

ACTION PLAN FOR SUSTAINABLE REUSE CENTRES IN GORIŠKA REGION



"Nothing is lost, nothing is created, everything is transformed."
[Antoine Laurent de Lavoisier]



RRA severne Primorske
Regijska razvojna agencija d.o.o. Nova Gorica
Regional development agency of northern primorska l.t.d. Nova Gorica



Part I – General information

Project: SUBTRACT – Sustainable Reuse Centers

Partner organisation(s) concerned: RRA SEVERNE PRIMORSKE REGIJSKA RAZVOJNA
AGENCIJA D.O.O. NOVA GORICA

Country: Slovenia

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European Union
European Regional
Development Fund



Part II – Policy context

The Action Plan aims to impact:

- X Investment for Growth and Jobs programme
- European Territorial Cooperation programme
- Other regional development policy instrument

*The policy instrument addressed is the **Operational Programme for the Implementation of EU Cohesion Policy in the Period 2021-2027.***

When SUBTRACT project began, we have defined the Operational Programme for the Implementation of the EU Cohesion Policy in the Period 2014-2020 as the Policy instrument addressed, more specifically, the Selected Thematic Objective: (3) “Enhancing the competitiveness of SMEs, of the agricultural sector (for the EAFRD) and of the fishery and aquaculture sector (for the EMFF)” and the Selected Investment Priority: Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators.

However, during the preparation of this Action plan the program has been closed and it was impossible for the present Action plan to influence it.

The Regional Development Agency of Nova Gorica as a regional development agency carries out, in the public interest, tasks for the promotion of regional development and general development tasks at regional level, as defined by the Law with the aim of reducing the development gap of the region according to the Slovenian and European average and also reducing development disparities within the region.

In accordance with the Law on Balanced Regional Development vision of regional development represents dynamic and creative regions, effectively managed and with its own identity, thus able to detect and utilize the global development opportunities. Regional development is based on economic efficiency, social justice and environmental responsibility. The objective of promoting balanced regional development is to increase the economic, environmental and social capital (human, social and cultural capital) in the development region in terms of economic competitiveness, quality of life and sustainable use of natural resources, the elimination of structural problems in the problem areas and



reduction of its developmental delay while exercising and strengthening the development potentials of the region with the international territorial cooperation.

RDA Nova Gorica so carries out a wider development tasks in the region, which include not only the achievement of objectives and priorities of the Regional Development Programme but also other measures and instruments that are necessary and essential for the development breakthrough of the region. RDA Nova Gorica along with regional structures establishes the conditions and elaborates key regional documents and so the basis for further development of the region in the current and future financial perspective.

The bottom-up approach in drafting the OP ensures that the regional needs and the development vision are taken into account by preparing and presenting the Regional Development Programme.

Our Action plan activities are in line with the Regional Development Programme 2021-2027 (draft) under the Regional Development Priority 1 – Region for people, Measure 2: Employment market and employability; Measure 7: Maintaining the vitality of regional border territories, and under the Regional Development Priority 2, Measure 1: Infrastructure and support environment for enhancing the economic competitiveness in the region.

The new (draft) RDP however still lacks a concretisation on what concrete regional projects should be financially supported by the OP, and this Action plan will play an important role in putting forward specific examples that will contribute to the deployment of the final RDP (in the process until Spring 2022).

Regarding the OP (draft) for the Implementation of the EU Cohesion Policy in the Period 2021-2027, the activities of this Action plan fall under the:

- Policy Goal 1: Competitive and Smarter Europe,
 - Priority 1: Smarter Europe by supporting innovative and smart economic transition,
 - Specific Goal 3: Strengthening the sustainable growth and competitiveness of SMEs and job creation in SMEs, including productive investment



and

- Policy Goal 2: Greener and low-carbon Europe,
 - Priority 3: Greener, low-carbon Europe by enhancing transition to clean and just energy, green and blue investments, circular economy, adapting to climate change and prevention and mitigation of risks
 - Specific Goal 6: Supporting the transition to circular economy and resource efficiency.

