assistance in conducting foundational studies and promoting business initiatives
- Targeted support in securing financial resources



Photo source: Be Teen Association, youth meeting held on 26 September 2024 as part of the JTP Groundwork technical assistance project.



# Perspectives of the youth (5/6)

## Results of discussions - "Energy infrastructure" group

### Green business ideas

- **Recycled Material Playground:** A playground constructed entirely from recycled materials.
- **Sustainable Prefabricated Housing:** Developing prefabricated, sustainable housing solutions equipped with PV panels and water filtration systems, aimed at areas lacking basic infrastructure.
- **Recycled Material Socks:** This business idea focuses on producing socks made from recycled materials using energy-efficient processes.

### Success factors

- Access to quality materials, effective promotion strategies, and the involvement of skilled experts
- Ambition to reach project goals

### Support from incubator

- Learning how to develop business plans and navigate funding options was considered among the most important enabling factors.



Photo source: Be Teen Association, youth meeting held on 26 September 2024 as part of the JTP Groundwork technical assistance project.

# Perspectives of the youth (6/6)

## Results of discussions - "Green competences" group

### Green business ideas

- **Plastic Collection Company:** A company specializing in the collection and recycling of plastic waste.
- **Make-Up from Renewable Products:** A business dedicated to creating makeup products using renewable and eco-friendly materials.
- **National garment preservation school:** An initiative to preserve traditional craftsmanship, where elderly artisans teach young people how to make traditional garments such as the "iie".

### Success factors

- Creativity, teamwork, leadership
- Budget and time management
- Marketing and communication
- Innovation
- Knowledge of applicable legislation

### Support from incubator

- Continuous skill-building and access to a network of industry experts
- Advice and information on legislation, financing and industry updates



Photo source: Be Teen Association, youth meeting held on 26 September 2024 as part of the JTP Groundwork technical assistance project.

# Outcomes of youth consultations(1/2)

## Green business ideas

- Participants suggested a range of potential green business ideas, each with specific needs, expert support and access to networks needed. The future incubator could look into evaluating the range of green business ideas proposed against the local availability of expertise, resources and networks.
- Complex topics such as energy infrastructure could be simplified by focusing on specific areas like energy efficiency.

## Focus on youth accessibility

- In general, the participants represented a diverse group, including residents from Târgu Jiu and the surrounding rural areas, as well as students, high-school students and PhD candidates. The incubator should pursue an “access to services” perspective, as some of the youth are facing barriers such as transportation, limited availability to participate, and additional commitments like jobs beyond university, ensuring inclusivity and accessibility for all.

# Outcomes of youth consultations(2/2)

## Incubator services

- Participants emphasized the need for personal development support, such as having mentors or role models who are available to listen and provide guidance. Specific areas of support could include assistance with elevator pitches, success stories or specific workshops to develop soft skills.

## Local coordination and community engagement

- Stronger collaborations among regional actors are necessary, especially considering the risk of overlooking youth residents living in rural areas.
- Community engagement and support for youth business could foster more participation.

## Financing opportunities

- Funding and financing opportunities were among the most frequently mentioned topics.
- Participants highlighted the need for more knowledge about financing opportunities and a need for learning how to write specific financing applications.



# **Action plan for Gorj incubator**



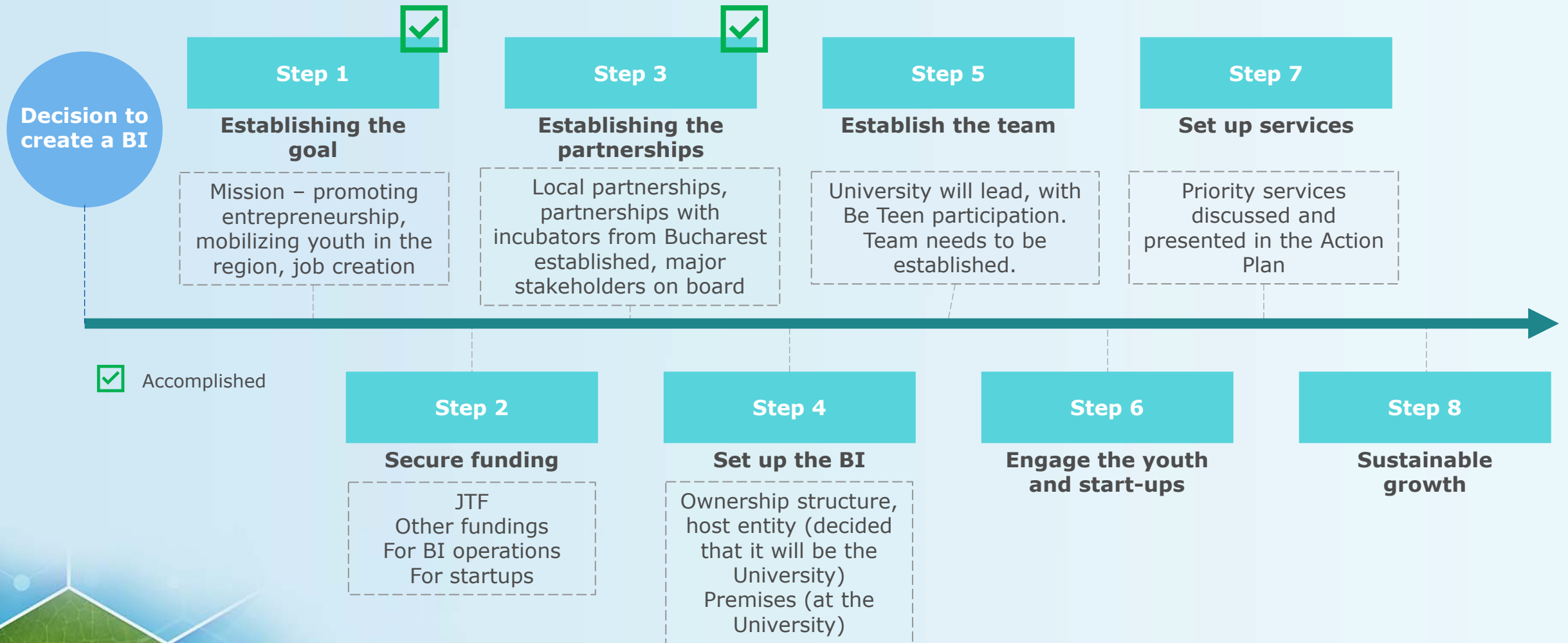
# Action Plan – the outcome of collaborative efforts

- The Action Plan has been prepared in collaboration with Constantin Brâncuși University and Be Teen Association (beneficiaries of the JTP Groundwork technical assistance).
- The ideas have been consulted at the regional level, with the Gorj city council and Regional Development Agency Oltenia – Intermediate Body of JTF Program.
- At local level authorities of main centers (Târgu Jiu, Motru, Rovinari, Turceni), NGOs and Public Employment Agency.
- Incubators Rubik Hub and Impact Hub were consulted and provided feedback on the proposed solutions.
- The ideas presented in the Action Plan reflect the opinions and recommendations of the youth from Gorj.



