



SEA4NEB

Final paper on regenerative projects based
on inclusiveness, local development
and a green perspective

Diesis Network



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Social Economy Actors for New European Bauhaus



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The aim of the final paper is to provide a comprehensive overview of the peer review cycle's key components related to the cluster/main theme. It summarises the main characteristics of the best practices discussed, supported by evidence-based outcomes. Furthermore, it aims to capture the main points raised in the comment papers and peer review discussions. The paper also analyses the lessons learned regarding the relevance, utility and transferability of good practice cases in a comparative European perspective. Lastly, the paper explores the general implications for dissemination and stakeholder engagement strategies.

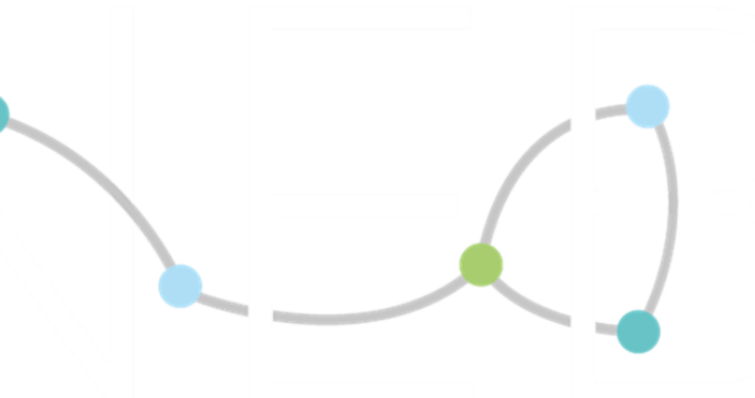
Thematic axis: Regaining a sense of belonging

Cluster: Urban Regeneration

Good practice cases: Split Youth Center (Croatia) and Fabryka Pełna Życia (Poland)

Previous documents drawn on: Best Practice Case Studies, Background Paper, Comment Papers from each country.

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EXECUTIVE SUMMARY

During the first peer review cycle, urban regeneration practices were analysed, and showed some notable examples of community involvement, sustainable living and creative integration. The Split Youth Centre and the Living Factory are two projects that align with the principles of the New European Bauhaus and could serve as inspiration for future urban regeneration and community development. The two projects were also assessed according to the NEB Compass, reaching the highest level of ambition in most of the NEB principles and criteria.

Financial sustainability is vital for successful regeneration projects. The report emphasises the need for efficient use of public funds at the community and regional levels, with a focus on skills development and clear strategic planning. Diversifying funding sources beyond EU grants is encouraged to enhance financial resilience. Exploring alternative funding sources, the report recommends seeking equity sponsors and investors, microgrants, crowdfunding and ESG investment models.

Moreover, the peer review cycle emphasises stakeholder engagement, collaborative partnerships, and effective management and governance as essential for successful regeneration initiatives. It advocates involving diverse stakeholders, including social economy bodies, and highlights the pivotal role of social enterprises in fulfilling community needs.

The policy implications aim to foster a supportive and enabling environment for social enterprise development and local regeneration in Europe. The report emphasises stakeholder engagement, capacity building, financial sustainability and mainstreaming social economy principles in this regard. Strategic use of Structural Funds and continuous monitoring and evaluation will further strengthen the impact of policies and regeneration initiatives.

MAIN CHARACTERISTICS OF GOOD PRACTICE APPROACH

The good practices analysed in the first peer review cycle of the SEA4NEB project are outstanding examples of urban regeneration. The Split Youth Centre and the Living Factory are transformative initiatives that have breathed new life into once-neglected spaces, showcasing the seamless integration of community engagement, sustainable living and creative ingenuity. Aligned with the New European Bauhaus initiative principles, these projects serve as exemplars of repurposing spaces, nurturing a sense of belonging, and fostering inclusive, green and thriving communities. The accomplishments and insights gained from these endeavours offer valuable inspiration for future urban regeneration and community development pursuits.