The OP 2021-2027 has foreseen to finance new projects and launch new call for projects and this Action plan's activities are in line with the new OP and the RDP, which is influencing the OP by presenting regional needs and preparing (and presenting) new development projects. The Action plan thus intends to improve organisation of thematic calls or selection of projects that

This Action plan is a detailed description of how these planned changes can be implemented and can be seen as a roadmap towards economically sustainable reuse in our region. This Action plan provides policy makers with specific knowhow in the sector of reuse centres on how to strengthen the SMEs in their development, increasing at the same time resource efficiency and strengthening circular economy.

By engaging the key actors in the region, the fulfilment of the RDP will be better and the new OP 2021-2027 will be improved and more tailored to the regional needs. The models, guidelines and good examples from this Action plan can be incorporated into the policy documents in the making. There is also a lack of cross border and European learning in this field where this Action plan can play an important role by increasing cooperation and experience exchange in the region. This Action plan will provide policy makers with specific examples in the sector of reuse centres regarding how to strengthen the SMEs in their development, increasing at the same time resource efficiency and strengthening the circular economy.

13 municipalities of the region and 4 regional development agencies are involved in the elaboration of the Regional Development Programme and in the process of following up the programme during its implementation. All involved actors will play an active role, together with the leading strategists at regional level in promoting an improvement of policies and in creating



a base for structural change in relation to reuse and the circular economy. As the Regional Development Agency of Northern Primorska Ltd. Nova Gorica has an active role in the development and implementation of the RDP it is foreseen that the potential for the results from the SUBTRACT project, and this Action plan in particular, are well placed to influence the policy instrument addressed (OP 2021-2027). The Regional Development Programme is based on EU and national strategies and plans that all are contributing to the development and the progress of the region. A result of this is that specific action points will be included in the priorities as well as a supporting plan that could be used by many stakeholders. This process will be achieved through a close collaboration with all the key regional and national actors.



STATE OF THE ART

In 2020, with the help of the Municipality Nova Gorica, the first reuse center has been established in Nova Gorica. It is managed by a social enterprise and logistically supported by the regional waste management company. The reuse center receives, prepares for reuse and distributes goods extending their product lifetimes with important social and environmental impacts, promoting a circular economy vision. Being a social enterprise, it is very vulnerable to economic changes on the market, especially in regard to the pandemic. Within the project SUBTRACT, an Interreg Europe project aiming to increase the economic viability of reuse centres through small and medium sized enterprises (SMEs). SMEs and social enterprises active in the field of reuse are a powerful vehicle to promote qualitative growth, help develop human capital and strengthen social cohesion. To fulfil this mission reuse centres need to have an economically sustainable business model, an issue which is at the centre of the SUBTRACT project.

Action plan is an important step towards circular economy in Goriška region. Promoting sustainable management of natural resources and their efficient use, in particular by supporting the transition to circular economy is crucial in waste management. Both waste prevention and preparation for re-use and recycling enable the production of products from already used sources, which significantly reduces the need for natural resources. As a result, energy consumption and additional environmental impacts are also reduced to a certain extent. The transition to a circular resource management strategy requires comprehensive changes that include the entire life cycle of the product, including its design and material selection, not just the post-end phase.

By examining ReTuna, we try to transfer their good practices of innovative and economically way of reuse to Slovenian grounds. ReTuna Återbruksgalleria is the world's first recycling mall, revolutionizing shopping in a climate-smart way. Old items are given new life through repair and upcycling. Everything sold is recycled or reused or has been organically or sustainably produced.

This good practice is of high interest for our region and the stakeholders present – in cooperation with the municipalities and the regional waste management company a similar model could be set up in Nova Gorica, the administrative center of the region.



Through a strategic exchange of knowledge and experience between the project partners we have investigated how the potential for reuse centres can be developed and make them economically sustainable. Measures that prevent waste, contribute to reuse and encourage citizens' participation have been identified during the project. A central issue has been the development and evaluation of business models for making reuse financially sustainable.

