



The creative craft sector represents a crucial segment in the CCI in Palermo and Sicily. CRESM, a non-profit social cooperative, is actively engaged for its development in a Circular Economy perspective. CE constitutes an important opportunity for facing the challenging problem of waste management, promoting, at the same time, the local CCI SMEs networks.

Public policies currently do not include any small-scale local-based solutions or clear paths for a circular transition. Nevertheless, some **SMEs clusters are experimenting with the renovation of traditional techniques based on the use of traditional sustainable materials.**

In Palermo creative SMEs, often organised as non-profit entities in the

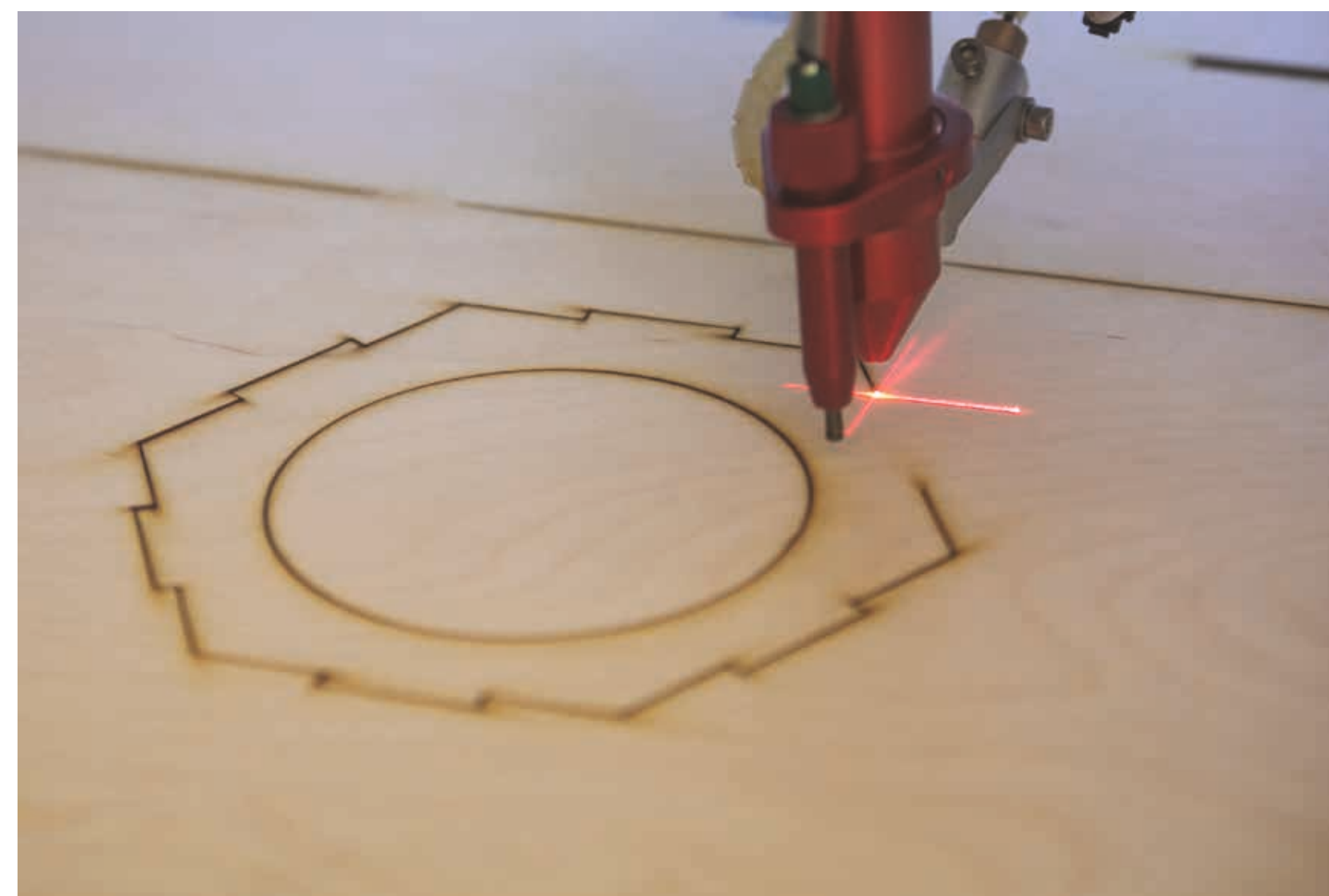
start-up phase, have strong cooperation networks with other non profit NGOs.



In this context, the INNOMED-UP project in Palermo promoted the involvement of local CCI SMEs in a CE pilot cluster, thanks to the use of smart tools, for the development of innovative products and production chains implementing upcycling processes based on a mix of traditional and innovative techniques.

The creative craft sector includes two main categories of SMEs: traditional family-run enterprises facing troubles in surviving the contemporary market dynamics; new enterprises founded by highly-educated young people with strong technical skills and attitude to innovation. Both categories focus a lot on renovation of traditional techniques and reintroduction of eco-sustainable materials.

