

European Innovation Partnership on Smart Cities and Communities at European Week of Regions and Cities

Action Cluster Meetings
9-10 October 2018



EIP-SCC



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Action Cluster “Sustainable Districts and Built Environment”

GLOBAL VALUE IN CITY MAKING

A proposal for a possible new AC initiative

Roberto Malvezzi (ITC-CNR)



In occurrence of the General Assembly of the EIP SCC, ITC-CNR (*Institute for the Technologies of Construction – National Research Council of Italy*) has proposed, in collaboration of the AC SDBE, to hold a Round Table on the concept of **“Global Value in City Making”**



GLOBAL VALUE IN CITY MAKING



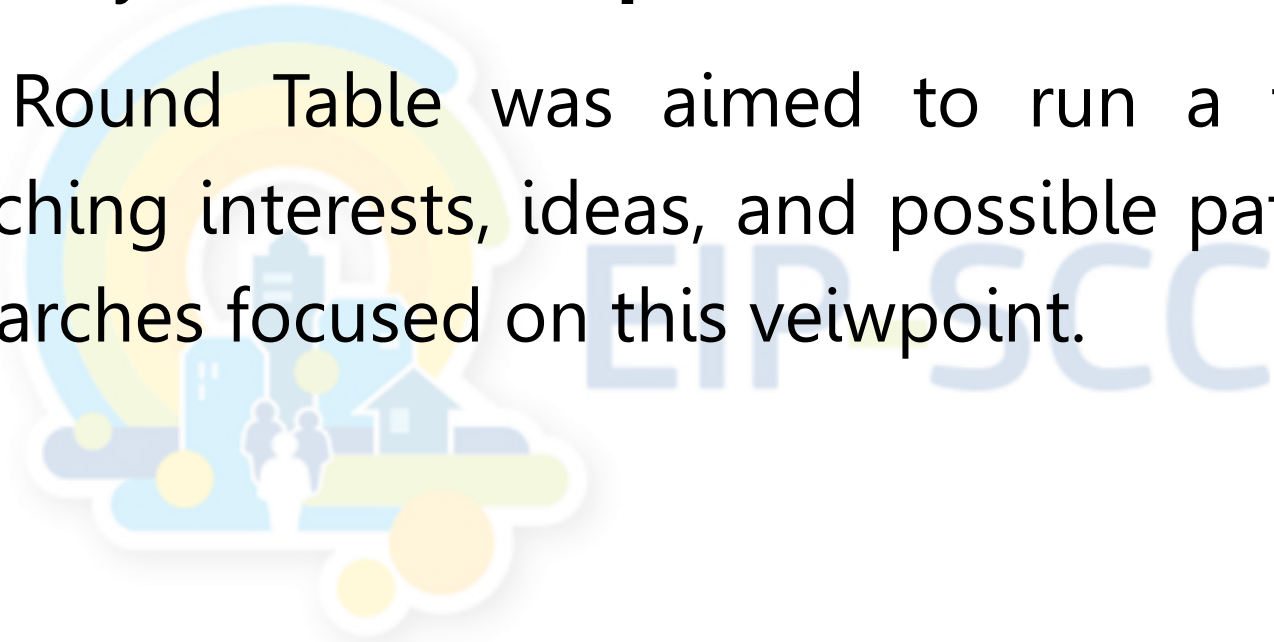
This concept is related to the fact that investments directed to improve quality, resilience and vitality of urban ecosystems, do produce a wide range of **extra positive spillover effects**, which are barely captured by mere real-estate values.

As consequence, such interventions often result to be **under-recognized** and **under-leveraged** with respect to their global impact.



This holds especially true for what **public values** are involved.

Therefore, the Round Table was aimed to run a first “deep-dive session” for catching interests, ideas, and possible paths to new joint projects and researches focused on this viewpoint.