What we have learned that ReTuna is more than just a marketplace. It also aims to be a public educator. ReTuna organizes events, workshops, lectures, theme days, and more – all with a focus on sustainability.

RRA sP Nova Gorica has been cooperation within the SUBTRACT project with the Gymnasium Nova Gorica and just like ReTuna with The folk high school Eskilstuna Folkhögskola with its one-year education program “Recycle Design – Återbruk” in their premises, we want to replicate this model of awareness raising and education in the field of reuse, recycle and general waste management with the aim of introducing the circular economy in the region.

This action plan affects everyone who lives and works in the Goriška region. This way we can contribute in a way to make waste management in the region work in the best possible way.



At the beginning of the SUBTRACT project we identified and contacted relevant local stakeholders who were directly or indirectly involved in reuse and waste management and/or related policies. This stakeholder group included local authorities' representatives, private business and NGOs. Local stakeholder group meetings have been organised regularly during phase one of the SUBTRACT project. One-on-one meetings have also been held with key stakeholders within development departments of the municipalities who all have a direct impact on our addressed policy instrument.

The main partners of this Action plan activities will be the municipalities of the region, mainly the municipality of Nova Gorica, which is also the administrative center of the region as well as the private/public company **Komunala Nova Gorica d.d.** with comprehensive services based on knowledge and tradition and with constant care for updating knowledge and equipment. It plays an important role in waste management for households as well as for companies and institutions in the entire Primorska region. Komunala Nova Gorica d.d. performs public service of waste collection, removal and disposal in the regional municipalities. Ordinances on compulsory collection, removal and disposal of waste, which are valid for the areas of individual municipalities, and applicable regulations require users of these services to collect waste generated on their premises and dispose of it separately in appropriate containers for glass packaging, paper and cardboard, packaging of metals and plastics, biodegradable waste, mixed municipal waste. There are 12 collection centers in the area of the six mentioned municipalities. The collection center is a covered or uncovered space, arranged and equipped for separate collection and temporary storage of all types of separate fractions, where the producers of municipal waste from the wider area leave these fractions and bulky waste to the public service provider. The collection center can also be arranged as a collection point for hazardous waste. Last but not least, another important partner is the regional Chamber of Commerce and Crafts, which will implement promotional activities with their members (SMEs) and provide the necessary know how for various legal procedures.



ACTION PLAN FOR SUSTAINABLE REUSE CENTRES

The most important reference from our area is the start of Reused center (center of useful objects) Solkan, Nova Gorica. The center is a concept of integrated design of alternative solutions that the company has adopted to change the human mindset in the direction of a waste-free society or in order to prevent waste for less resource consumption, more opportunities for creative participation in repair of items at the local level and the possibility of buying things according to the circular economy system.

The institution is called Muca CUPatarica and is the newly opened reuse center. It was established by the Association Moj svet, čist planet (My world, a clean planet) that is organized as a social enterprise in which are active organizations and individuals. The graphic design and project image was made in cooperation with the students of the Nova Gorica Gymnasium, who also came up with its name. The center is arranged as a pleasant home of Muca CUPatarica (a cat from an old Slovene fairytale) that gathers and repairs forgotten children's slippers and it has a kitchen and a bedroom where visitors can exchange and buy products for their home, friends and family.

The activities of the center have two pillars: exchange and reuse. In this way, the association My World, Clean Planet actively creates opportunities for quality life of the individuals and society and promotes new forms of entrepreneurship intertwined with environmental protection.

Through exchange of experience within the SUBTRACT project we have evaluated new systems and models of the reuse centers and the current reuse that is implemented in the region.

The current system used in the region is represented only by this one reuse center, led by the social enterprise and its economic sustainability is hampered by a low degree of innovation and commercial focus. In order to develop more economically sustainable reuse from Komunala Nova Gorica d.d. recycling centres, we would like to adopt models from the staff exchange experiences within the partnership and focus more on SMEs, as well as adopt a more formal setup of reuse process.