The **Split Youth Centre in Split, Croatia** aims to activate disused infrastructure into a functional co-creative space for various activities such as work, culture, creativity, sports and recreation. It seeks to improve the quality of life for local youth, artists, hobbyists, cultural and social activists, and the community by providing diverse programmes and events. The project addresses the need to revitalise unused infrastructure and promote artistic, creative and social engagement among the local community, particularly youth.

Collaboration is at the heart of this endeavour, as 28 public, civic and private organisations join forces to revitalise the neglected space. Over time, the management system has evolved, giving rise to new actors like the Platform of the Youth Centre and Architectural Platform 9.81. This evolution has also brought about transformative changes in the management structure of existing actors, such as the City of Split and the Split Multimedia Cultural Centre. Additionally, the project boldly reaches out to new target groups, embracing subcultural sports like circus, skating and free climbing, further enriching its offerings and fostering a sense of inclusiveness.

The involvement of various stakeholders, including the City of Split and cultural and social activists, has been instrumental in the project's resounding success. Together, they have nurtured a vibrant cocoon of creativity, fostering a sense of belonging within its welcoming walls.

Substantial evidence supports the positive impact of the initiative. Over nearly three decades, the project has achieved remarkable progress, transforming almost 40% of the built environment into a functional co-creative space. With hundreds of programmes and activities held throughout the year, totalling more than 2,000 hours annually, the project has undeniably enriched the quality of life within the local community.

Moreover, the project's acclaim extends beyond borders, receiving recognition from professionals on both national and international levels. Its accomplishments have been proudly showcased in prestigious exhibitions in Rome, New York, Montpellier, and at the

renowned Venice Biennale. Notably, its best practice model has been adopted to renovate other cultural spaces in Croatia, cementing its status as a pioneering example of success. In alignment with local, county and national policies, the Split Youth Centre is a shining example of community-centred development and cultural regeneration. It resonates with the principles of the New European Bauhaus initiative, epitomising inclusive decision-making through collaborative governance. As a vibrant centre for creativity and community, it offers valuable inspiration for similar regional projects, proving the profound impact of revitalising spaces and nurturing the human spirit, one programme at a time.

Links with the New European Bauhaus initiative:

The Split Youth Centre demonstrates the NEB initiative's principles of community regeneration, sustainability and inclusiveness. The assessment of the Split Youth Centre done through the NEB Compass reveals its ambitious goals and **transformative impact**. It aims to activate disused infrastructure into a functional co-creative space, benefiting local youth and artists. It addresses the revitalisation of underused spaces while promoting artistic and social engagement in the community. Collaboration is facilitated through a multistakeholder platform, fostering inclusiveness and dialogue. The Youth Centre's regeneration embraces a circular approach to **closing the loop**, exploring system circularity and involving stakeholders in the design, production and discarding phases of new investments. It promotes solidarity, cooperation and awareness of social issues, serving as a model for societal development and growth. While elements of **self-governance** exist, improvements in information flow and exchanges are needed. The project engages **work across various levels**, connecting local actors with national authorities and participating in international projects. The ambition is to **go beyond the disciplinary approach**; it integrates formal and non-formal knowledge, providing a space for both education programmes.

The **Living Factory**, situated in Dąbrowa Górnicza, Poland, is embarking on a remarkable journey of revitalising the former industrial area, carving out a vibrant centre that thrives on locally and socially rooted entrepreneurship. At its core, the project seeks to support job creation and provide a stable livelihood for individuals transitioning from mining and related industries.

Deeply rooted in the community's needs, the Living Factory addresses the region's pressing issue of economic transformation. With the mining industry's decline, the project offers hope by fostering local entrepreneurship and generating job opportunities for those impacted by industry changes.

The Living Factory has been designed to ensure success through well-planned actions and operations. It functions as a business incubator, bringing together social and economic partners to collaborate and create new businesses. The project advocates the potential of cooperatives to create job opportunities for individuals transitioning out of mining and mining-related industries. Comprehensive training programmes, mentoring and vital capital support are offered to budding entrepreneurs to help them realise their dreams. Additionally,

the Living Factory forges international collaborations, creating a network of support for those investing in cooperatives at the European level.

