

CLIC

CIRCULAR MODELS LEVERAGING INVESTMENTS
IN CULTURAL HERITAGE ADAPTIVE REUSE

THE HORIZON 2020 «CLIC» PROJECT
Salerno, 8 ottobre 2018

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This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 776758





CLIC develops, tests and validates innovative “circular” business, financing and governance models to place cultural heritage adaptive reuse as at the forefront for the implementation of a European model of circular economy and circular city-region centered on the regeneration of cultural and natural capital



- ◆ **Objective 1** – To synthesize existing knowledge on best practices of cultural heritage adaptive reuse and implement stakeholders' engagement tools for their effective transfer and replication.
- ◆ **Objective 2** – To perform a holistic ex-post evaluation of best practices, and provide a framework for the assessment of the economic, social, cultural and environmental impacts of cultural heritage adaptive reuse, contributing to the definition of a European circular city/territory model of sustainable development.
- ◆ **Objective 3** – To provide policy-relevant guidelines to overcome existing cultural, social, economic, institutional, legal, regulatory and administrative barriers and bottlenecks to systemic adaptive reuse of cultural heritage.
- ◆ **Objective 4** – To develop and test innovative governance arrangements for the management of heritage commons, supported by evidence-based and inclusive decision support evaluation tools, to improve policy and management options/choices on cultural heritage systemic adaptive reuse.

- ◆ **Objective 5** – To analyse hybrid financing and business models that promote circularity through shared value creation, and assess their feasibility, bankability and robustness for cultural heritage adaptive reuse.
- ◆ **Objective 6** – To bring together academic and local practice knowledge through co-development and co-validation of the CLIC circular financing, business and governance practical tools in 4 European cities/territories representative of different geographic, historic, cultural and political contexts.
- ◆ **Objective 7** – To operationalise the “conservation by adaptation” approach through the development of integrated tools for conservation and management, stressing the importance of preserving authenticity and integrity, thus contributing to implementing the UNESCO Recommendation on Historic Urban Landscape.
- ◆ **Objective 8** – To develop spatial and multi-criteria evaluation tools that support the reconnection of fragmented landscapes, through innovative functions, sustainable infrastructures and enhanced visual relationships at macro and micro scale.





- ◆ **Objective 9** – To design and implement a stakeholders-oriented Knowledge and Information Hub to make tools and information accessible, useful and usable and test them with policy-makers, entrepreneurs, investment funds and civil society organisations.
- ◆ **Objective 10** – To contribute to the creation of new jobs and skills in the circular economy through cultural heritage adaptive reuse, boosting startups and sustainable hybrid businesses and empowering local communities and stakeholders through public-private-social cooperation models.
- ◆ **Objective 11** – To contribute to the monitoring and implementation of SDGs (especially Target 11.4) and the New Urban Agenda, creating operational synergies with global initiatives of UN-Habitat, UNESCO/ICOMOS and the World Urban Campaign.