SMEs and social enterprises active in the field of reuse are a powerful vehicle to promote qualitative growth, help develop human capital and strengthen social cohesion. To fulfil this mission reuse centres need to have an economically sustainable business model, an issue which is at the centre of the SUBTRACT project. It concentrates on the post start-up and scaling-up phases to render reuse centres effective and durable, i.e. to have a steady flow of incoming and outgoing goods well prepared for reuse, a professional management, a suitable financial strategy and an attractive image for the users, which is a key objective we have for the newly established reuse centre in Nova Gorica, struggling in this post pandemic time.

In order to support the only regional reuse centre and thus many other regional SMEs, we would like to replicate a good practice we learned about during our Staff Exchange in Eskilstuna, Sweden,

This business model we would like to adopt utilises the innovative potential within SMEs to drive both economically viable reuse sales and to develop the type of products or services made available.

The inspiration for this business model setup is from Retuna in Eskilstuna, Sweden, where we have organized our staff exchange activities. ReTuna is the world's first reuse shopping mall, complete with an effective business model for more economically sustainable reuse. The ReTuna model will serve as a working model for the development of the regional reuse and recycling centres.

During the tour we have learned about how ReTuna is functioning. It is easy for visitors to sort materials they are discarding into the containers and then drop off reusable toys, furniture, clothes, decorative items, and electronic devices in the mall's depot, called "Returen". In the depot, staff from AMA (Eskilstuna Municipality's resource unit for activity, motivation and work) performs an initial culling of what is usable and what is not. The items are then distributed to the recycling shops in the mall. The shops' staff then performs a second culling, where they choose what they want to repair, fix up, convert, refine – and ultimately sell. In this way, the materials are given new life.

The local municipality's energy and waste company owns the mall, but a unit at the local municipality's labour and education department manages the collection and sorting centre. The mall is located next to a waste recycling station in an industrial area on the outskirts of the city. Both the mall and the waste recycling station were opened at the same time, in the autumn



of 2015. The distance to the city centre is five kilometres but, as public transportation is limited, personal cars are the most convenient form of transportation for both customers and those intending to donate.

The main benefit of the ReTuna setup is that SMEs can rent a retail space in a custom-built reuse shopping mall. Included in this rental cost is access to a specific niche segment of the reuse products sourced from the recycling centres. By both creating a classic retail environment and providing niche shops, the reuse retail experience is more similar to a classic retail experience and this raises the perceived value and status of the reuse products sold. SMEs provide the innovation and drive to develop specific economically viable commercial reuse sales.

ReTuna Återbruksgalleria and Retuna Återvinningscentral are run by the municipality-owned company Eskilstuna Energi och Miljö (EEM).

EMM is a municipal company tasked with running competitive organizations in the energy and environmental sector. EEM shall deliver optimal benefit to customers and residents – with minimal impact on the environment. The goal is to serve as a role model and source of inspiration in relation to energy and the environment, and to create sustainable societal benefit for current and future generations.

ReTuna Återbruksgalleria is part of business area Recycling.

Eskilstuna Municipality strives to be a green role model. In its environment-related development work, the idea came about to open a mall that had “regular” shops, but with a reused and upcycled range of products. The concept would attract a broad target group, and spread knowledge about sustainability and circular economy.

In addition to offering sustainable shopping and serving as a public educator in relation to environmental issues, ReTuna Återbruksgalleria has generated over 50 new jobs. The mall has become international news – documentary filmmakers, journalists and curious tourists from around the world have visited ReTuna Återbruksgalleria. Our region would like to transfer this concept to our reality.

