

INTERNATIONAL BEST PRACTICE FACTSHEETS ON POLICY
INSTRUMENTS THAT PROMOTE ENABLING ENVIRONMENTS
FOR GREEN AND CIRCULAR BUSINESSES

Municipal Reuse Centres

SWEDEN AND
THE NETHERLANDS



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BEST PRACTICE FACTSHEET

Municipalities and the reuse sector play an important role in contributing to a circular economy by reducing household waste. Many items that are discarded by consumers - from bikes to clothes, computers to bed covers - have potential for reuse in a circular economy. However, conventional waste collection systems typically have few facilities to recover reusable items. In most cases, municipalities must assume a leading role when it comes to circular economy as they are the ones responsible for managing urban solid waste. Because of the urgent need to decrease cities' ecological footprints, municipalities are developing new solutions to prevent waste and improve recycling, while promoting circular economy and green businesses. This factsheet describes two similar cases from two different European countries (Sweden and The Netherlands) that are developing "reuse centres" based on circular economy principles (focusing on reuse, repair and recycling) while investing in education and raising awareness. Basically, these centres represent a "one-stop shop" for repair, reuse and recycling. By extending the lifetime of products and products, new value is created through these products, rather than lost through landfilling or incineration.

OBJECTIVES



Municipal reuse centres are spaces which aim to offer different "circular" services to prevent waste. They provide local green and circular business the chance to operate in a physical space, with (waste) materials available for (re) use and transform into "new" products which can later be sold. Other key components of these structures are educational and awareness activities targeting local populations about zero waste, repair, upcycling and other related subjects. This factsheet highlights two different case studies to illustrate different approaches to the concept of reuse centres. The case study from The Netherlands describes how public authorities can promote the development of these centres. The Swedish case illustrates how one specific municipality decided to reduce waste and foster local green and circular businesses building a second-hand "shopping mall" called ReTuna with only up/recycled products. After five years of operation, ReTuna is now acknowledged and known worldwide as a best practice in this domain.

in climate mitigation and a circular economy. Municipalities in Sweden and The Netherlands have been particularly ambitious.

Sweden, although having one of the highest recycling rates in Europe (32% of all MSW), also incinerates approximately 50% of all its MSW. It therefore has recognised in the document "[Transition to sustainable consumption patterns](#)" (2015) the difficulty to recycle all existing materials and the need for municipalities to "inform households how they can prevent waste generation by promoting reuse or recycling and suggesting organisations which can receive second-hand products". Particularly, the Swedish government highlighted the importance of reusing materials instead of incineration or landfilling. In response, one Swedish municipality, Eskilstuna, created the first recycling mall in the world - [ReTuna Återbruksgalleria](#).

In the case of The Netherlands, this country aims to use 50% less primary raw materials by 2030 and achieve a fully circular economy by 2050. Therefore, in 2019, as part of the national action plan on Circular Economy 2019-2023, the government launched a competition for municipalities to submit projects proposals for "circular craft centres", to increase and improve reuse and upcycling at a local level.

BACKGROUND



In recent years, European municipalities have set ambitious goals and targets for managing and recycling their municipal solid waste (MSW), stimulated by the European Commission to invest

IMPLEMENTATION



CIRCULAR CRAFT CENTER



ReTuna Återbruksgalleria is run by the municipality-owned company Eskilstuna Energi och Miljö (EEM). It is based on the idea of a mall offering a wide range of reused and upcycled products. The municipality thought the concept would attract a broad group of consumers and would also spread knowledge about sustainability and circular economy. The mall opened in 2014 and is located next to the ReTuna Återvinningscentral recycling centre. Therefore, visitors can sort in a very easy way the materials into different containers (e.g. reusable toys, furniture, clothes, decorative items and electronic devices) called “Returen”. After this stage, the staff performs an initial selection of what can and

cannot be used. Afterwards, the items are distributed to the recycling shops in the mall. The staff (circular artisans and craftspeople) at each shop can decide what they want to repair, fix, convert, upgrade before selling. Another important aspect of this mall – besides being a marketplace – is also to educate the public through the organization of events, workshops, lectures, education programs and conferences, all focusing on sustainability.

In the Netherlands, there have also been several similar initiatives by municipalities, but the national government decided to strengthen and improve the concept through a national call for proposals for so-called Circular Crafts Centers¹. The jury evaluated the submitted plans based on five criteria². **Ten proposals** were selected to pilot the circular craft centres for two years. In many cases, a thrift shop, repair café, and upcycling workshop were co-located together with the **municipal waste collection centre**. Emphasis was placed on job opportunities for people who have difficulties to access and join the labour market due to physical or mental issues. In these models, the waste collected from households first needs to be carefully assessed. If the item is of high quality and is suitable for reuse, then it goes to the thrift store. If the