Photo source: Constantin Brâncuși University. The University hosted a stakeholder meeting on November 12th, focused on consultations and discussions about establishing a green business incubator to promote entrepreneurial skills in the Gorj region.

# Step-process to establish the business incubator



# The goal of the incubator

## Mission

The mission will be to support the youth from Gorj region. Following areas have been identified, as key to the region's needs and TJTP goals:

1	Support economic diversification
2	Create an entrepreneurial environment
3	Support and guide the youth
4	Job creation, reskilling

## Strategic focus

The strategic focus is aligned with (1) promising sectors in the region (2) with TJTP goals of economic diversification and enabling low-carbon economies; and (3) topics that required lower capital investment to commence, allowing for a faster kick-start.

1	Clean energy sector
2	Green Transition through digitalization
3	Green tourism

- 
- The focus is aligned with Just Transition Plan for Gorj and local development strategies, that emphasize need for economic diversification and investment in other than carbon-heavy, carbon-dependent sectors.
  - The incubator should provide training, mentoring, and resources to entrepreneurs, particularly youth, to help them develop and scale green businesses.
  - The aim would be to provide targeted support for young people, including entrepreneurial skills development, networking opportunities, and incubation services.
  - The incubator would contribute to creating employment opportunities in green sectors for local communities, particularly for vulnerable groups affected by the energy transition.

# Structure of the green incubator

## BI organization structures

Private

NGO

Public

## BI Host

Corporate

University

Civil society

Public

**NGO-like structure:** The beneficiaries (University and Be Teen) will organize under an NGO-like structure

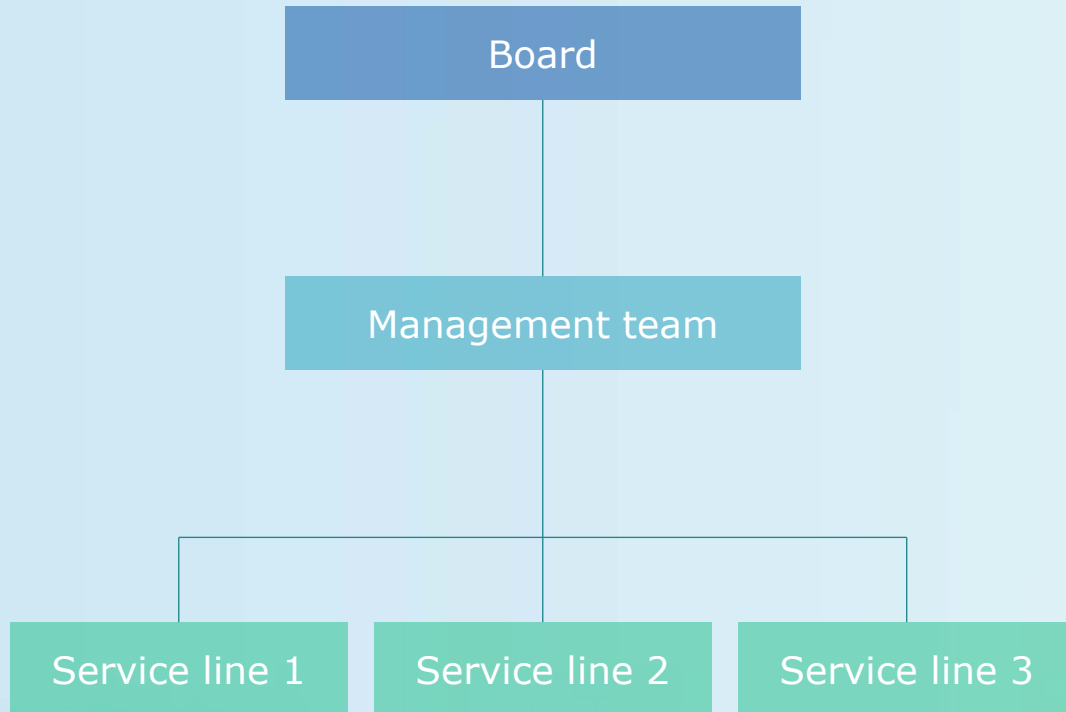
**BI Host:** The University agreed to host the BI. This will also mean that there will be no costs in relation to renting premises to operate the BI (no fee for space).

**Financing structure:** Mixed financing structure (part from regional, public institutions such as municipalities, part grants, EU/municipal funding, sponsorships, partnerships)

**Services:** Limited fee for services, more than just working space - services focused on empowerment, education, fostering start ups

# Proposed team structure

## Structure of the Business Accelerator



## Composition

Board	<p>Board members should provide: (1) strategic direction, (2) governance and oversight, (3) financing strategy, (4) stakeholder engagement</p> <p><b>Members:</b> Be Teen Association, Constantin Brâncuși University, Gorj City Council, Gorj Business Association</p>
Management team	<p>The management team will deal with the daily operation of the incubator/accelerator, including (1) running the programs, (2) recruiting, (3) discretionary spending, (4) strategy implementation</p> <p><b>Members:</b> Be Teen Association, Constantin Brâncuși University</p>
Service lines	<p>Each service line will be composed of (1) a line manager, in charge of content and execution of line program, and (2) mentors.</p> <p><b>Members:</b> Line manager will be recruited by the management team; Mentors can be either voluntary or paid on need-basis</p>



# Target group identification

The target group should be defined clearly

## Three-step approach:

- A. Drafting eligibility criteria
- B. Consulting eligibility criteria
- C. Approving



- Eligibility criteria – part of documentation when applying for support
- Information about incubator should be communicated accordingly, using a broad range of communication measures
- The call for applications would clearly state what the expectations are, and what the program offers for SMEs/private persons

## Example of criteria:



- Age – 16 years and above
- School or University student
- While there is no preference for sex, female participation encouraged. The point would be to empower young women
- Provide plan for potential business/start up – beyond 1 year project planning. Provide all other necessary documentation
- No criminal record
- Recommendation letter from teacher, local community institution, NGO, University etc.