CCI SMEs, during the start-up phase, are often



THE PALERMO CASE

INNOMED-UP CITY CLUSTERS

LOCAL STRATEGY DESIGN

Motto

In Palermo INNOMED-UP promotes cooperation among profit and non-profit creative SMEs for the renovation of traditional techniques based on natural materials, mainly through the introduction of digital fabrication, in the framework of creative craftship and of the development of CE networks.

Vision

In a context where public policies do not actively support the circular transition, networks of CCI SMEs will promote CE focusing on cooperation and renovation of traditional techniques and design of innovative products within their businesses.

INNOMED-UP developed a network for the promotion of the pilot cluster, the project activities and the cross-border cooperation including: local CCI SMEs, NGOs active in the field of circular and green economy, high education institutions, contributing to the innovation of the cluster, the local Chamber of Commerce; cooperatives networks. the municipality.

A widely participatory approach has been adopted in order to **involve CCI SMEs in a network fostering the development of the cluster, as well as its long term sustainability and scalability.**

For this purpose, **the Info-point for consultation of SMEs** played an important role. **Challenges and opportunities for SMEs have been identified** and analysed, in order to respond to their needs in the configuration of the cluster, in terms of business models, product design and production chains.

Attention has been paid to the complex topic of **waste disposal** and to the wider subject of **compliance to environmental regulations**. For this reason local authorities and experts have been involved in order to start a dialogue with the aim of developing, even after the project, **standardised easier and cheaper procedures for small-scale production plants.**



The needs analysis arisen from the exchanges with SMEs, experts and local authorities contributed to the identification of **innovative services to be proposed to CCI SMEs**: i.e. support for the administrative procedures for the business establishment; strategic marketing; business development; support for the access to funding; support for the circular transition in order to collect leftovers as secondary raw materials, before they turn into waste.

organised in the form of non-profit entities

because of the very high costs of a new-born enterprise. This circumstance fosters cooperation between the world of social work and the cultural & creative one. At the same time, "traditional" NGOs are influenced by creative and innovative processes.

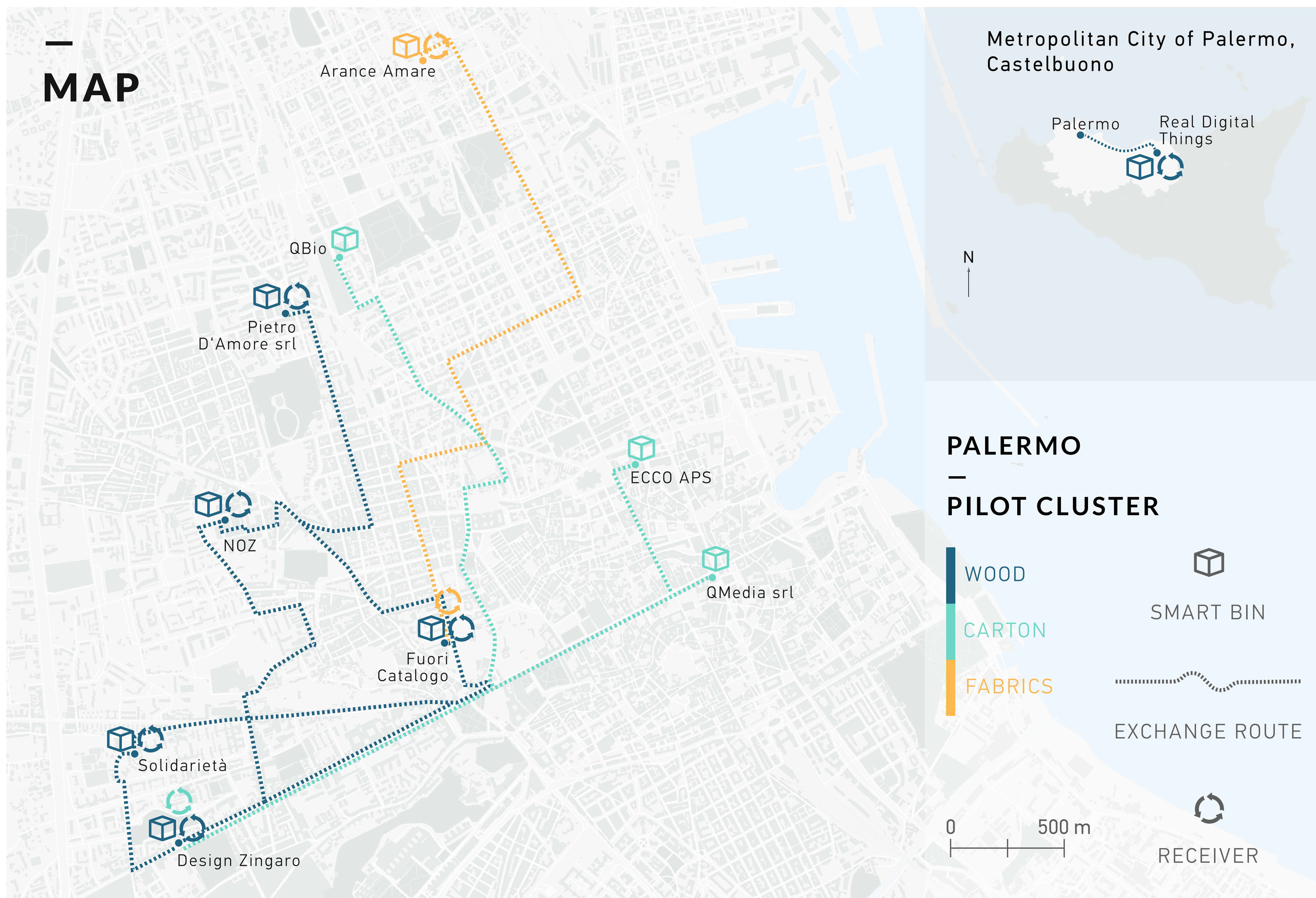
This peculiar creative context facilitates the involvement of SMEs. **For this reason CRESM has always adopted a widely participatory approach.**