item is damaged, the product has to be repaired or refurbished. If the item is beyond repair, some components or materials can still be salvaged for reuse or upcycling. For instance, wood from broken furniture can be used to make a new designer bench in the upcycling workshop. Only when it is impossible to reuse or upcycle an item is it designated as a waste only suitable for recycling. Ultimately, this approach prevents unnecessary incineration or landfilling, extends the useful lifespan of products and prevents the loss of valuable raw materials. By implementing the pilots, the ten selected municipalities have gained practical knowledge themselves, but also have learned from each other’s

experiences in a “community of practice”. One of the key questions is how to create a successful business case. The circular crafts centres create employment since the repair and preparation for reuse require substantial manual labour (e.g. sorting and dismantling). This can be performed by people which have been away from the labour market or in a (re)integration process. A **report** has been developed to analyse the challenges that municipalities faced when it comes to selecting and guiding social labour. In addition, the centres also have an awareness-raising and educational function, offering practical apprenticeships (e.g. carpentry training).

FIGURE 2.
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Source: [Retuna](#)



¹ These were assessed by an independent jury, consisting of policymakers of the Ministry of Infrastructure and Water Management, Rijkswaterstaat (a national agency), BKN (association for reuse shops), NVRD (associations for waste management), Repair Café Foundation and the VNG (association for municipalities).

² 1. The extent to which the plan contributes (or can contribute) to life extension and high-quality product and material reuse; 2. The extent to which synergy between at least 3 building blocks is central (see image below); 3. The extent to which the results can be scaled up in the long term to other municipalities; 4. The extent to which citizens and / or other stakeholders are involved in the implementation of the activities; 5. The extent to which connection with the social domain and education is elaborated.

SUCCESS FACTORS



In principle, the concept of reuse centres is replicable in any country or municipality. The most important element is the commitment and active collaboration between municipalities, waste operators/recycling companies and second-hand shops to establish the centre, preferably at an already existing waste collection/processing location. In the case of ReTuna, the municipality was the main investor in the beginning and the main driver behind the idea, which proved to be essential. The co-location of waste collection, reuse, repair and recycling activities makes logistics more cost-efficient. It is also more convenient for citizens to be able to drop off waste or offer reusable items and to buy second-hand products in the same place. At the same time, circular craftspeople have access to materials and a local market.

A reuse centre, of course, must be economically feasible, as proven by ReTuna. In 2018, it had **11.7 million SEK** (about 1.2 million USD) in sales for recycled products and it is expected to grow; currently it attracts between 600 to 700 visitors on a daily basis and has also generated over 50 new local jobs. The products benefit from a VAT reduction for reuse companies (12% instead of 25%, approved in 2017). The cost of repairs can be used for tax refund, so it is financially appealing for people to shop there. Another important enabling factor is the high-level

awareness (and preferences) among Swedish consumers to buy second-hand products.

Another interesting aspect about ReTuna's perspective for continued growth is the fact that many of its participating stores take part in a national program of the Swedish government that subsidizes employment schemes for immigrants. Many of these stores use this program to help them lower their costs while allowing immigrants to have a professional activity in the country.

CONSIDERATIONS FOR THE MEDITERRANEAN



To replicate the concept of reuse centres in Mediterranean cities a number of factors should be taken into account:

- The driving role of municipalities is important to provide institutional support and stimulate collaboration between different organisations.
- Reuse centres require public funding for their inception. In the Netherlands, second-hand shops receive subsidies to manage waste collection points and create social employment. In countries where this is not the case, the funding of reuse centres is uncertain, as their business case may not be strong enough to attract private investments.
- The business case depends on the waste management tariffs for discarding residual waste. In countries where these are relatively high, circular crafts centres offers more cost benefits. In countries like the Netherlands, less waste going to waste recycling/treatment companies translates into lower costs for municipalities (which can be reflected in waste taxes for citizens). However, in countries where waste management tariffs are low to start with, the business case is more challenging.
- Fiscal benefits (e.g. tax refunds) for (preparation for) reuse and repair support the business case of reuse centres.
- Even when municipalities do not have the resources or space to build an upcycling workshop or second-hand shop near the waste collection centres, an important factor is the availability of storage space to separate and store reusable items which can then be forwarded to other locations.
- The professionalism of the reuse sector is also a crucial factor. In the Netherlands there are already many second-hand shops that are well-organised and structured. This might not be the case in other countries.
- Experienced professionals are needed to identify and separate items with reuse potential. Furthermore, repair and preparation for reuse (e.g. of WEEE) need to follow high standards to meet consumer expectations.
- When it comes to reuse, repair and upcycling, labour is the most significant cost. In Northern Mediterranean countries, labour costs are relatively high but in the Southern Mediterranean countries may benefit from more reasonably-priced labour.

- The consumer demand in Mediterranean countries might be less favourable for second-hand products. People prefer to buy new things, as a sign of affluence, and there might be negative prejudices and misconceptions about second-hand products not having good quality or not being aesthetically appealing. Marketing campaigns are important to change this perception, but these take time to achieve their intended effects.

MORE INFO

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