ReTuna imitates a traditional mall that gathers tenants and customers to create profit, but is based on the concept of reuse. This strategy is novel, and so ReTuna provides an opportunity to study the combination in the context of fashion retail. Accordingly, the purpose of this action

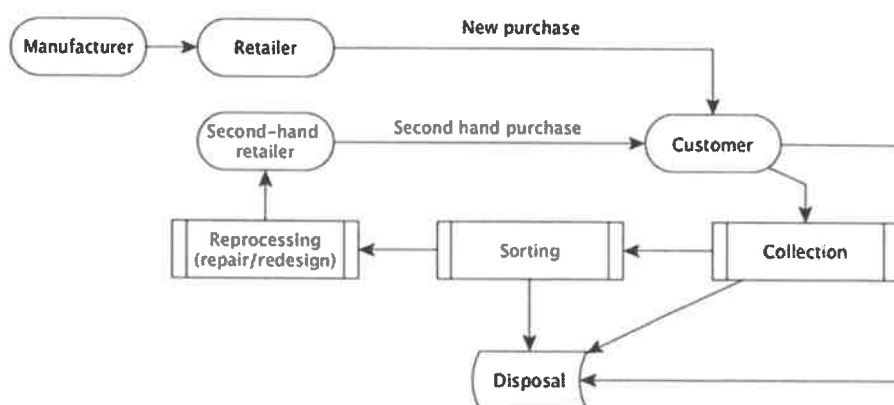


plan is to describe and analyse the management of a novel commercial retail concept – a shopping mall based on reuse and a local circular supply chain – with the aim of identifying potential strategic issues with the concept.

Promotional and educational events, such as workshops with a reuse and/or repair theme, auctions, study visits, exhibitions, reduced price days, and swap days (i.e. clothes and toys), are regularly held. The aim of the events is to both attract visitors and raise awareness of the concept of reuse.

Many analyses done so far show that the two terms (reuse and commercialism), as well as a third (social enterprise), are not aligned, and in some cases even contradict one another. In terms of being both enablers and limiters, these competing priorities affect daily and strategic activities at the mall.

Reuse-based circular supply chain:



The inflow of reuse products to Komunala Nova Gorica d.d. recycling centres is important in ensuring steady supply of reuse products to potential SMEs. These will include, for example, collection, mobile or pop-up reuse centres.

Last, but not least, economically sustainable reuse depends on consumer behaviour patterns. We need to increase the quantity and quality of products to reuse (a change in attitude towards what a recycling centre is), increase the perceived value of reuse products and increase reuse product sales. This action is challenging both in defining concrete activities and evaluating progress, however it is central to the success of the project.



The extent of this project is large and many of the activities identified are far ranging, connected with significant costs and require acceptance at many levels. It is not deemed feasible that all of the actions identified can be completed within the timeframe of SUBTRACT phase two (2022). However, if the goal of economically sustainable reuse is to be achieved then it is important to describe and define the whole process even if all of the activities are unlikely to be achievable within one year.

We have therefore chosen to describe the region's vision of establishing a commercial retail area for reuse products.



Part III – Details of the actions envisaged

Action 1.	Setting up the conditions for establishing a reuse shopping mall in Goriška region
Activity 1	Preparation activities
	<p>In the preparation activities we will, together with the Municipalities of the region, Waste management company Nova Gorica and the reuse center, establish a suitable supporting environment, a supporting platform that will provide the necessary know how to the parties involved. The Municipality of Nova Gorica will ensure a suitable space and accordingly adapt the Development Programme Plan and start preparing the necessary investment documents. The Waste management Company Nova Gorica</p> <p>Once the pre-conditions will be set and the actual reuse shopping mall will be established, we will follow the same concept of ReTuna, where that third parties are responsible for the retail aspects of the reuse chain.</p>
Relevance and source of inspiration	<p>The source of inspiration comes from ReTuna Återbruksgalleria which we visited within the staff exchange activity within the SUBTRACT project. Eskilstuna Municipality strives to be a green role model and the Goriška region has the same vision. In its environment-related development work, the idea came about to open a mall that had “regular” shops, but with a reused and upcycled range of products. The concept would attract a broad target group, and spread knowledge about sustainability and circular economy.</p>
Policy improvement	<p>The Identified Policy Instrument (OP) is in the drafting, as well as the new RDP, which is the basis for the OP. The Action plan activities are in line with both documents; however, the new RDP still lacks a concretisation on what concrete regional projects should be financially supported by the OP, and the proposed actions can serve as guidelines on what to insert in the RDP as well as the OP.</p>
Planned Activities	<ol style="list-style-type: none"> 1. Strategy <ul style="list-style-type: none"> - the goals, that will be achieved by establishing a shopping mall, will be defined. - the creation of a supportive environment for the development of innovations in the field of circular economy related to waste management. - Identification and involvement of stakeholders in the field of waste management and transition to circular economy models. - Involvement in the local environment. - Stimulating and raising awareness. 2. Ownership and management structure <ul style="list-style-type: none"> - Identification of key stakeholders for both start-up and long-term running of the project. - Identification of a single main partner for ensuring a long-term stability 3. Analysis of the situation in the field of different types of waste management (Review of the situation, suggestions for improvement, identification of potential sources) <ul style="list-style-type: none"> - Organizing workshops and events