# Platforms and areas of engagement

We suggest developing three thematic areas for support of start-ups in Gorj region. Support for those areas would be coordinated via 3 platforms/communities. At the beginning one person (project coordinator) would manage all tracks. As the offer of incubator and activities expand more staff will be needed, with end goal to have separate coordinator for each track.



## **Topic 1:** Green transition through digitalization

Initiatives could include:

- Use of IT and AI tools for decarbonization efforts.
- Implementation of digital solutions to optimize green transition processes for businesses.
- Support for smart systems and platforms that enable more efficient processes, e.g. for agriculture.
- Local digital platforms for product promotion or other services.
- Development of digital training programs for youth entrepreneurs.



## **Topic 2:** Green tourism and agriculture

Workstream could focus on:

- Promoting eco-tourism by leveraging Gorj's natural landscapes and heritage.
- Support for organic and sustainable farming practices.
- Enhance agri-tourism by integrating local farms into tourism routes.
- Preserving national traditions and customs.
- Educating the youth on green tourism and agriculture practices.

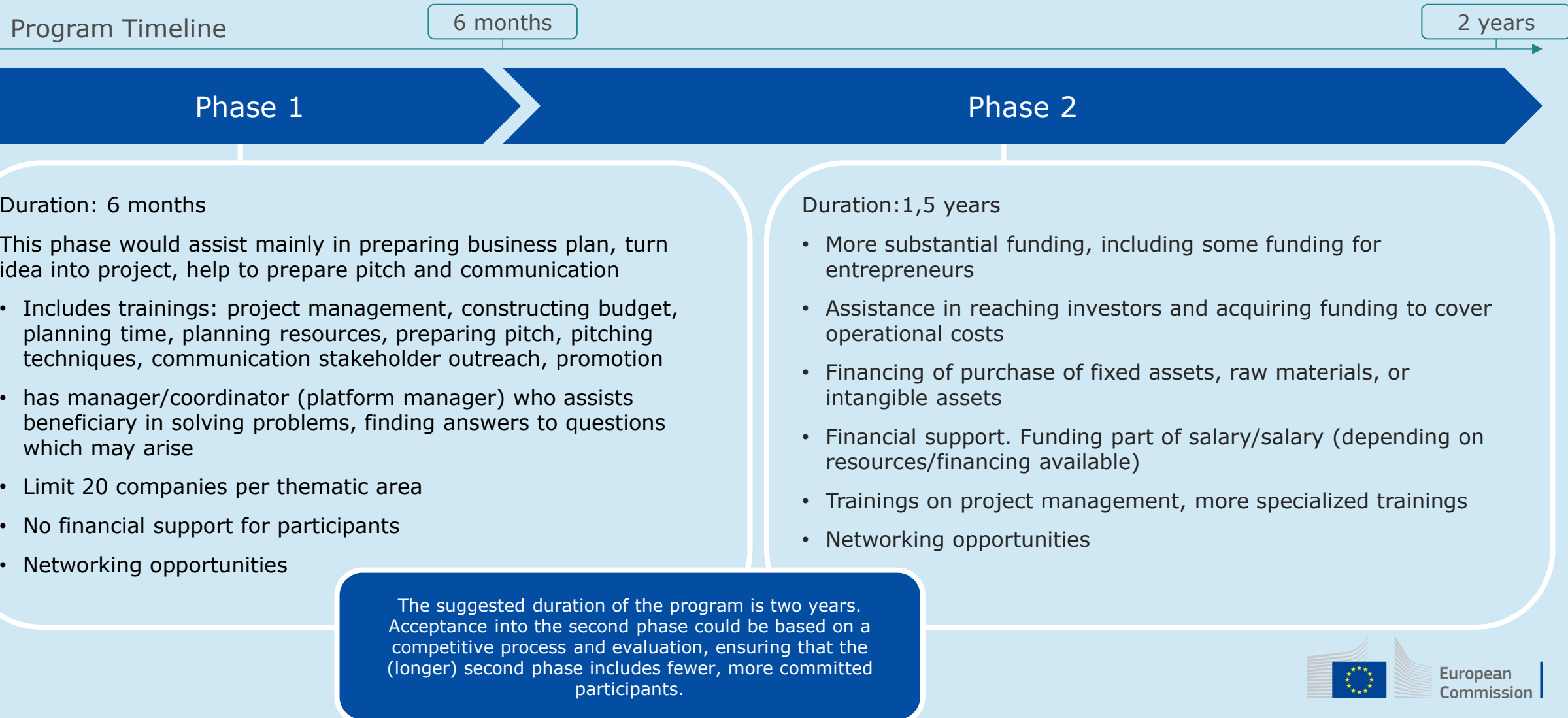


## **Topic 3:** Clean energy sector (including small scale RES)

Initiatives could include:

- Development of green infrastructure projects within the energy supply chain.
- Support for small-scale renewable energy solutions, such as solar and wind power installations.
- Encouragement of energy efficiency initiatives for businesses and households.
- Pilot programs for community-owned renewable energy projects.

# The program could consist of two phases



# Three main workstream

## Service Line 1: Workshops

- To be offered both during phase 1 and phase 2
- Conducted on two basis:
  - I. Fixed workshops (planned)
    - 6 workshop topics
    - Examples include: project management, timeplan/Gant chart preparation, project planning, pitching skills, public presentation, external communication
  - II. Ad hoc (opportunity to join activities conducted by partners, result of stakeholder collaboration)
- Start-ups have to show that they have achieved the milestones set out in the incubation plan and have received an incubation report

## Service Line 2: Consulting services

- Legal advisory
- Communication support (preparing promotion videos, preparing LinkedIn/other social media page)
- Graphics service
- Help desk – information about offer of the Incubator
- IT (solving issues with computer, help to set up webpage)

## Service Line 3: Incubation managers

- Coordinator would provide part of services from service line 2
- Manage recruitment and application process
- Manage day-to-day contact with start ups, incubators
- Be focal point/face

# Application process

There will be a call for proposals twice a year during phase 1 and once a year during phase 2.

The whole application process will be managed in collaboration by Constantin Brancusi University and Be Teen Association.