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Participants	Affiliation
Roberto Malvezzi (<i>chairman</i>)	<i>ITC-CNR (IT)</i>
Nicola Bacigalupi	<i>PwC (IT)</i>
Ivo Koszov	<i>Eurobulgaria (BG)</i>
Maria Sangiuliano	<i>Smart Venice (IT)</i>
Astrid Vanackere	<i>Municipality of Ostend (BE)</i>
Iain Watson	<i>Green Investment (UK)</i>
Patrick Maurelli	<i>Municipality of Roma (IT)</i>
Mara Strappa	<i>ENI (IT)</i>
Mikael Edelstam	<i>Miljostrategi (SE)</i>
Oleksandra Sladkova	<i>Municipality of Lviv (UA)</i>



CONCEPTUAL FRAMEWORK

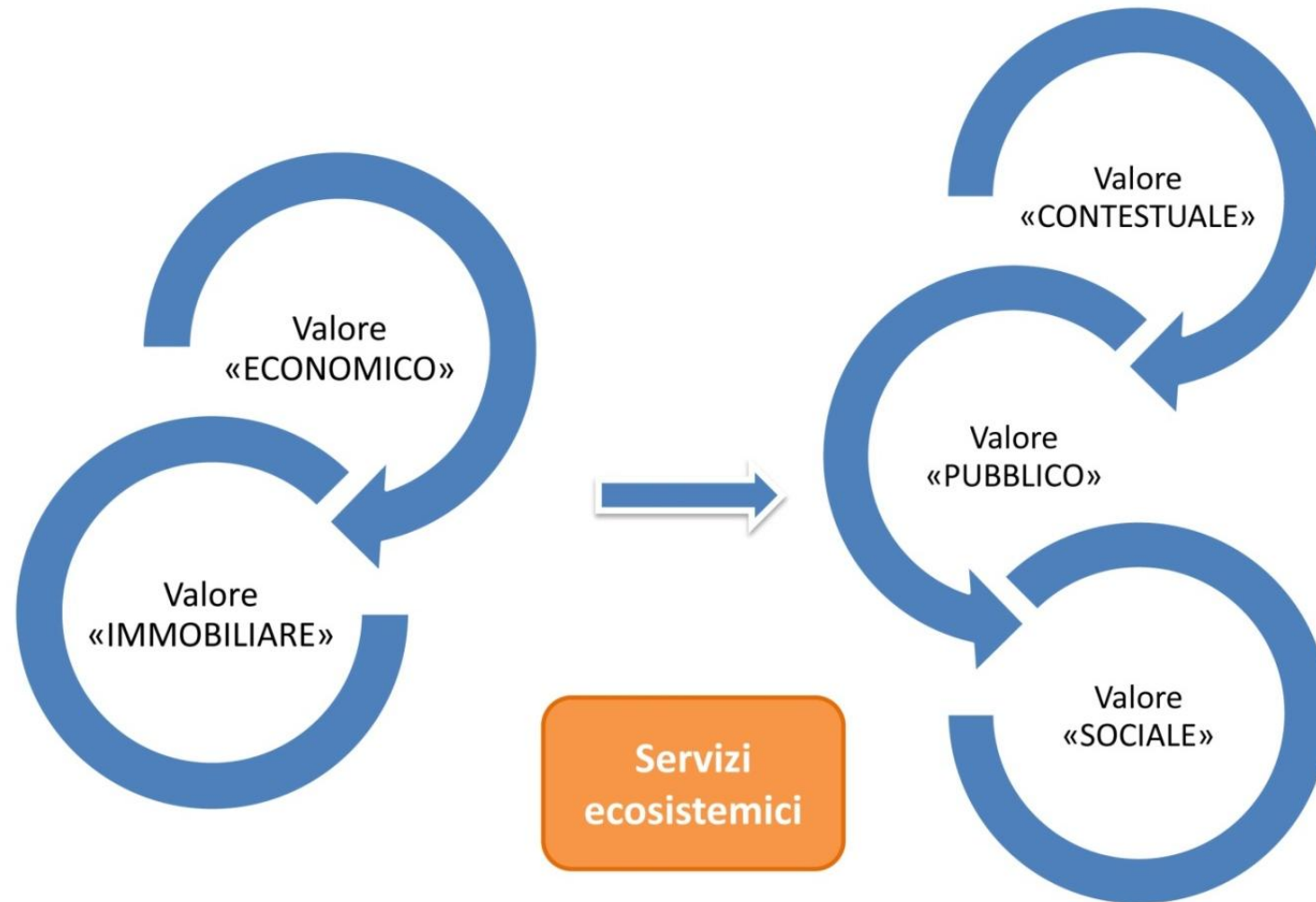
Towards a new theory of the **Capital Gain**



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Source: M Marcatili, Nomisma