	<ul style="list-style-type: none"> - Waste management/reuse promotion campaign <p>4. Testing</p> <ul style="list-style-type: none"> - a small number of SMEs will be directly connected to the Waste Management Company Nova Gorica to test the concept of commercial enterprises. - Evaluation of the testing <p>5. Setting up the supporting business environment with SMEs</p> <ul style="list-style-type: none"> - In cooperation with the regional Chamber of Commerce and Crafts a consortium of local stakeholders will be established - the business incubators or another form of business support environment will be set up for sustaining the innovative business environment. <p>6. Long-term vision and strategy</p> <ul style="list-style-type: none"> - long term financing and economic responsibility for the project.
<p>Players involved</p>	<p>Municipalities of the region, Waste management company Nova Gorica and the reuse center, establish a suitable supporting environment, a supporting platform that will provide the necessary know how to the parties involved. The Municipality of Nova Gorica will ensure a suitable space and accordingly adapt the Development Programme Plan and start preparing the necessary investment documents. The Waste management Company Nova Gorica will take care of the technical and the logistics part of the actions.</p> <p>The municipality of Gorizia (Italy) will also be involved through the GECT GO as we intend to actively involve also SMEs from the neighbouring city. The Regional Development Agency of Nova Gorica will be the connecting link between the players involved and supervise the activities as well as monitor the implementation of the RDP.</p> <p>Stakeholders will be companies focusing on the circular economy, public or private organizations with an interest in reuse activities, or any group of individuals, professionals, companies, organizations, in order to raise awareness, transfer knowledge and / or information and engage in the activities; more specifically Komunala Nova Gorica d.d., 6 municipalities of the region, Chamber of Commerce, Chamber of Crafts.</p>
<p>Timeframe and costs</p>	<ol style="list-style-type: none"> 1. Startegy: <ul style="list-style-type: none"> - Timeframe: 2022, costs: 20.000€ 2. Ownership and management structure: <ul style="list-style-type: none"> - Timeframe: 2022, costs: 10.000€ 3. Analysis: <ul style="list-style-type: none"> - Timeframe: autumn 2022, costs: 20.000€ 4. Testing: <ul style="list-style-type: none"> - Timeframe: autumn 2022, costs: 20.000€ 5. Setting up the supporting business environment with SMEs: <ul style="list-style-type: none"> - Timeframe: following the activities 1-4, costs: 5000€ 6. Long-term goals and stability strategy: <ul style="list-style-type: none"> - Timeframe: 2023, costs: 15.000€



Funding Sources	<p>Municipal budget (internal staff) for the preparation of the necessary supporting documents.</p> <p>Waste management company Nova Gorica (internal staff) for the implementation of testing and evaluation.</p> <p>Cohesion funds - OP for the Implementation of the Cohesion Policy 2021-2027</p> <p>The idea is also to fund different sub-activities through phases, using different funding resources, in our case mainly Interreg Slo-Ita and Horizon Europe especially for the investment part of the project (renovation/adaptation of existing premises).</p>
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Date: 31.1.2022

Name of the organisation(s) : :

SEVERNE PRIMORSKE d.o.o.
Nova Gorica

Signatures of the relevant organisation(s): _____