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VÄSTRA
GÖTALANDSREGIONEN

PAKHUIS DE ZWIJGER*



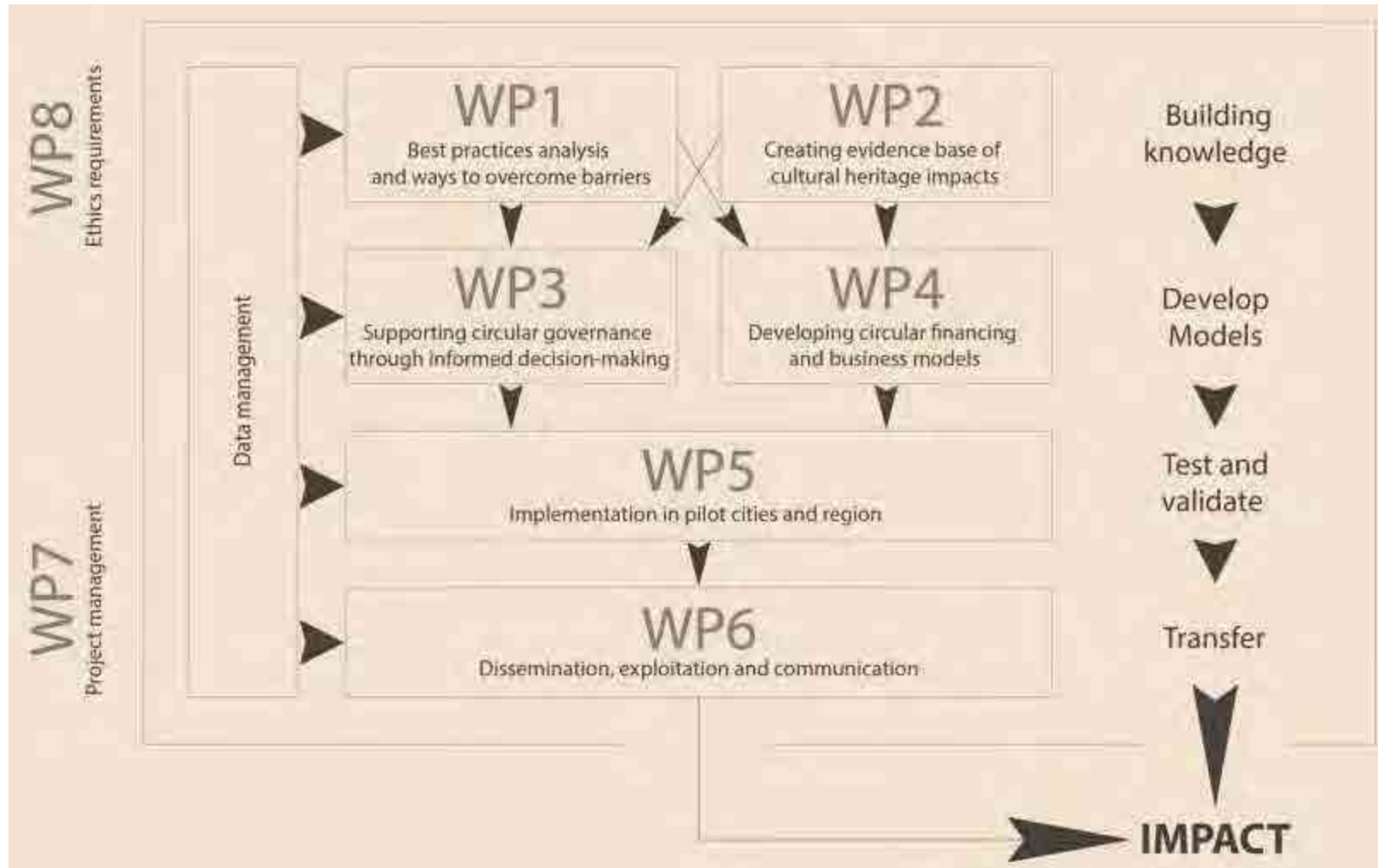
City of Rijeka
European Capital of Culture 2020

PILOT CASES



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To meet the scope and expectations of this call, it is fundamental to adopt a **systemic perspective**, able to address cultural heritage through the landscape dimension, at macro and micro level.

- ◆ **BUILD KNOWLEDGE THROUGH CONTINUOUS ANALYSIS AND ASSESSMENT OF PROCEDURES**
 - ◆ collection and analysis of successful **cases of adaptive reuse of cultural heritage**
 - ◆ analysis of cultural, social, economic, institutional, legal, regulatory and administrative **barriers and bottlenecks**
 - ◆ study of previous frameworks developed and adopted for **cultural heritage impact assessment**;

- ◆ **DEVELOP CIRCULAR GOVERNANCE, FINANCING AND BUSINESS MODELS AND TOOLS FOR INFORMED DECISION-MAKING**
 - ◆ provide feasible models based on good practice validation
 - ◆ tools for supporting informed choices at the policy, entrepreneurial and community level are developed;

◆ TESTING, IMPLEMENTATION AND VALIDATION OF CIRCULAR FINANCING, BUSINESS AND GOVERNANCE MODELS

- ◆ CLIC will therefore build **4 Heritage Innovation Partnerships (HIPs)**, each convened by a local partner and supported by a local research partner (IRISS in the case of **Salerno**; Uppsala University in the case of **Västra Götaland region**, University of Nova Gorica in the case of **Rijeka**, Technical University of Eindhoven in the case of Pakhuis de Zwijger Foundation located in **Amsterdam**);

◆ DISSEMINATION, EXPLOITATION AND TRANSFER

- ◆ Engage the “Heritage Community”
- ◆ Small Valleys implementation
- ◆ Startup contest
- ◆ Edited book.

- Validation of **integrated approaches and strategies for cultural heritage adaptive reuse**, comprising **innovative finance with high leverage capacity, business models and institutional and governance arrangements** that foster **multi-stakeholder involvement, citizens and communities' engagement and empowerment**;
- **New investments and market opportunities in adaptive reuse of cultural heritage**, also stimulating the **creation of start-ups**;
- An **enabling context for the development and wide deployment of new technologies, techniques and expertise** enhancing industrial competitiveness and contributing to **economic growth, new skills and jobs**;
- Innovative adaptive reuse **models** that are **culturally, socially and economically inclusive**;
- Contribution to implementing the **Sustainable Development Goals (SDGs)** (Goals 1, 15, 11 particularly) and the United Nations **New Urban Agenda**.





