

Developing a new business culture for circular economy

One of the components within the Urban Soil 4 Food (US4F) project in Maribor has been the support to innovative products in the field of circular economy, especially within the agri-food sector. A call was opened for the selection of ten products to be mentored. As a result, twenty ideas were submitted to the open call and evaluated by a Jury composed by the e-Zavod institute and the Municipality of Maribor. All the projects were connected to the circular economy, waste food, agriculture and gardens. The selected ten projects were supported with indirect funds for advisory and support for materials, as they were supposed to develop the products with two prototypes. The support depended on what the projects needed and a public procurement process was carried out with three offers to select the cheapest option to be provided as a material or service to the selected projects. Furthermore, a crowdfunding campaign was carried out for five selected projects. Some were selected through the same open call for the mentoring program, others were found through other channels. All projects underwent an interview to assess the potential success of their product for a crowdfunding campaign. The support they received was to develop the video campaigns, which were carried out through Indiegogo, Kickstarter and the local Adrifund. We hereby interview Darko Ferčej from e-Zavod, project partner responsible for the development of these activities.

What are the activities that have been carried out within the US4F project?

We were responsible for the open innovation circle activities which had different activities within. The first one that we started with was the implementation of different workshops to strengthen business culture in the circular economy back in 2018/2019. There were different workshops, for example gardening, the preparation of soil for development of new products, different kinds, but basically oriented to the general public. Altogether, we had about 200 participants in these workshops. The next activity was connected more with the companies or with individuals who had some business ideas. This activity was focused on developing new agricultural or food related products, which are somehow connected with the circular economy, and of course, urban areas - we limited ourselves to the Maribor urban area, for 25 kilometres around. And within this activity, we had two sub activities: one was the support for the development of ten circular economy products connected to the food, whilst the second one was in support of five crowdfunding campaigns out of the ten selected products. The third activity included different kinds of pilots, which were connected with innovation. There was a pilot on urban soil for urban bees, one on urban crops competition, then urban food for charity, such as social organic restaurants processing urban food and exchanges of recyclable waste for urban soil and seeds. Other partners were responsible for each of these deliverables, but this was included in our work package. We managed to conclude all the activities almost as planned. What we did in the last year was a booklet, a resume of all the activities, where we had presentations about the area of the urban gardens, we described all the pilots, we

carried out workshops with people, and then we continued with the presentation of these ten agri food products. We have descriptions of all the ten different products and we have the description of the five connected crowdfunding campaigns. So we had 10 supported products and five implemented crowdfunding campaigns. Of these, four out of five campaigns reached the threshold. They got the funding, which is very good because usually the crowdfunding campaigns had about 10 to 15% of success rate. Besides this booklet, we also participated in the final conference last year, and this was basically it, so we didn't have to work much in 2021.



Image: Prototypes of circular economy products

What makes a project crowd-fundable?

- 1) Wide public of users;
- 2) Interesting story behind to attract people to support the project;
- 3) Products should not have a very low price;
- 4) Large social networks support the possibility of reaching the aimed goal.

Could you tell us more about the companies, the projects and the ideas that were supported through the program?

We supported ten products and supported five crowdfunding campaigns, which were actually supported with non-financial support. This means that they could choose what they would like to receive, either some promotional materials, some logos created for them, some business planning, or in some cases they got some small equipment. We had five different crowdfunding campaigns. The first one was for a fermentor. It is basically a jar which is used for fermentation. They have developed a special system through which you just put inside the vegetables and after some time it goes sour like sauerkraut but you can use different kinds of vegetables. We have been promoting the circular economy products on the crowdfunding platforms, but this does not make a big difference. In crowdfunding platforms, you have to be proactive by yourself. Crowdfund is also used for the testing of the product, a sort of pre-marketing. You will get information on the products if they are sellable or not. In fact, it's not the platform that makes the difference but the social network of the promoter. If projects don't reach the aimed target they will lose the collected money, meaning that the entire effort will be lost. When this happens many projects reapply with lower targets and promote more of their product.