The selection of potential applicants will be made by a selection committee (a panel of 6-7 representatives including the University, Be Teen Association, Gorj City Council and other stakeholders such as the JTP Managing Authority and business associations).

## Applications

Call for proposals

Selection of applications

The application process consists of a written application and an interview with the selection panel.

The terms of reference of the programme (package offer to the applicant will be co-designed by the Board).

Admittance from the first to the second phase of the programme could be based on a more competitive approach to scale ideas prepared during the first stage.





# Draft budget

Expense	Cost per month (including tax)	Additional one-time costs	Total costs (year 1)
Premises	-	-	-
Project manager (incubator) - community maintenance	€ 3,000	-	€ 36,000.00
Incubator staff: IT support	€ 700	-	€ 8,400.00
External communication manager	€ 2,000	-	€ 24,000.00
Website maintenance	€ 100	-	€ 1,200.00
Website creation/major updates	-	€ 1,000	€ 1,000.00
Consultancy services /(legal, financial, marketing, sales)	€ 600	-	€ 7,200.00
Fixed assets (chair, computer etc.)	-	€ 20,000	€ 20,000.00
Contingency (equipment repair, other unforeseen)	-	€ 5,000	€ 5,000.00
Workshop trainers	€ 12,000	-	€ 144,000.000
Financial aid - program participants	-	€ 4,000 x 15	€ 60,000.000
<b>Total</b>			<b>€ 306,800.00</b>

## Assumptions

- University will offer premises at no cost
- Full-time employee (PM function)
- Part-time salary
- Full-time employee (one person manages all tracks)
- Consulting service – ad hoc (calculated one day per week)
- Phase 1 (two workshops per month) and Phase 2 (one workshop every two months. 600/hour. Full workday.
- Grant to participating startups

# Draft budget

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## Further considerations

The budget for a business incubator should take into consideration that (1) it is a moving target, and (2) it is not a static exercise. Therefore, the numbers should be used as a metric but adjusted as needed.

Some aspects to consider when creating a final budget:

- 1. Flexibility.** A certain degree of flexibility will be required until most uncertainties regarding the BI's operations are dealt with.
- 2. Scalability.** Some costs are not fixed, but variable. As operation grows so will the cost.
- 3. Contingency.** As an enabler to flexibility, a contingency budget should be in place in case of any unexpected expense.
- 4. Reserves.** Building cash reserves will impact the financial health in the subsequent years.



# **Financing options**

# Business model options

## Business models\*

- **Not-for-profit:** Income primarily through **rental fees** and **consulting services**. Renting out office space and equipment are a common revenue stream for such incubators. Consulting activities such as training, coaching, and mentoring services, can further contribute to their revenue.
- **For-profit:** These charge substantial fees for the above-mentioned **services**. Sales of services exceed the expenses incurred to produce them. The **main sources** of revenues for profit business incubators:
  - **Brokerage fees:** revenue from securing funding for an incubator participant. Brokerage fees are usually around 6% of the secured funds.
  - **Equity agreements:** becoming shareholders of the enterprises they support. Equity stakes usually do not exceed 10%.
  - **Royalty agreements:** revenue from royalty agreements based on the sales of an enterprise it supports.
  - **Rental income:** fee collection for lease of office space, meeting rooms to start ups and entrepreneurs.

\*Source: The role of business incubators in a just transition. A case study highlighting good practices. EU Commission, 2024

# Business model for Gorj incubator

## Economic situation in Gorj

High unemployment, low average income, presence of marginalized communities, low levels of economic capital in general



## Limited financial resources

Incubator beneficiaries (youth from Gorj) are likely to have very limited financial resources and require assistance to larger extent than those from, for example, Bucharest



## Non-profit model

Non-profit model or mixed model, with no fees for major services and externally financed would engage most and create more equal opportunities

- Possible financing can be based on grants, sponsorship agreements, co-financing from different stakeholders.
- For first few years it is unlikely that activities such as workshops, salaries for staff, fixed costs (if any) would be fully financed from incubator's activities.
- Business model can change in time, as organization grows and develops.
- Partnerships and network can enrich incubator's offer, increase capacity.



# Key considerations for the non-profit model

- **Partnerships and networks:** Pursuing a non-profit model for the incubator will be reliant upon building strong networks of experts and business leaders, as well as fostering coordination with regional stakeholders.
- **Mission driven approach:** A clear mission, lean governance structure and assessment of local needs and capabilities availability to drive the incubator forward.
- **Operational management:** Recruiting a dedicated team with expertise in business development, project management, and fundraising, as well as regularly evaluating programs and adapting based on feedback and results. Operational costs can be lowered by utilizing already existent premises, recruiting mentors and experts on a voluntary basis and exploring digital tools for delivering incubator services.
- **Services-based revenue generation:** In the early stages of the incubator, services will follow a not-for-profit model. However, as the incubator grows you can consider introducing nominal fees for some advanced services (e.g., access to specialized training or equipment) or low-cost/subsidized access to training workshops, coworking spaces, and networking events without compromising accessibility.



# Financing options to consider (1/2)

## Incubator support activities

### Hard investments and funding

- Office space, meeting rooms, labs, and other facilities (University premises)
- Funding for participating enterprises

### Soft measures

- Development of growth and business strategies
- Market research and analysis
- Workshops and events
- Mentoring and training programmes
- Consultancy and independent expertise (IT, legal, communication, etc.)
- Community building and talks
- Networking, matchmaking and knowledge transfer

## Approach to financing

- Considering the not-for-profit model, there will be a need for multiple funding streams to cover each type of support activity and voluntary involvement of community members while the incubator matures and becomes self-sustainable.

# Financing options to consider (2/2)

## Types of funding opportunities available

- **Public grants and funding programmes:** Government grants (national and regional), EU funds like Just Transition Fund, Horizon Europe, Erasmus+, Recovery and Resilience Facility, ESF+ and others. Eligibility to be assessed on a case-by-case basis.
- **Private sector partnerships:** Corporate sponsorships, in-kind contributions, partnerships with local businesses, participation in mentorship or training programmes.
- **Membership and program fees:** As the incubator matures, you can consider low nominal membership fees for startups, fee-based advanced services like workshops and training.
- **Community contributions:** Volunteer contributions of time and expertise.
- **Revenues from partnerships and services:** Revenue sharing agreements with startups, consulting services for external organizations.