The renovation of traditional techniques, in particular through digital fabrication, represents an interesting path in terms of market positioning, cultural heritage protection and reintroduction of traditional eco-sustainable materials.



COMMUNITY & STAKEHOLDER INVOLVEMENT





RESULTS

Presentation of the cluster: subgrantees, other members, focus, materials.

The pilot cluster includes the six sub-grantees, as well as other CCI SMEs. All of them contribute to the achievement of the following results through their engagement in the re-use of materials and their creativity in developing innovative business models and products. **The cluster, in fact, focuses mainly on sharing equipment, knowledge and skills.**

The local CCI community has been involved in the development of the cluster, in particular through the Info-point for consultation of SMEs.

The Info-point is located in NOZ, a multifunctional space where other services dedicated to SMEs are available, in particular in the framework of eco-design. NOZ is a workshop of CRESM for promoting the innovative transition of local creative SMEs. It aims at supporting SMEs on a double level: it fosters their sustainable and circular transition drawing on their disposition to innovation; it supports SMEs in designing effective long-term sustainability strategies, crucial for emerging on the market in a difficult economic conjuncture. NOZ operates on two different and synergic sides:

The help-desk offers consultation on:

- Sustainable and circular transition of SMEs, supporting the development of new business models.
- Economic long-term sustainability of SMEs, supporting the access to funding and the development of effective business plans.

A dedicated area in the workshops of NOZ is available as a place to promote knowledge exchange, experimentation of materials and upcycling processes, prototypes tests, product development, networking.

NOZ, thus, is a place to share knowledge and equipment and also became the heart of the cluster.

Nine of the smart bins are hosted by nine SMEs participating in the cluster (including the six subgrantees and some NGOs). The tenth is located in NOZ, where wood and carton waste are produced by the cluster members in the experimental product design phase.

The subgrantees and their projects are:

1) Pilot innovative products:

- Design Zingaro is designing toys kits and jewels made out of pressed carton and wood waste.
- Pietro D'Amore srl is producing furniture accessories out of wood and building industry waste.



2) Innovation vouchers:

- Fuori Catalogo & Real Digital Things already concluded their projects aimed at completing their production cycles in order to focus their businesses on self-designed production.

3) Access to cross-border mentorship schemes & new financial tools:

- Arance Amare is developing an updated marketing and business plan for optimising the promotion of its green brand.
- QMedia received training for developing an innovative form of storytelling in the framework of sustainable economy.

Challenges, solutions and lessons learnt

The most important challenges are connected to the **lack of national or local regulations concerning Circular Economy and upcycling.**

National waste management legislation forbids not-certified transport of waste. According to the

law, in fact, exchanging production leftovers could be equivalent to illegal waste trafficking. After exchanges with local authorities and environmental lawyers, the implemented solution is that SMEs produce a delivery note receipt highlighting that the collected materials are not waste but Secondary Raw Materials (as defined in the EU strategy for Secondary Raw Materials and the Italian regulations). Obviously this problem does not favour the development of Circular Economy practices. **It is necessary to engage experts and policy-makers in a debate in order to propose new answers to create a legal framework for the exchange of materials for SMEs.**

Impact at urban level

The impact of the INNOMED-UP cluster is not only connected to raising awareness about Circular Economy and its advantages for CCI SMEs.

The innovative product design, in fact, addresses also the cultural heritage protection. Digital fabrication is a means for crafters to reproduce traditional objects and decorations keeping a very high quality together with low production costs. At the same time, traditional techniques using traditional sustainable materials can be easily renovated.

The debate about the exchange of materials will also put pressure on the involvement of policy-makers and local authorities in the development of new regulations more adapted to the circular transition.

The use of smart tools has been tested in the pilot clusters and will be possibly scaled up to new clusters to be constituted by other SMEs involved thanks to the Info-point.