The stakeholders involved in this transformative initiative are diverse yet united by a shared vision. Each contributes to the project's success, from the local government of Dąbrowa Górnicza to social and economic partners, cooperatives, entrepreneurs and residents. Relevant regional and national institutions lend their support and expertise, bolstering the project's foundation.

The evidence of the Living Factory's potential is compelling. In 2022, an assessment validated its effectiveness, and with the issuance of a building permit for its land development project, the future looks promising. Eager to embark on its journey, the project aims to unite various stakeholders to actively participate in co-creating new companies, nurturing a spirit of collaboration and community-driven progress.

As the Living Factory takes root, it draws inspiration from successful precedents and good practices, enriching its approach and ensuring the best possible outcomes. It seamlessly aligns with the Just Transition Fund and the public-private partnership models for implementing the project based on EU funds. In harmony with regional and local labour market policies, it sets a shining example of economic transformation and entrepreneurial spirit, breathing new life into an industrial past and laying the groundwork for a thriving future.

Links with the New European Bauhaus initiative:

The Living Factory project reflects the NEB initiative's emphasis on economic transformation, sustainable living, and cooperation between different sectors. The NEB Compass assessment of the Living Factory project reveals a multifaceted approach to urban regeneration. It **integrates** green spaces and social gardens, enhancing the area's appeal while supporting biodiversity and promoting responsible resource management. The project strives to be a leader in ecological solutions, promoting sustainability and **closing the loop** on circular economy principles. By actively involving the local community in all phases, it fosters a sense of ownership and belonging, promoting social cohesion and inclusivity to **transform** the way of living together. The participatory approach ensures **self-governance**, recognising the community's expertise and creativity. Additionally, the Living Factory project demonstrates **work across the levels** putting in place **interdisciplinary collaboration**, merging ecology, technology, culture, and history to create a vibrant, sustainable and inclusive community.

MAIN POINTS RAISED IN THE COMMENT PAPERS AND PEER REVIEW DISCUSSIONS

The comment papers and peer review working groups provided valuable insights into important aspects of funding, partnership models, and the involvement of social economy organisations in complicated regeneration projects. The discussions have enriched the understanding of how public funding can initiate regeneration efforts, emphasising the goal of creating self-sustainable projects capable of generating their own financial resources for long-term viability.

Financial sustainability plays a crucial role in ensuring the continued success of regeneration projects. As public funds provide the initial kickstart, it is essential to explore innovative financing options and alternative funding sources that support the project's long-term financial sustainability while also considering environmental and social implications.

Ensuring Effective and Efficient Use of Public Funds:

The working groups stressed the significance of ensuring financial stability after using public funds. Making the best and most efficient use of these funds is crucial especially in building the capacity of stakeholders to ensure a feasible and long-term sustainable business and governance models. At the community level, offering small grants to develop social enterprises can encourage self-sustainability. Similarly, at the regional level, rural grants and state grants, along with the availability of infrastructure, can support social enterprises. European funds are often a significant financial resource for larger projects with cross-border cooperation. Prioritising skills development is crucial in optimising the use of public funds. By providing social enterprises with education and training programmes, they can be empowered to make sound financial decisions, generate income, and plan sustainable financing of the infrastructure usage and maintenance costs as well as support the need for continuous investment in adaptation, equipment modernisation and programme development and implementation when the initial funding is depleted. Establishing a clear vision and strategic plans is also essential to ensure that activities align with the funding utilisation. Building a strong partnership between public bodies and social economy organisations is crucial in addressing challenges that may arise once the funds are exhausted. The working groups also raised concerns about overreliance on EU financial sources and suggest diversifying funding options. In this regard, they highlight the experiences of funding sources of the Platform of the Youth Center (PDM) partnerships with institutions, cultural and civic organisations, and emphasise the importance of exploring alternative funding sources such as private capital; environmental, social and governance (ESG) investment

models; and crowdfunding (see below). By designing an optimal funding mix that reduces dependency on EU grants, regeneration projects can become more financially resilient, especially considering potential political clashes between national and EU bodies.