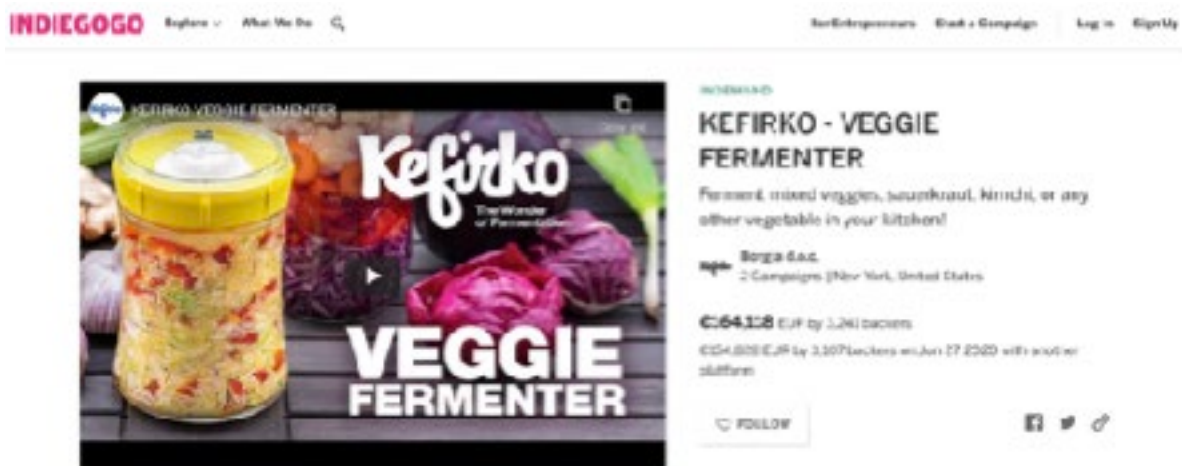


Image: crowdfunding campaign of the Veggie Fermenter

After the support process, who failed and who managed to survive?

Kefirko was very successful, they are working and have a company website which also looks very professional. I believe that they're very successful because here they have a lot of different products on the website. They collected 184,000 euros. So they were by far the most successful campaign that was supported. The second one was Vrt Obija, which had different workshops for the garden also available online. The project collected 7,600 euros and is still in the business through online tutorials about what and how to do in your garden. The next one was NAME, they had this process of lyophilization of different vegetables and fruits. Actually, this one didn't succeed because for each crowdfunding campaign, you should be very proactive, as the platform itself cannot promote the product largely, but you should contact and involve your social network. And the last one was the one I told you before, it was this loafah sponge. They were also successful, they collected 5000 euros and with these funds they managed to build this greenhouse to produce loafah pumpkins. I can also mention the other supported products.

Which activities do you think will be further carried out by the City of Maribor and which ones by your own organisation?

Our activities were very successful in comparison to others of the project especially because we weren't relying on the waste plant, which was the biggest problem within the project. From the perspective of our organisation, we were actually doing what we have been doing in the past, so we will for sure continue with the living labs and with the open innovation. But this is something which we started a little bit before the project and we will try to do this as well in the future. Within this project, the system for supporting the ten products has been quite successful, but ours is a project driven institution, that's why it is quite hard for us to plan our involvement without taking into account finances. So basically, we had to put this into some of the projects for the future.

Are there any other considerations that you would like to share?

Within the context of this project, Covid didn't really affect us much because the majority of our work was done before. In 2019, we planned all the activities during the summer, so Covid didn't really have a big influence on our work. However, I'm saying that the biggest problem with this project was not related to our work, but related to the policy changes, which are always underestimated in the projects,

and usually there's the idea that if you include the regions or the cities, as in this case, you will ensure continuation of activities. During the election process, you are always at risk of changing mayor, and usually, if the mayor changes, at least in many countries, they also change the whole policy, and usually don't care about what was done in the previous administration. And then a lot of problems arise out of this. And when you lose this policy commitment, and there is a big risk that you will lose it in any project where you have policy partners, then also the project goes into some kind of trouble, because you really need a very strong policy commitment, and not only for three years, but for a longer period. So this would be maybe one lesson that could be learned not just by us, but also by the others. Maybe to consider this policy risk a bit higher, or to do something to keep policy makers very active and interested in the project. With regards to our work, I don't see anything which I would do differently.