



# CHIA: Circular Heritage Impact Assessment services and toolkit

Circular models Leveraging Investments in Cultural heritage adaptive reuse

**CHIA represents an innovative proposal for impact assessment in cultural heritage sector for adaptive reuse projects in the perspective of the circular economy that can be adopted by creative and cultural organizations, social entrepreneurs and other industry practitioners.**

### WHY?

Cultural heritage represents a valuable and almost perpetual resource for European identity, attractiveness, economic growth and citizens wellbeing and well-living. However, its preservation and use presents many binding barriers (architectural, governance, financial etc.) resulting in many heritage buildings and sites abandoned, degraded or underused: an urban 'waste' that can be turned into a precious resource. Ongoing experiences show that creative and cultural entrepreneurship can boost heritage regeneration with impacts on the economic growth, new jobs creation, enhancement of social cohesion and urban revitalization, but needs specific support to scale-up and grow.

CHIA aims at satisfying these needs through supporting services and a toolkit for creative and cultural organizations and heritage-focused entrepreneurs to assess heritage projects and business models, highlighting actual impacts and areas of potential improvement to enhance up-scalability and accountability to public and private investors.

Investment spectrum: from one-dimensional decisions to evaluation of complex multidimensional impacts

primary driver is to create societal value

'blended' societal and financial value

primary driver is to create financial value

Charities

Revenue generating social enterprises

Socially driven business

Traditional business

Impact only

Impact first

Finance first

Impacts Assessment

CHIA Circular Heritage Impact Assessment

assessment of cultural heritage adaptive reuse multidimensional impacts in the perspective of the Circular Economy



Level I - Cultural heritage values conservation, regeneration and transmission: enlarging the lifetime of heritage

Level II - Circularity of conservation works: reuse and reduce materials, energy, water and soil consumption

Level III - Positive impacts in the area/city/region linked to enhanced place attractiveness: regenerating economic, social, environmental and cultural resources

### WHAT/HOW?

CHIA provides focused business services and a practical tool to assess the impacts and performances of cultural heritage adaptive reuse projects under the framework of the circular economy. CHIA is based on a heritage impact assessment methodology that considers historic-cultural attributes and values, as well as economic-financial self-sustainability, economic spillovers, social and environmental impacts.

The toolkit is based on assessment criteria and a set of quantitative and qualitative indicators that define three levels of circularity: L-I Cultural values conservation; L-II Circularity of building construction; L-III Multidimensional impacts generated in the area/district/city/region. Heritage reuse projects are scanned through criteria/indicators, making evident actual impacts and areas of potential improvement.

### FOR WHOM?

CHIA services and toolkit support particularly non-profit organizations and social enterprises to become more accountable for the impact investment funds category, which decisions are grounded on clear and transparent evaluation of financial returns 'blended' with social impacts.

CHIA will be tested in real environment with organizations based in the cities of Salerno (Italy), Rijeka (Croatia) and Amsterdam (Netherlands) and in Västra Götaland Region (Sweden).