Harnessing Innovative Strategies for Income Generation:

A successful case study presented during the working group discussion was the Āgenskalns Market in Riga. The market showcased effective income generation even during the challenging times of the COVID-19 pandemic. By diversifying funding sources and aligning investments with their values, the market was able to sustain itself. They achieved this by renovating and selling historical sites, engaging with local markets, and venturing into e-commerce. The market's social business model evolved, starting with bank loans and gradually attracting sponsors. It is important to note that strategies for income generation may differ based on the project's location, be it urban or rural. For instance, in Rēzekne and Split, local government in cooperation with social enterprises and civil society organisations played a crucial role in attracting other businesses and stakeholders, encouraging socially responsible actions, leading to increased revenues. However, challenges can arise when the infrastructure still needs to be completed, affecting the project's attractiveness to potential business partners.

Leveraging Alternative Funding Sources:

Exploring alternative funding sources beyond traditional public funds is key to achieving long-term financial sustainability. The working group highlighted the importance of developing new stakeholder engagement strategies, as well as new governance, economic and business models exploring new financial instruments opportunities, and value chain driven fundraising strategies, including seeking equity sponsors and investors who can become stakeholders in the project, providing financial support and expertise. Another potential avenue is microgrants, which can be funded through private money and obtained by participating in public calls for action. Furthermore, the working group emphasised the potential of crowdfunding platforms and ESG investment structures in supporting regeneration projects. Crowdfunding allows direct engagement with individuals and communities interested in supporting the project, providing a sustainable source of funds. ESG investment structures attract investors focused on supporting sustainable initiatives, ensuring alignment with environmental and social goals.

In exploring alternative funding sources, the working group highlighted the green, social and sustainability bond of CDP (Cassa Depositi e Prestiti) from Italy. As a National Promotional Institution, CDP's strategic approach to sustainability aligns with international best practices and the 17 Sustainable Development Goals (SDGs) identified by the United Nations. CDP has developed the [Green, Social, and Sustainability Bond Framework](#) following the Green Bond Principles, Social Bond Principles, and Sustainability Bond Guidelines issued by the International Capital Market Association (ICMA) in June 2021. Under this framework, CDP can issue three types of bonds: Social Bonds, Green Bonds and Sustainability Bonds. The

proceeds from these CDP bonds are channelled towards financing or re-financing new and existing eligible loans and projects falling into the respective categories. The funds support social initiatives for Social Bonds, while Green Bonds finance environmental projects. Sustainability Bonds, on the other hand, contribute to both social and green projects. By leveraging CDP as a model, regeneration projects in Italy and beyond can learn from the institution's sustainable financing practices and effectively align their funding strategies with the SDGs and internationally recognised standards. Here is an example of how using innovative financing methods and committing to sustainability can lead to both long-term financial stability and positive social impact for projects focused on regeneration.

Stakeholder engagement and collaborative partnerships can deliver tangible benefits to all parties involved. These partnerships transcend mere "side projects" and become essential frameworks that prioritise and drive local economic advancement. Central to the success of these efforts is involving the community in the planning and execution of regeneration projects. When community members participate actively, projects can align with their priorities and facilitate local development effectively. This inclusive approach allows for the incorporation of community perspectives, ensuring that regeneration initiatives cater to the specific needs and aspirations of the residents. The success of regeneration projects relies heavily on effective stakeholder engagement and collaborative partnerships.

The outcomes of the working groups on stakeholder engagement in regeneration initiatives highlighted several key findings:

Diverse Stakeholder Engagement Models: During discussions, participants highlighted the importance of collaboration among stakeholders for successful initiatives. Such partnerships involve a diverse range of actors, including public authorities, private sectors, community organisations, academia, social enterprises, municipalities and institutions. This model is often referred to as the "quadruple helix". However, different countries adopt varied approaches to stakeholder engagement in regeneration. Latvia's private-driven, bottom-up approach, coupled with the integral role of the social economy, fosters grassroots participation. Croatia's public-driven approach positions the social economy as a support structure. Meanwhile, Italy embraces a cluster approach that brings together private and public stakeholders, emphasising social economy practices for the greater good. When present, the core team of social enterprises ensures a balance of interests while involving stakeholders in decision-making processes.