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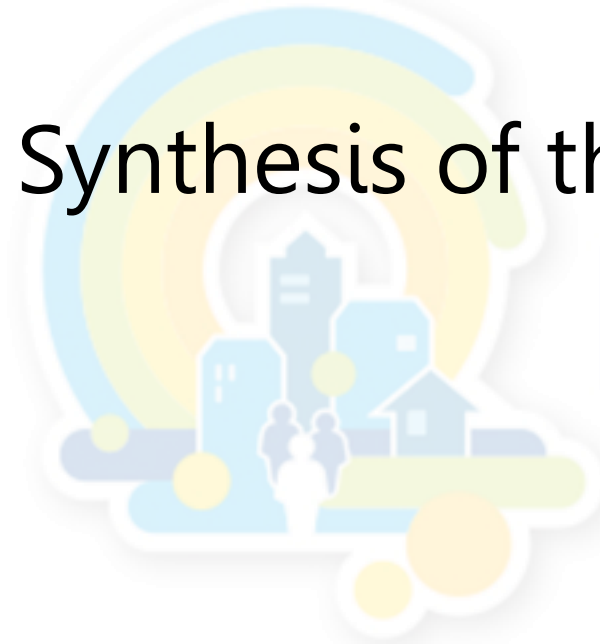
Source: M Marcatili, Nomisma



SCC EIP ROUND TABLE

Synthesis of the final Report

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Source: M Marcatili, Nomisma

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Many instances of positive spillover effects were proposed, mostly linked to public realm of public values: *jobs creation* leading to **savings in the social protection system** and to an **increase of tax return**; *healthier urban environments* leading to **savings in the social care system**; *safer neighborhoods* leading to **savings in the security system (up to justice)**; *heat islands mitigation* leading to the **reduction of private energy consumptions**, and so on.



The main question aroused is that it is actually impossible to induce a **direct return** of such spillover effects in favour of urban regeneration strategies; in order to this, it would be necessary **to show and quantify** such effects, while **no model is actually available** to this purpose. Given the extreme difficulty to build a global model of the kind, the best approach should be working on the development of **local or thematic, models**, for gaining evidences of local effects, and eventually, based on these, progressively building up a global model.

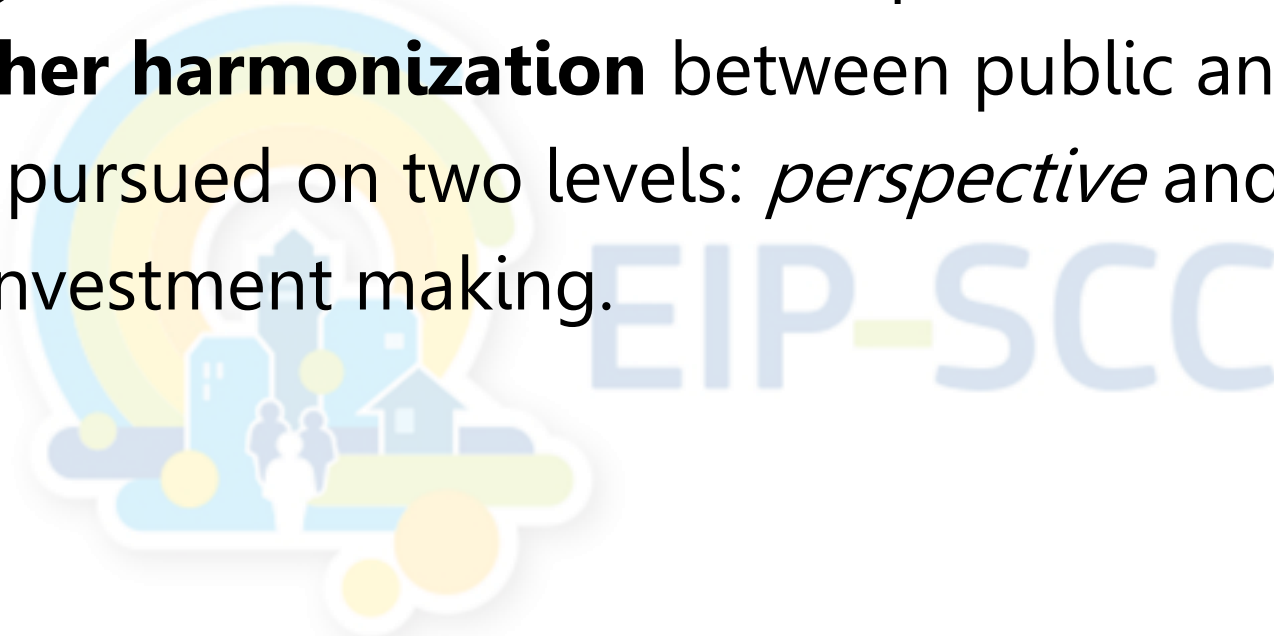
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It was also discussed which sense of “value” should be assigned to the GVCM. On one hand, it was agreed that part of such positive spillover effects should be turned **into a financial leverage** for triggering urban regeneration processes. On the other hand, it was agreed as well that such Global Value **should not be fully convertible into monetary value**, since the pursue of an “intangible” human value should remain an essential goal.