C) The CLIC project in the context of Circular Economy Model and Circular City Model

The CLIC research project puts together three different elements:

- The **circular economy** approach
- The **circular city** model
- The **adaptive reuse of cultural heritage**

in a triangle of reciprocal interdependence for linking past and future through the functional reuse of cultural heritage.

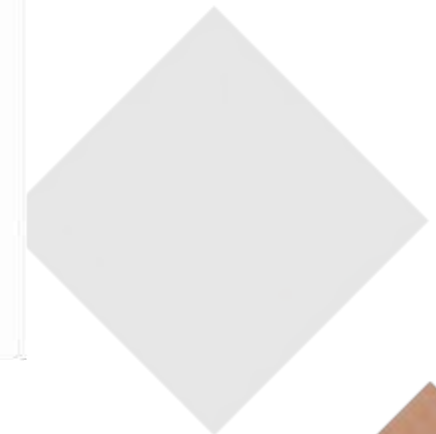
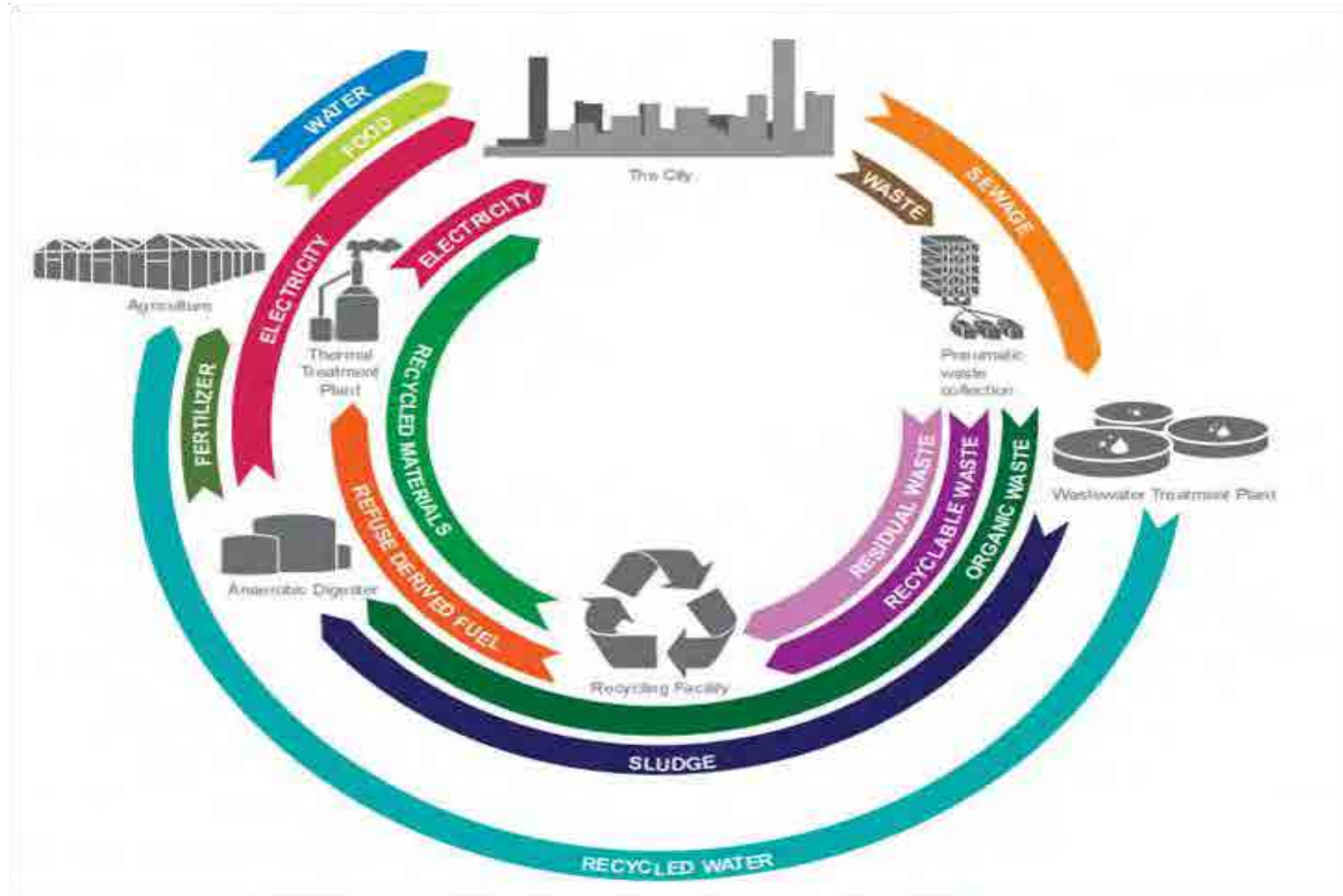


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- **Circular economy:** is the economy of natural bio eco/system that reduces entropy, increases resilience and stimulates cooperation between components (it starts from the search of efficiency, but it is based and it stimulates cooperation / synergies). It is the economy of co-evolution, co-operation, co-ordination of actions for a common interest
- **Circular city:** it is the concept of city as a living complex dynamic circular system, cities able to self-organize, self-manage, self-govern themselves
- **Cultural heritage:** it is the memory itself of the urban living system; it is the heart of the city, its identity conserved over the centuries

◆ The circular city model



In which way we intend to create these relationships? Through the elaboration of innovative business, financing and governance models able to put together, in a reciprocal and circular flow of benefit, the three main players:

- The private sector, both the entrepreneurs and the owners
- The public sector
- The local community

So, the CLIC project is focused on the interdependence of these three components for the identification of:

- new business models
- new financing models
- new governance tools

for implementing the adaptive reuse of cultural heritage



Solutions will be characterized by the search of “**positive sum strategies**” in which each of the players:

- Private owners
- Private entrepreneurs
- Public bodies
- Local communities

can gain reciprocal benefits, through **win-win-win partnerships, agreements, pacts** in which the tangible impacts are integrated with intangible ones (symbolic, cultural, spiritual).



◆ The CLIC project

The CLIC ambition is to be useful also in this socio-cultural perspective, regenerating not only economic tourism, wealth, values, a creating innovative activities – wellbeing conditions, helping the city mayors in their development strategies,

but also the immaterial civic infrastructure of our cities for regenerating communities (the Heritage Community of the FARO Convention) through social memory celebration, cooperative values, responsibility, civic consciousness, public mindset.



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New uses able to promote in the best way the “**connective infrastructure**” of our cities should be identified, taking into account the coherence of new use values with the “**intrinsic**” **value of cultural heritage**.

These new uses are extremely important to regenerate the general conditions of economic development, as the economist Antonio Genovesi already suggested in his “Lessons of Civil Economy” (1765).

CLIC, together with some other H2020 researches, aims to demonstrate, through empirical evidence, the potential value of cultural heritage/landscape in the circular city model in terms of connections between:

- Memory and future
- Conservation and economic development
- Short time and long time horizon for decision making processes
- Instrumental values and “independent of use” values (“intrinsic values”)
- Traditional and new technologies
- Needs of this generation and needs of future generations
- Inhabitants and places
- Public and private interest
- Scientific specialized knowledge and humanistic knowledge
- Creativity and responsibility
- The historic center and the city territory
- Cultural capital and natural capital

The main “ingredient” for the choice of Good and Best Practices is the **choice of functions** :

the capacity to identify possible complementarities between them:

their capacity to generate synergies and thus an increase in positive impacts...

**Number of public functions**

Frequency analysis results for KEA 71 cases study

24 Museums (e.g. design, urban, history, art etc.);
22 Research and education activities (e.g. ICT research, activities for young, art schools, etc.)
19 Festivals (e.g. art, archaeological, music, dance, film, flower, etc.)
17 Exhibitions, concerts and workshop spaces (e.g. participative workshops, open air concerts, art exhibitions etc.)
8 Performing arts events (e.g. visual, craft etc.);
7 Theatres;
7 Conferences and fairs (e.g. International conferences, Art fairs, Biennale etc.);
4 Public libraries;
2 Social services;
1 Community initiatives for monuments;
1 Culture co-design.



**Number of public/private functions**

Frequency analysis results for KEA 71 cases study

29 Cultural and community centres (e.g. art centre, community centres, creative centres, film institute, etc.);

20 Cultural and creative clusters/industries (e.g. design, crafts, manufacturing, videogames etc.);

12 Creative districts and hubs (e.g. eco-district, creative quarters, design hub, art centre and network);

10 Labs (e.g. living labs, fab labs, educational lab, art lab etc.);

10 Incubators (e.g. design, creative business and art incubators);

10 Cultural events (e.g. historical, art, music and business);

7 Co-working and Workspaces;

5 Arts-based participatory activities and artists residencies (community-based art);

3 Art and creative factories;

1 Bank of materials;



Number of private functions

Frequency analysis results for KEA 71 cases study

- | | |
|---|---|
| 7 | Creative businesses sector (e.g. small/medium and sustainable enterprises and audio-visual business); |
| 3 | Video Games clusters; |
| 2 | ICT clusters (information communication technologies); |
| 1 | Tapestry and woven art cluster; |
| 1 | 3D reconstructions of archaeological site. |

From a single function to several uses> New trend

Which actors and users are involved in these functions?