## Opportunities to look out for

In our search, we have identified the following opportunities:

- **ADR Sud-Vest Oltenia.** Development of entrepreneurship through the establishment, development, and operationalization of business structures (business incubators, business accelerators). Open until 25th March 2025. Link available [here](#).
- Follow the development of proposal to develop a National Entrepreneurial Hub and opportunities at local level. Link available [here](#).



# **Stakeholder engagement and partnerships**

# Stakeholders engaged so far

- The consultations involved a number of participants, including representatives from local and regional authorities, civil society, youth, and various communities.
- On average, online events have been attended by 30-40 people, with similar participation during physical events (consultation with the youth 26.09.2024, workshop with Rubik Hub 21.10.2024).
- Stakeholder event at the University, 12.11.2024 attracted more than 50 people, including local mayors from Rovinari, Turceni, Motru and authorities from Gorj county.

Number	Organization
1	Valea Jiului Society
2	Rovinari Townhall
3	Director of the Center
4	Vice President of APSE
5	Turceni Townhall
6	Constantin Brâncuși University
7	Tudor Vladimirescu National College
8	Henri Coandă Technological High School
9	UEB Logistics
10	Ion Mincu Technological High School
11	Students of Constantin Brâncuși University
12	Eco Challenge Association
13	Târgu Jiu Townhall
14	ADTI Valea Jiului
15	Motru Townhall
16	Eco Civica Gorj
17	Scout Society
18	FSEDAP
19	GAL Cheile Sohodolului
20	Discover Peștișani Association
21	Gorj County Council
22	Employment Agency
23	JTP Platform Grounwork Team
24	European Commission, DG REGIO
25	South West Oltenia Regional Development Agency
26	Student League Constantin Brâncuși University
27	Be Teen Association and volunteers



# Memorandum of Understanding

## Purpose

The purpose of this Memorandum of Understanding is to establish a collaborative framework among the undersigned parties to develop and implement a Green Business Incubator in the Gorj Region. The initiative aims to promote sustainable entrepreneurship, support local youth in business endeavors, and contribute to the region's decarbonization and green transition.

## Objectives

The parties agree to work together toward joint objectives such as: fostering innovation and entrepreneurship among local youth and students through the Green Business Incubator, encouraging collaboration among public administrations, academia, civil society, and youth, streamlining access to resources, funding opportunities.

The Memorandum of Understanding is a document to be signed by all major stakeholders, including project beneficiaries, local authorities, and business associations in Gorj. It specifies the main roles and responsibilities that different stakeholders could assume regarding the establishment of an institution such as a green business incubator in Gorj.

# Business community involvement

- The business community involved in the consultations **confirmed the need for an incubator structure in the region.** Implementing the incubator is perceived as the beginning of a necessary process, underlining that such initiatives contribute to the long-term success of just transition processes and bringing further investments.
- **The added-value of participating in the incubator** for local entrepreneurs (both as recipient of services and providing mentorship) needs to be clear from the onset of the programme.
- Young entrepreneurs do not benefit from the same resources as larger companies when it comes to financing applications, as such the services of the **incubator could bridge the gap.**
- **Members of the business community already have several on-going collaboration with the civil sector.** For instance, Darcom Energy collaborates on areas such as stationery, PVC carpentry, and energy (recycling and education), as well as organizing community events and workshops on energy solutions. Support from the private sector remains a resource that is not yet fully utilized.



Photo source: Constantin Brâncuși University. The University hosted a stakeholder meeting on November 12th, focused on consultations and discussions about establishing a green business incubator to promote entrepreneurial skills in the Gorj region.

# Other possible partnerships to explore

As the incubator will extend its services and mature over time, it might become fruitful to explore further partnerships in the region in different formats:

- Private sector involvement and partnerships with financing institutions such as local banks (For instance, many banks have their own in-house incubator-like structures).
- Re-branding as a local branch of a larger incubator structure
- Regional alliance between different urban centers in Gorj to foster entrepreneurship
- Academic partnerships between the University and other institutions to foster knowledge transfer
- Partnership with entities from abroad (incubators etc.)



# **Business accelerators best practices – local inspirations**

# Business Incubators – stimulating growth

As part of the JTP Groundwork technical assistance, established business incubators and accelerators were contacted in order to collect their experiences, dos and don'ts.

On June 10, 2024, an online webinar was held as part of a technical assistance project. The event focused on sharing knowledge and best practices to facilitate the creation of a green business incubator in the Gorj region.

Three organizations presented their work and shared their experiences, namely:

- RubikHub
- Impact Hub
- Innovation Labs



What the services they provide?



What are their focus?



Where does their financing come from?



What should be considered when starting an incubator/accelerator?



Are there other important aspects to consider?



# RubikHub

The logo for RubikHub, featuring the word 'rubik' in yellow and 'hub' in white, set against a black rectangular background.

**Location:** Piatra Neamț, Romania  
**Start date:** 2017

**Focus:** Works with several different sectors, from Medtechs to marketplaces. Deliver support programs from the beginning of the journey in the ideation phase all the way through investment-raising (Support the complete startup journey).

**Services:** Mentorship programs (below), conferences, community events and coworking spaces.

- Rubik start – basics on entrepreneurship and make it as an option for a career.
- Rubik EDU – for people that have an idea, work on it and build an MVP (pre-accelerator).

- Rubik Garage – For accelerating MVP startups. Expand the business to other European markets.
- Rubik scale to USA – scale, grow or validate in the US market.
- Ready to raise program – prepare startups to raise investment.
- ROStartup – umbrella for all stakeholders that want to help startup founders.
- Angel Investors retreat – experience dedicated to investors, helping them on their investments.
- Mentors program – connect mentors



## **Financial model:**

- ADR (Regional Development Agency) funds all operations costs
- Programs are financed by companies
- Mentors give their time pro bono
- Coworking space charges a fee

## **Partnerships:**

- Private companies and clusters. For example, Rubik Hub has partnered with SeedBlink, a funding and equity management platform for European tech startups, to support startups in their funding journeys.
- Public entities, such as Regional Development Agency, relevant ministries
- Business associations such as the American Chamber of Commerce in Romania (AmCham Romania) - for the "Rubik Garage Scale to the USA" program.

## **Important messages:**

- Important to building a strong local community that can connect globally
- Important to explore different funding channels

# Impact Hub

The logo for Impact Hub, featuring the words "IMPACT" and "HUB" in a bold, white, sans-serif font, stacked vertically. The text is set against a solid dark red rectangular background.