Role of Social Economy: It was evident that in some countries, the potential of the social economy sector was still underestimated or not fully recognised. Participants highlighted the need to broaden the perspective of social entrepreneurship to encompass the broader concept of the social economy. Italy showcased an intersectional approach, bringing together both private and public stakeholders in a synergistic structure aimed at the general good, where social economy practices played a unifying role.

Despite the importance of the social economy, it was noted that in some countries there was limited knowledge and understanding of social economy actors. The sector was relatively new and lacked a clear strategy in some countries, including Latvia. However, positive examples emerged, like the foundation created by people with mental health problems pooling their state-given funds to form a social enterprise in Italy. The role of the social economy was highlighted as pivotal in producing goods and services that fulfil important social needs.

Social enterprises were recognised as providers of valuable products and services that communities required. Participants stressed the importance of developing robust social economy business models and plans to envisage the project's future and assess its social impact.

Strengthening Collaborative Partnerships: To address complex challenges and ensure relevance and impact within the community, initiatives should involve a diverse range of stakeholders throughout the project's lifecycle. This involves fostering an inclusive approach that embraces both top-down leadership and community-led local development approaches. A crucial step in the regeneration process is identifying a shared vision for regenerative projects. Finding common principles and objectives is a fundamental step in ensuring effective stakeholder collaboration. This process requires a shared understanding of the problem and a willingness to work together to develop a coherent and cohesive approach.

To create an effective partnership in the long term, it is crucial to build awareness and develop a deep understanding of the needs and aspirations of all stakeholders involved. By thoroughly analysing these aspects, projects can be tailored to better serve the community and ensure a balance of interests among all parties. In this sense, it is important to understand the way mentalities differ between civil society organisations, social economy bodies and businesses to foster successful cooperation.

By collaborating with public, private and social stakeholders and aligning objectives, transformative outcomes can be achieved. This can be achieved through partnerships such as public-private-social partnerships and co-planning, which cultivate synergies among stakeholders. Participants recognised the importance of involving politicians and people in sustainable governance, economic and business models in these partnerships, offering them spaces as customers or active participants. By aligning the goals and values of all stakeholders, including the community, these partnerships can create a supportive environment that fosters cooperation and mutual benefit.

Attitude and mindset changes are crucial elements in fostering successful collaboration, and participants stressed the importance of shifting attitudes and embracing personal responsibility.

Effective management and governance play crucial roles in ensuring the interconnectedness of social, ecological and economic systems. Adopting a holistic approach, clear communication, feedback mechanisms and conflict resolution strategies become

paramount. Transparent, accountable and adaptive governance structures are vital for overseeing such projects. Regulations and guidelines, tailored to specific project contexts, must be in place to address land use, social values and environmental protection measures.

The outcomes of the working groups on management and governance can be summarise in three main pillars:

Governance Models for Regeneration Projects:

Lessons on effective regeneration and governance models were learned from case studies in Poland and Croatia. The Polish case study demonstrated the success of an integrated participatory approach led by the local government, while the Croatian case study highlighted the benefits of a public-civic partnership. The involvement of social enterprises and non-profit organisations was emphasised as crucial for inclusive decision-making. Different governance models, including public-driven and private-driven approaches, were explored. To effectively manage stakeholders' interests, it was suggested to create a board with representatives from all stakeholders, including social enterprises and non-profit organisations. The country partners from Italy and Latvia underscored the importance of involving the social economy in managing and sustaining regeneration projects. Overall, the governance structures for such projects must encourage stakeholder engagement and adopt effective collaboration strategies.

Capacity building for urban regeneration:

Effective partnerships required clear communication, feedback mechanisms, and conflict resolution strategies but also innovative governance, economic, business and financing models based on the models of sustainable value chain clusters and partnerships combining public and private fundraising and income streams sources. Capacity building in the public, private, civic and social economy sectors emerges as a vital component for regeneration project success. The paper underscores the need for continuous learning and skill development to enhance the effectiveness of public initiatives and decision-making processes.

Sustainability and Impact Management:

As emerged from the peer review cycle, it is necessary to monitor and assess the impact of regeneration projects to ensure sustainability. A just transition for all can be achieved by integrating principles of social, ecological and economic sustainability. Effective impact management is important to prove the results and demonstrate social impacts. To reach sustainability goals, it is essential to develop precise tools, principles and objectives.