Finally, it was agreed also that a seminal aspect should be that of obtaining a **higher harmonization** between public and private investors, to be pursued on two levels: *perspective* and *thematic* attitude in the investment making.





For what the *perspective attitude* is regarded, the actual situation can be represented as follows:

- **small privates:** keener to a *short-term perspective*;
- **institutional investors** (such as banks): more available to support *mid-term perspectives* (especially in the case of evolved subjects);
- **public bodies:** too often not interested in evaluating the *future return* on their investments.



To this respect, a two-steps conceptual innovation should be pursued:

- **the attitude of public bodies** should evolve into that of being long (or even, very long) term investors: that is, investors that can wait a very long time in order to gain their return;
- **the attitude of institutional investors** should acquire a long-term perspective too, e.g. by distributing funds along multiple investment pipelines, encompassing *short, mid and long term*.



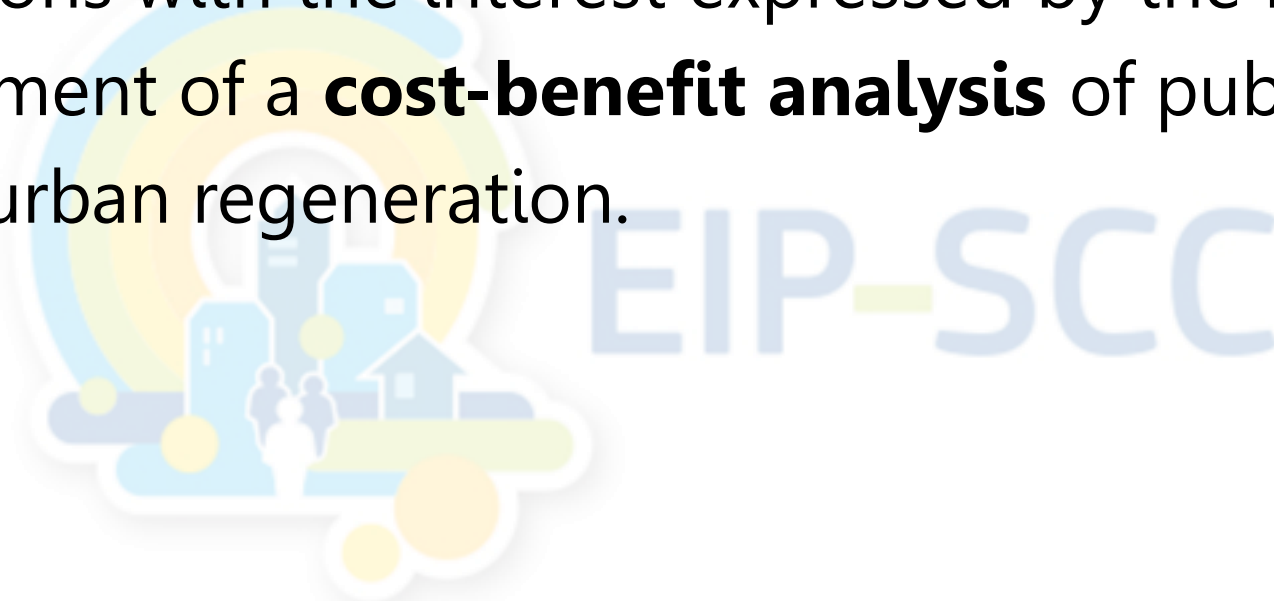
For what the *thematic attitude* is regarded, the very nature of their investment approach should be addressed, synthesized as follows:

- **private investors: asset-based (and multi-place) approach;**
- **public investors: place-based (and multi-asset) approach.**

In this case, harmonization can be obtained only via an effective cooperation in the construction of shared strategies for urban development.



Finally, it has to be remarked that the GVCM concept may also find strong connections with the interest expressed by the EU Commission for the development of a **cost-benefit analysis** of public/private investments in urban regeneration.