**Location:** Headquarters is in Vienna, Austria

**Start date:** 2005 – Bucharest branch started in 2012

**Focus:**

- Coworking space which later expanded to incubation and acceleration programs.

**Services:**

- Coworking space
- Online platform: Startarium
- Offers programs tailored to different stages of the entrepreneurial journey, from early-stage idea development to scaling established businesses.
- Programs include workshops, mentorships, accelerations, and networking opportunities

# Impact Hub

The logo for Impact Hub, featuring the words "IMPACT" and "HUB" in a bold, white, sans-serif font, stacked vertically. The text is set against a dark red rectangular background.

## **Financial model:**

- Revenue is divided as the following: 47% from co-working space, 31% from Startarium, and 22% from the programs.
- Funding from Romanian banks, foundations, and EU programs.

## **Partnerships:**

- Impressive palette of private partnerships including companies such as Orange, Mastercard, Microsoft, Samsung, Deloitte.
- Efficient collaboration with public institutions, such as ministries and Romanian universities.
- Participation in EU-supported projects, collaboration with EU institutions (EIT Food, Horizon Europe, Enterprise Europe Network)
- Collaboration with foundations such as UiPath, Robert Bosch

## **Important messages:**

- Important to help people to generate business ideas to have business to work in accelerator and incubator programs.
- Designing the programs require understanding the different audiences. This is done via understanding the startup stages; (1) idea formation, (2) idea development, (3) startup initiative, (4) running operations, and (5) scaling up. Each stage requires different things to learn, to do, and to track.

# Innovation Labs

INNOVATION LABS

**Location:** Several places in Romania

**Start date:** 2012

**Ownership:**

- Local Founders + Impact Hub Network

**Focus:**

- Coworking space which later expanded to incubation and acceleration programs.

**Services:**

- Yearly hackatons, which include:
  - 8 intermediate pitches
  - Weekly TechTalks (20)
  - Weekly Workshops (60)
  - Custom Workshops
  - Custom 1:1 mentorships

- The startups then compete (semi finals and finals), presenting their idea in front of a jury.
- The prize is EUR 500k

Furthermore, the organization also hosts community events, demo days, startup-fairs, and more.



# Innovation Labs

INNOVATION LABS

## **Financial model:**

- privately funded program via partners and foundations

## **Partnerships:**

- Apart from private, public partnerships Innovation Labs managed to engage Romanian diaspora – through Romanian-American Foundation
- Extensive network with other Romanian Universities

## **Important messages:**

- Some of the value propositions they offer to attract partners are: (1) visibility; (2) university-industry gap (access to universities); and (3) start-up ecosystem (be part of a larger ecosystem)
- Different tracks within Innovation Labs. The “vertical tracks” are thematical areas and are often agreed on with their partners. The “horizontal pillars” are the types of teams that participate, and there are three of them: (1) student teams; (2) university research spin-off; and (3) senior teams.

# Conclusions

- **Collaboration and community building.** Successful business incubators and accelerators are based on collaboration. The key is to create an entrepreneurial ecosystem and community around the institution.
- **Strategic Partnerships.** Rubik Hub and Impact developed wide network of partnerships with national and international partners, public and private institutions. They have been able to leverage networks and resources to provide better opportunities for startups.
- **Well designed programs.** In all cases examined, institutions organized targeted events, workshops, and educational programs designed to equip entrepreneurs with practical skills and knowledge.
- **Visionary leadership.** Leaders of these incubators have passion and resilience to drive change, awareness that an incubator is a long-term project.



Photo source: Be Teen Association, youth meeting held on 26 September 2024 as part of the JTP Groundwork technical assistance project.



# Context

# Green transition in Romania, Gorj

Romania is one of countries in the EU, where challenges related to **green transition and decarbonizing the economy** are significant.

Romania intends to **decommission its remaining coal and lignite power generation capacity by 2032**, implement measures to rehabilitate closed mines, and introduce special programs to mitigate the socio-economic impacts on affected communities.

**Gorj County**, with capital Târgu Jiu, is situated in the **southwestern region of Romania**. It is divided into two municipalities and encompasses several cities, including Turceni, Rovinari and Motru.

The region has relied heavily on **lignite mining** for employment and economic development.

Map of Romania, highlight Gorj region\*



- Area of 5,602 km<sup>2</sup>
- Population 311,298 (2023)
- 2 municipalities, 7 towns and 61 communes
- Unemployment rate 3,5%
- Two coal power plants in 2024
- Share of coal in regional power generation mix - 16,1%
- Total level of employment in coal power plants (in the region) - 1,674

\*Picture source: Wikipedia page on Gorj County, [link](#)

\*Source for data: Gorj county, Romania, EU profile, Initiative for coal regions in transition, [link](#)