During crises, diverse business models can support entrepreneurs. Successful examples of sustainable regeneration efforts include projects incorporating various technological solutions, urban gardening, active leisure, and community involvement. Creating co-working

and co-creation spaces also contributes to sustainable regeneration efforts, but awareness building is crucial in urban and especially rural areas to promote participation.

CONCLUSIONS AND POLICY IMPLICATIONS

Through this peer review, it has become evident that achieving financial sustainability is a vital aspect of successful regeneration projects. The involvement of stakeholders and fostering collaborative partnerships are crucial in ensuring co-creation and confronting societal issues. The peer review has emphasised the importance of using public funds efficiently and transparently allocating resources to benefit the community in the long term. Capacity building within the public, private, civic and social economy sectors is vital for the success of regeneration projects. The review highlights the importance of continuous learning and skill development to enhance the effectiveness of public initiatives.

Tailoring Approaches to Regional Needs:

To effectively support regenerative projects across Europe, it is essential to tailor approaches to the specific needs of each region. This involves recognising the varying institutional and social enterprise development levels and adopting flexible and tailored strategies. Promoting stakeholder engagement and involving a wide range of stakeholders – including public authorities, social economy organisations, academia, civil society, the private sector and local communities – is essential in decision-making processes. The engagement of stakeholders from diverse backgrounds can provide valuable insights, ensure community needs are met, and foster a sense of shared ownership. While potential challenges like bureaucratic hindrances exist, collaborative partnerships can help overcome them. To overcome these barriers, the paper suggests streamlining bureaucratic processes and exploring diverse funding models, including private capital investment.

Transparent Governance Structures:

Establishing transparent and accountable governance structures for regeneration projects, efficient decision-making processes, and clear communication channels between stakeholders, are essential. Building capacity within the public sector is crucial. Investment in training programmes, workshops and knowledge-sharing initiatives can enhance public officials' understanding of social economy organisations' potential to drive the governance and management of regeneration projects.

Ensuring Financial Sustainability and Access to Funding:

Access to funding and financial sustainability are also crucial for the success of regeneration projects. Facilitating access to diverse funding sources, including public funding, EU grants, private capital investments, and crowdfunding opportunities, is essential. It is also necessary to ensure long-term financial sustainability and reduce dependency on EU grants through

application of the innovative fundraising and income streams mix. Monitoring and evaluation contribute to evidence-based policy-making and continuous improvement.

Innovative fundraising strategies such as crowdfunding and investment sources like ESG investments have been identified as feasible alternatives to traditional funding sources. However, in order to ensure the financial sustainability of the regeneration projects, wherever it is possible, diversified income generating strategies (e.g. products and services sales, rental of spaces) should be encouraged and are useful to diversify financial sources.

Leveraging EU Structural Funds for Inclusive Development:

Leveraging the EU Structural Funds to support social enterprise development and local regeneration is crucial. Exploring opportunities for aligning Structural Fund investments with social economy goals and initiatives is necessary. Structured collaboration between the EU, member states and regional authorities will ensure that Structural Funds effectively contribute to sustainable and inclusive development and regeneration of urban and rural areas across EU and beyond.

Mainstreaming Social Economy in Policies:

The role of social economy organisations varies according to the different levels of development, capacity and recognition of the sector in the different countries.

Integrating social economy principles into various policy areas, including urban and rural development, education, employment and social welfare, is necessary. This will enable a more comprehensive and integrated approach to supporting social enterprise development and local regeneration. Learning from positive examples and best practices across Europe and monitoring and evaluating the effectiveness of interventions regularly is also important. The mainstreaming of social economy principles in policies at both horizontal and vertical levels should be promoted.

USEFUL RESOURCES

- <https://sea4neb.eu/>
- <https://fabrykapelnazycia.eu/>
- <https://dom-mladih.org/>
- https://new-european-bauhaus.europa.eu/index_en
- https://new-european-bauhaus.europa.eu/get-involved/use-compass_en

PROJECT PARTNERS

The SEA4NEB project consortium is composed by:

