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Challenges of cultural heritage management and financing: The ForHeritage project

Abandoned and neglected historical buildings are a common feature of many central European cities. The Interreg Central Europe Cooperation Programme has also recognized this issue, and it has identified deterioration of cultural heritage as one of the main challenges to be tackled within the programme. Part of this programme is also the project ForHeritage – Excellence for Integrated Heritage Management in Central Europe. Eight partners from four countries (Poland, Italy, Croatia, and Slovenia) are participating in this project. The Slovenian partners are the Regional Development Agency of the Ljubljana Urban Region and the Institute for Economic Research. The partnership aims to combine and build upon the results of previous EU-funded projects (such as Forget Heritage, Restaura, IFISE, CLIC) and bring them to the implementation phase to foster an integrated approach in various stages of heritage management: planning, implementation, and financing.

The research results gathered in past projects, as well as other experience, point to the fact that insufficient funding for renovation and revitalization is the main obstacle to efficient cultural heritage management (e.g., ForHeritage, Restaura). The financial involvement of the private sector is very low, and innovative financial instruments in cultural heritage are practically non-existent. Another major obstacle is a lack of skills and capacities, especially concerning finance, management, and

business planning (Restaura). Last but not least, there is also an evident lack of cooperation of public entities with the private sector and involvement of all relevant actors (the general public, associations, foundations, institutions, private operators, etc.) in cultural heritage revitalization projects.

ForHeritage addresses all these issues. The project builds on previous tools and experiences, pushing the results into the practice of the participating regions and beyond. Based on what was learned and the documents created in previous projects, a toolbox for cultural heritage management has been produced. The toolbox contains a set of six new, concise, and practice-oriented tools that focus on various aspects of cultural heritage management.

The first tool focuses on good participatory governance in cultural heritage, or how to involve the public (<https://www.interreg-central.eu/Content.Node/D.T1.2.1-GG-and-PG.pdf>). To manage cultural heritage successfully and efficiently, quality interaction between different stakeholders is crucial. All the relevant stakeholders should be talked and listened to in developing any cultural heritage management plan, strategy, or project. The tool aims to provide basic information to support cultural heritage managers and all relevant actors involved in cultural heritage management and planning processes so they can implement participatory governance tools in their work more

efficiently. The tool provides practical step-by-step information, which can assist in selecting methods for dealing with stakeholders.

The second tool, financial instruments and innovative financial schemes for cultural heritage (<https://www.interreg-central.eu/Content.Node/D.T1.2.4-Financial-instruments.pdf>), provides an overview, practical examples, and tips on how innovative financial schemes, beyond grants, can be used to sustain cultural heritage projects. Cultural heritage valorization is expensive and poses an economic challenge. Furthermore, investment in infrastructure (conservation and renovation) is a minor part of the overall cost of preserving cultural heritage because the major part is related to the programme rather than regular operations and maintenance. One of the hardest decisions faced by those that conceive heritage-led regeneration projects is how to finance them (i.e., what the most effective financial instruments are and who the best budget providers are). This difficulty is also due to a lack of information on such instruments and inspirational case studies.

The use of a public–private cooperation approach in cultural heritage revitalization (<https://www.interreg-central.eu/Content.Node/D.T1.2.3-PPC.pdf>) is the third tool. It presents current forms of public–private cooperation, their use, and recommendations



Figure 1: Photos of pilot sites (source: project homepage).

on how the public and private sectors could successfully cooperate in revitalizing cultural heritage. European countries have been relatively successful in mainstreaming heritage through a shift of perception on the social and economic value of heritage and its role in sustainable development. Due to decreasing public funds and the interdisciplinary approach needed to revitalize cultural heritage, there is a need to find new funding sources (e.g., private capital, foundations, etc.) and to find new forms of public–private cooperation.