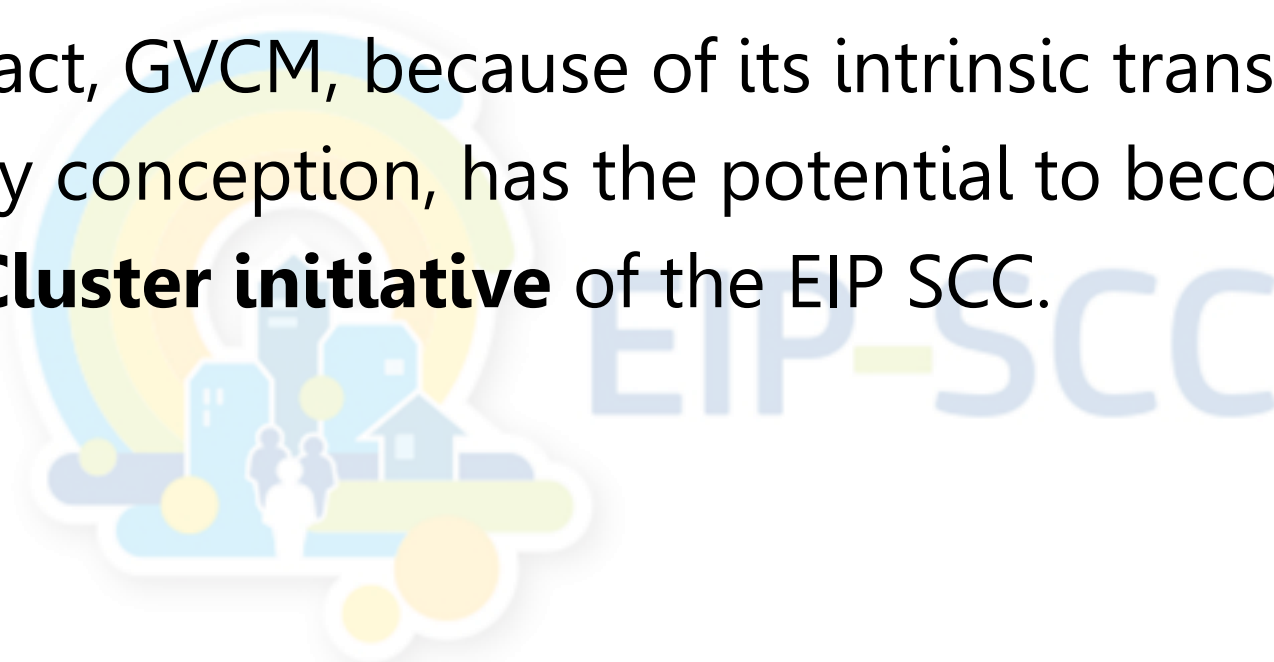
CONCLUSIONS

The AC Sustainable District intends to capitalize these results by proposing **the launch of a new AC initiative**, devoted to investigate the GVCM concept. Such initiative, once rooted within SDBE AC, could be enlarged to other ACs, with special reference to **Citizen Focus**, the AC leader of which has already expressed a preliminary interest, and eventually, also to Business Models and Integrated Planning.



CONCLUSIONS

As a matter of fact, GVCM, because of its intrinsic trans-sectoral and inter-disciplinary conception, has the potential to become **the first cross- Action Cluster initiative** of the EIP SCC.



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CONCLUSIONS

Here it follows a **possible roadmap** for such initiative.





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Here it follows a **possible roadmap** for such initiative.

A. Focusing the theme. Focus group for defining the thematic perimeter of GVCM, in order to orientate the following steps.

B. State-of-the-art review. We know that research is already working on such concepts. Ought a preliminary scouting of current research, of its subjects, actors, goals, and actual results.



CONCLUSIONS

Here it follows a **possible roadmap** for such initiative.

- C. Focusing the concept.** Focus group for developing a first tentative and inspirational definition of GVCM, based on current research.
- D. Matchmaking.** Scouting of subjects interested to test and experiment GVCM concept in real case studies analysis.



CONCLUSIONS

Here it follows a **possible roadmap** for such initiative.

- E. Research methodology.** Defining a shared methodology so to build up with time a homogeneous corpus of evidence in support to the GVCN concept.
- F. Policy models.** Developing proposals for new policies and regulatory frameworks, aimed to unlock urban regeneration intended as a *socio-economical innovation process*.



THANK YOU FOR YOUR ATTENTION!

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Research Unit: *ICT for the Regeneration of Built Environment*