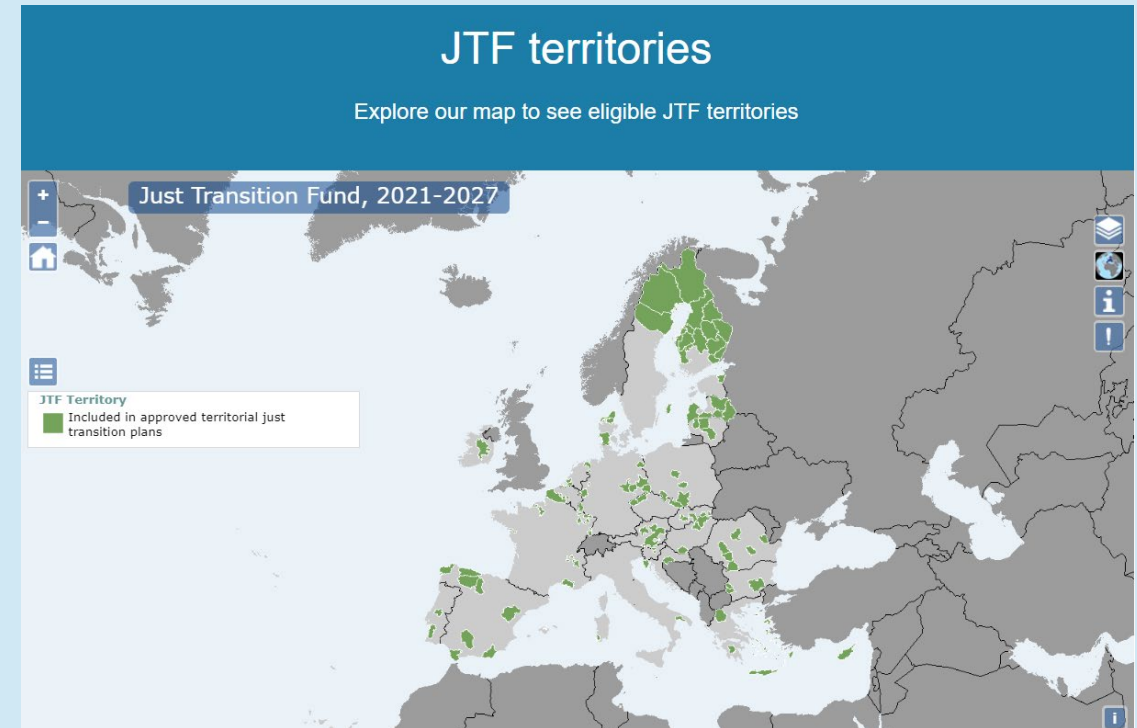
# Just Transition

As part of the European Green Deal, the EU set up the Just Transition Mechanism (JTM). The aim is to mobilize around EUR 55 billion over the period 2021-2027 - leaving no region behind.

In 2021, the European Union established the **Just Transition Fund (JTF)** as a key pillar of the Just Transition Mechanism (JTM). The fund has a budget of EUR **17.5 billion for 2021 to 2027**.

Main objectives: to alleviate the impact of the transition by financing the **diversification** and **modernisation** of the local economy; to **mitigate the negative repercussions** on employment.

**Romania is one of the main beneficiaries of the JTF.** The Just Transition Operational Program 2021-2027 for Romania sets aside EUR 2.14 billion. Gorj has received EUR 550 million.



Source: European Commission ([Info regio - Just Transition Fund](#))



# Territorial Just Transition Plan for Gorj

To unlock funding from the JTF, EU Member States have prepared specific programs and Territorial Just Transition Plans (TJTPs). The plan for Gorj aligns with Romania's National Integrated Energy and Climate Change Plan, the National Recovery and Resilience Plan, National Employment Strategy as well as other relevant plans. It takes into consideration specific situation in this region.

## Examples of supported activities

- Focus on marginalized communities
- Investments shall contribute to the transition to a low carbon economy
- Support for entrepreneurship, including female and young entrepreneurship
- Business development: incubators, business accelerators, industrial parks
- Support for the SMEs, including technology transfer activities

Key categories of operations outlined in TJTP for Gorj

**Business and  
entrepreneurship  
development**

**Affordable green  
energy and clean  
mobility**

**Supporting labour  
transition**

**Productive  
investments in large  
enterprises**

**Support for greening  
and reconversion of  
buildings affected by  
economic activities  
in decline or  
transformation**

# The plan for Gorj transition

The Development Strategy of Gorj County 2021-2027 identifies the following priority areas:

- Renewable energy systems, energy efficiency and infrastructure
- Green diversification of economic activities of SMEs Skills development, up- and reskilling
- Repurposing of contaminated land
- Green urban public infrastructure and mobility
- Circular economy
- Social infrastructure and entrepreneurship
- Sustainable tourism, culture and heritage

**National level:** Ministry of Investments and European Projects – Managing Authority of JTF Program, Ministry of Energy, Ministry of Economy, Entrepreneurship and Tourism, Ministry of Transport and Infrastructure, Ministry of Labor

**Regional level:** Gorj County Council (incl. Just Transition Unit), Working Group for the Coordination of the Transition to Climate Neutrality, Regional Development Agency Oltenia – Intermediate Body of JTF Program

**At local level:** Local authorities of main centres (Târgu Jiu, Motru, Rovinari, Turceni), NGOs, Business association of Gorj, agencies such as Public Employment Agency (AJOFM), **Constantin Brâncuși** University, other civic, social organizations, media, political organizations

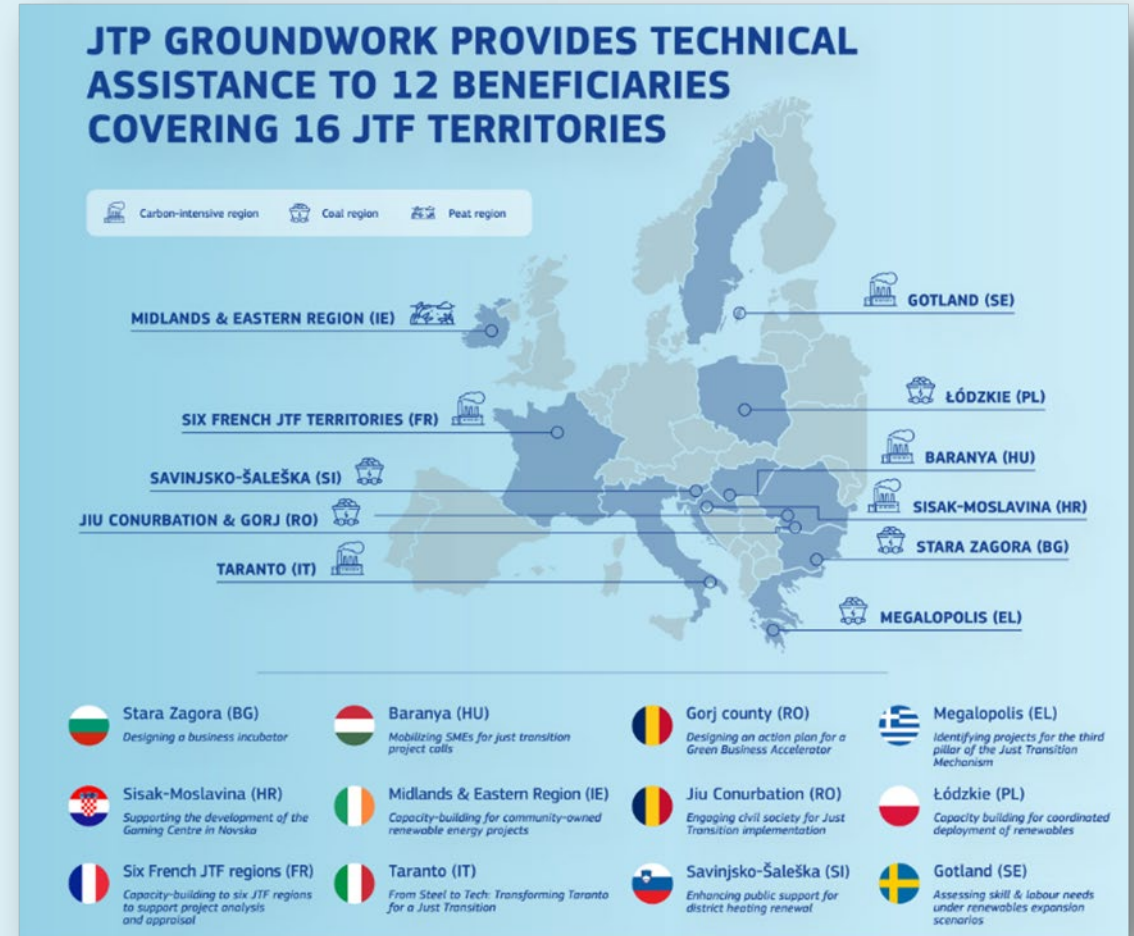
Source: Regional profile, Gorj County, Romania, [link](#)



# **Basic information about JTP technical assistance project**

# Just Transition Platform Project

- In 2020 the Commission launched the Just Transition Platform project.
- It provides a single access point to support and knowledge on Europe's transition to a sustainable, climate-neutral economy. It is managed by the European Commission's Directorate-General for Regional and Urban Policy.
- This technical assistance has been implemented throughout 2024 within one of JTP workstreams (JTP Groundwork).
- The basis of technical assistance project in Gorj has been the application from beneficiaries (Constantin Brâncuși University of Targu Jiu and Be Teen Association).



# About the Technical Assistance

This technical assistance (TA) project was implemented within the framework of the Territorial Just Transition Plan. Given beneficiaries' focus on the youth and needs expressed at the application stage, the TA concentrated on **economic development**, **youth support** and **stakeholder engagement**.

The project's goal has been to **develop an Action Plan for Green Business Incubator in Gorj region**.

## TA activities

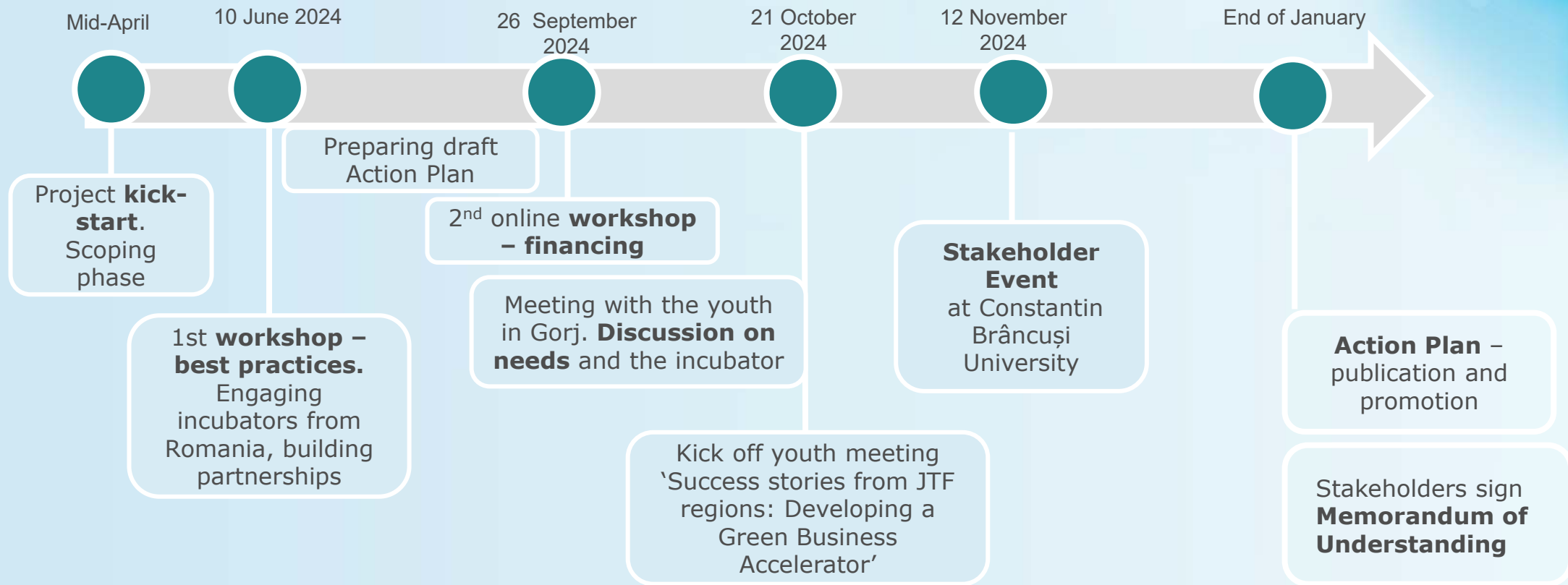
- Research to identify best practices and examples of successful incubators
- Development of a plan to create an incubator
- Workshops and meetings fostering dialogue, engaging the youth
- Identifying financing sources

## TA outputs

- Action Plan for Green Business Incubator
- Broad agreement on support for creating such incubator in Gorj
- Memorandum of Understanding between major stakeholders in the process



# Steps towards the Action Plan



The format of the technical assistance consisted of: research, analysis, targeted online interviews, a series of 3 dedicated expert workshops and two physical meetings with the youth

# Key messages based on TA work

- Green business incubator in Gorj is a very much needed institution.
- It would contribute to economic diversification, job creation, facilitate entrepreneurial skills development among young people.
- Support and commitment from key stakeholders is vital for its success.
- Gorj has a strong and well-functioning civil society that can play a key role in the success of such an institution.
- Green business incubator can mitigate negative social impacts of the transition to a low/zero-carbon economy and contribute to job creation in the region.
- This is a long-term project, where Action Plan is just the beginning of a long journey..





**Way forward**

# Online final meeting - project conclusion

As a final meeting within the technical assistance project, an online webinar has been organized on 28<sup>th</sup> of January 2025.

All stakeholders, which have earlier participated in the process of preparing an action plan for the green business incubator have been invited.

The project concluded with key engaged stakeholders underlying their commitment to support creation of green business incubator, that would be focused primarily on youth.

Next recommended steps, as shown on the right would be: signing MoU, establishment of project team, ensuring financing, including application preparation, working on further partnerships.



'Action plan' and MoU - a good base for further collaboration



Project team to be established



Ensure financing. Steps such as preparing an application..



Further stakeholder outreach and establishing partnerships