The impact assessment of cultural heritage projects (<https://www.interreg-central.eu/Content.Node/D.T1.2.6-Impact-assessment.pdf>) is the fourth tool, and it presents practical guidelines on approaching impact assessment. Heritage is cultural capital just as the environment is natural capital: heritage investments yield positive returns. The assessment of impact is an attempt to establish the degree to which an action causes certain changes in society. The objective is also management and control of generating an impact, and its optimization in relation to its costs. Impact measurement is essential for attracting investors so that they can

assess the impact of their investments and monitor the continuous improvement of the organization. Impact assessment and measurement are therefore highly debated topics at the international level, used for defining standard methodologies.

The fifth tool, transferable elements of cultural heritage revitalization pilot projects (<https://www.interreg-central.eu/Content.Node/D.T1.2.2-Pilot-projects.pdf>), summarizes the experience of twelve pilot projects carried out as part of the Forget Heritage and Restaura projects, which have also dealt with cultural heritage revitalization. The purpose of this tool is to provide a more transparent overview of good practices and to derive recommendations. There are two types of recommendations: those that are generally applicable in all pilot projects and all stages of project development, and those that are applicable only in a specific stage of the project life cycle or in a specific and clearly specified context. Thereby, the aim is to make the testing process easier for anyone dealing with similar pilot projects in the future, to help avoid certain mistakes, and to allow more successful and effective implementation of pilot activities.

The last tool, focusing on how to organize successful training to improve management in cultural heritage (<https://www.interreg-central.eu/Content.Node/D.T1.2.5-CH-training.pdf>), contains practical information and some hints about holding training sessions for (better) cultural heritage management for various target groups (i.e., public administration staff, and cultural heritage managers and operators). Rapid development and changes in almost all areas of life – economic, social, cultural, and political – require lifelong learning for a successful career. Professionals need to constantly develop their own skills: not only soft skills related to teamwork, planning and organization, the ability to adapt to external changes, problem-solving, and networking, but also skills related to their own activities.

All the tools described are still drafts because the final versions will be developed only after an extensive revision process. The revisions are based on feedback from various stakeholders and on the results of testing and validating them in practice, which will be carried out as part of four pilot projects. In Poland, the pilot site is the Pomeranian Dukes' Castle (Pol. *Zamek Książąt Pomorskich*) in Szczecin (photo 1 in Figure 1), where the focus will be on analysing and further developing activities based on the use of various funding sources. In Italy, the pilot activities will evolve around Holy Cross Palace (Ital. *Palazzo Santa Croce*) in Cuneo (photo 2 in Figure 1), where a participatory process needs to be established to define future content and opportunities for testing implementation of a public–private cooperation scheme. In Rijeka, Croatia, the main challenge will be how to involve all the different stakeholders and current management in a synergetic process of managing and financing the entire Benčić factory complex (photo 3 in Figure 1), which consists of a mixture of institutions already established (such as the Rijeka City Museum, Museum of

Modern and Contemporary Art, and Children's House) and planned renovations for identified activities (such as the city library) and also future activities. The Vodnik Homestead (photo 4 in Figure 1) is the Slovenian pilot site. Here, the main activities will focus on studying options and acquiring additional private funding.

In addition to the pilot activities and developing the final version of the toolset (and its translation into other languages), future project activities will focus on further implementation of the ForHeritage integrated approach in management from the toolset to additional areas in a participatory process of adaptation to a specific context. Training and several workshops will be carried out to fill the gap in the capacities of local, regional, and national actors to exploit various funding sources for revitalizing neglected cultural heritage sites. Site managers and decision-makers will learn how to acquire additional funds (e.g., finding new private sources and setting up innovative financial instruments) in cultural heritage projects and apply an integrated management approach. The project thereby contributes to resolving the pressing issue of the deterioration of cultural heritage sites.

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Project homepage:
[https://www.interreg-central.eu/
Content.Node/ForHeritage.html](https://www.interreg-central.eu/Content.Node/ForHeritage.html)
Information about the pilot activities:
[https://www.interreg-central.eu/
Content.Node/ForHeritage/Pi-
lot-actions.html](https://www.interreg-central.eu/Content.Node/ForHeritage/Pilot-actions.html)