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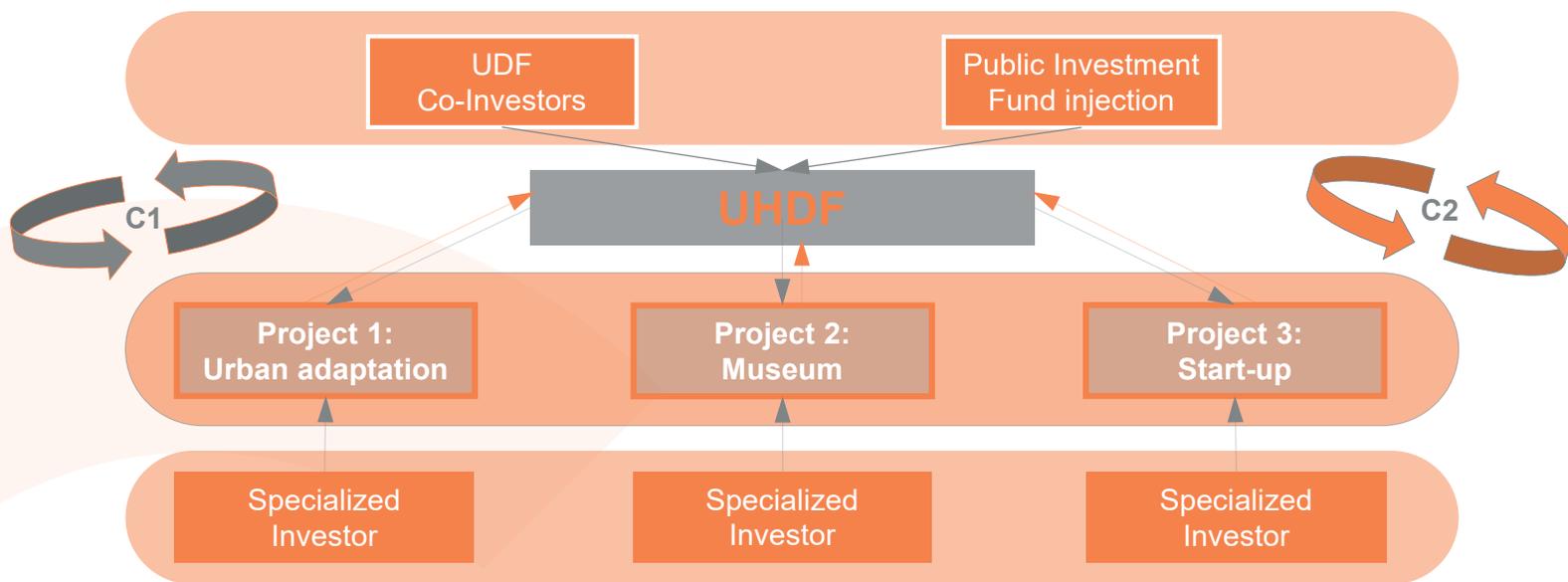
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The Urban Heritage Development Fund (UHDF) is a specific fund designed to support investments at urban level, particularly cultural heritage investments.

## WHY?

Urban authorities, due to tightening of central government funds, sometimes give the private sector carte blanche to invest in piecemeal projects. The result is often a strange mismatch of urban projects which do not adhere to the same vision and plan, and as a result, they are not able to leverage far-reaching sustainable and social impacts for creating cohesive and equitable cities.



## WHAT/HOW?

The UHDF is designed to support investments at urban level through the creation of a portfolio of urban cultural heritage projects to make manifest the strategic vision of the city. It aims to achieve financial returns as well as environmental and social impacts. Different from an individual project investment, the UHDF vehicle invests its resources in a portfolio of projects. In this way it becomes possible to coordinate multiple investments over long time horizons, capture synergies across different types of projects, and improve or tailor the financial structure of individual projects (e.g. debt, equity, guarantees). The portfolio is grounded on the idea that several urban projects can reinforce each other, and in so doing achieve greater stability in their financial returns, resilience to shocks, and ultimately, reduce the financial risks.

We obtain this result not only by considering the financial returns of the projects, but also in accounting for their environmental and social impacts. By combining financial and non-financial impacts, we can optimise the portfolio through leveraging of the multiplier effects produced by the investments. Like different sound waves, as they resonate and prolong the effect, we similarly construct and optimise the portfolio on investments for cities.

This fund structure allows for the facilitation of co-investing, integrating day-to-day implementation, or monitoring of long-term strategies. In its application, the UHDF also has a revolving mechanism which capture opportunities to employ investment re-flows (dividends/revenues/investment exits) in support of long-term investment objectives.

## FOR WHOM?

The proposed Fund is designed to attract a variety of investors (pension funds, commercial banks, and development financial institutions) by offering an urban investment strategy that treats projects in the city as integrated and interdependent. In so doing, it is possible to obtain a multiplier effect in the financial returns.