Are there some innovative process?

Which are the innovative business, financing, governance , management models?



From a single function to several uses> New trend

Which are innovative functions for economic, social, environmental sustainability?

Which was the evaluation process for selecting new uses?

Which are the evaluation tools for monitoring positive and negative impacts?



Cultural heritage can be interpreted as an Enabler for **Social Cohesion**, Inclusion and Equity: it can **strengthen community** where citizens associate the historic environment with shared identity, attached to place: it can become a re-generator of micro-communities...

Cultural heritage reuse produces also positive impacts in the economic dimension.
It is generator of economic wealth.

Cultural heritage can produce economic wealth :

- **directly**, through use values and market values, which meet demand and supply,
- **indirectly**, through relational values, which get the foundation of symbiotic processes and in turn generate added economic, social and environmental values. ...

Creative hybridization of new architecture in historic contexts and landscapes,;

Hybrid business models promoting circularity through shared value creation from cultural heritage adaptive reuse, from businesses to society and back;

Evaluation methods able to capture the Complex Value of cultural heritage for the society before and after the reuse in business models,

Evaluation tools for the analysis of multidimensional costs and benefits of change alternatives;

Heritage Commons cooperative governance models promoting virtuous circles of mutuality, subsidiarity and trust at local, regional, national and EU value through cultural heritage adaptive reuse;

Circular financing models creating virtuous circles from public incentive to investors returns (both formal investors and the community) and back, through the **value capture** of a percentage of plus value created;

.....

Which is this new notion of value that comes from the circular economy model?

Which are the new evaluation tools that reflect the new notion of complex value of cultural heritage/landscape?

Which is the decision making approach in the business sector, in the financial sector?

The circular economy model modifies and enriches the notion of value towards a complex economic, ecologic and social value (Complex Value).

The economic value is represented by use value and not only by exchange value, being the use value the potential generator of the market value. The social use value and the private use value are fundamental in the circular economy. In particular, it concerns the conservation of use value over time. This means that the value notion in the circular economy is not based on the consumption of a resource over time, on the destruction of the resource value over time due to the intensity of use.

The emerging notion of value is a notion of "**economic circular value**" in which the use value refers to the exchange value, as well as to the ecological and social values.

The notion of economic value in the circular economy expresses the "**relational value**" that reconnects/regenerates connections also with the "**intrinsic value**", that is the "independent of use value".

The circular economy is careful to not damage / compromise this "intrinsic" (or ecosystem) value (Turner, De Groot 2010, Enrich), which reflects ecosystem functions. It is also attentive to conserve this "**independent of use value**" (that is, not instrumental, but in itself value) that expresses the spirit of a place, its irreproducible character, the link with the history of people, and also the capacity to contribute to the sense of wellbeing of people.



An example: the new evaluation tool in relation to other methods

Which relationships :

With the SEA

With the CBA

With the LCA

With Financial Analysis

With the CIE

With the MCA analyses

With the Metabolic impact assessment



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The evaluation tools should be implemented by bottom up, by people that use a certain space

Should be linked to dialogue, communication processes, consultations, interpretations, mediations justification, deliberation processes

Rather than only on a technical approach

New evaluation tools should be able to improve the governance capacity of public institutional bodies in the field of heritage / landscape conservation, avoiding that a constraint can become a source of decay, degradation rather than of conservation

These new evaluation tools should be able to help in the **management of change, identifying the thresholds of transformation/conservation**

considering that the cultural heritage/landscape is not frozen in the time, but it is **constantly re-invented and re-lived**, through new functions





Which Circular Business Models ?

Only what can be recycled is produced

Waste becomes by-products to be used in other production cycles

The company employs only resources / materials from renewable sources and from the reuse / recycling of materials (the impacts on the ecosystems are less intensive)



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The company at the end of its useful life withdraws it, to re-use it again in its entirety or only for some of its components in the new production process.

This company also becomes a provider of maintenance and service services

The company that extends the life cycle of the product thanks to re-styling and integration with new functions

The company does not sell products, but leases



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THANKS FOR YOUR ATTENTION!!!

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