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ORIENTATION PAPER MED CLUSTER Circular Economy



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1. Introduction and explanation of the topic covered by the MED Cluster Circular Economy

The circular economy offers to the tourism ecosystems the opportunity to enhance the sustainable development impacts of tourism, generating wellbeing for the local population through the creation of new jobs and more inclusive local value chains, thus creating a virtuous circle between businesses and territories. In addition, the circular economy can also become an element that boosts the competitiveness of regions, reinforces the personality and diversity of environments and societies as a key differentiation factor, and nurtures resilience as a principle for the current inevitably changing context.

The MED Cluster Circular Economy is part of the Mediterranean Clusters activity, programmed under the Work Package 2 Transfer of the Thematic Community Project (Community4Tourism) of the Sustainable Tourism Mission of the Interreg Euro-MED Programme.

According to the programme priorities and specific objectives, the MED Cluster Circular Economy will focus on the topics defined by the programme under the Specific Objective 2.6: Promoting the transition to a circular and resource-efficient economy (Greener Mediterranean Priority), which are the following:

- Reducing the environmental impact of the current linear production system.
- Overcoming the scarcity of natural resources and current overexploitation.
- Reducing waste production and its externalities.
- Encouraging the adoption of more sustainable economic models based on circular bioeconomy whilst fostering sustainable tourism.
- Exploiting the new economic opportunities offered by the circular economy model to the tourism sector.
- Cultivating of the 'reuse' philosophy in the touristic living areas.

In conclusion, underpinned by a transition to renewable energy and materials, the circular economy is a resilient system that is good for businesses, for the people, and for the environment. This cluster is the place where the dialogue between the Thematic Projects and different Mediterranean stakeholders tackling / linked to the circular economy becomes concrete, and creates the conditions for transferring and mainstreaming; aiming as well to foster the continuous exchange of collective knowledge about the topic through best practices, outputs, tools, ideas, policies, events coming from the Thematic Projects and to support the Dialogue4Tourism project of the Interreg Euro-MED programme in its objectives of implementing transformative policies and capitalisation mechanisms.





2. State of the art from the International, European, and Mediterranean perspective

This section presents the current momentum of the circular economy in the tourism context, describing a journey that outlines the genesis of the concept and its principles, suggests practices to be implemented in the tourism and travel industry (visitor economy), and points out the existing initiatives on circular economy strategies for tourism.

2.1. The essentials of the circular economy

In the current situation of saturation of terms and concepts, it is essential to clarify and simplify the scope of the circular economy to avoid confusion.

A circular economy is a system that minimizes resource use, waste, and emissions by keeping products in use for as long as possible. Rather than following a linear “take, make, waste” model, the circular economy seeks to close the life cycle of products through processes such as maintenance, reuse, refurbishment, remanufacturing, recycling, and composting. It aims to address global challenges such as climate change, biodiversity loss, waste, and pollution by dissociating economic activity from the consumption of finite resources. In other words, it proposes the transition from a conception of an extractive economy to a model based on the regeneration of the resources obtained from the planet.

So, the circular economy is based on three principles, all of them driven by design:

- **Eliminate waste and pollution:** it seeks to avoid waste production from the outset. The focus is on designing products and processes that generate little to no waste. By reducing pollution and waste, we create a more sustainable system.
- **Circulate products and materials at their highest value:** Reuse and recycling are promoted to keep materials in circulation, extracting maximum value from resources before they return to the system.
- **Regenerate nature:** Restoring and conserving natural ecosystems is encouraged by using renewable energy and materials.

This approach, supported by the transition to renewable energy and materials, creates a resilient system that benefits businesses, people, and the environment. Rather than taking materials from the Earth, making products, and finally discarding them as waste, the circular economy seeks to avoid waste generation in the first place. It is a more sustainable way of managing resources and reducing pressure on the environment.





2.2. Fields of intervention of circular economy in travel and tourism

Tourism is a cross-cutting economic activity with a great driving effect of development, transformation and change, which, under the premises of sustainability, contributes to the improvement and competitiveness of destinations, and the organizations and societies that live in them.

However, it is also an activity that generates negative impacts associated with waste, consumption, carbon emissions, depletion of resources, saturation of spaces, among others; all of which are the object of the solutions that can be provided by the correct implementation of the circular economy as a restorative model of the human activity on the planet, and consequently, of the visitor's economy.

From a practical point of view, the main areas of intervention of circular economy in the travel and tourism industry include the following aspects:

- 1. Governance:** Focusing on the need to have and manage an effective governance model that accompanies, motivates, and monitors the transition process towards circular economy. Therefore, this requires a strategic planning for the management of circular tourism, which will inevitably start from a measurement and monitoring of the activity.
- 2. Food:** Implementing circular practices in the food sector, such as reducing food waste, promoting local and sustainable food production, and implementing circular food systems.
- 3. Mobility:** Promoting sustainable and circular transportation options, such as public transportation, cycling, and electric vehicles. Encouraging the use of shared mobility services and reducing the environmental impact of transportation.
- 4. Infrastructure and municipal facilities:** Implementing circular practices in the design, construction, and operation of tourism infrastructure and municipal facilities. This includes using sustainable materials, promoting energy efficiency, and implementing circular waste management systems.
- 5. Waste management:** Implementing circular waste management practices, such as recycling, composting, and reducing single-use items. Promoting the use of recycled materials and implementing circular packaging solutions.
- 6. Water management:** Implementing circular water management practices, such as water conservation, wastewater treatment, and reuse. Promoting sustainable water use in tourism activities.
- 7. Education and awareness:** Promoting education and awareness about circular economy principles among tourists, local communities, and tourism stakeholders. Encouraging responsible and sustainable tourism practices.





2.3. Global and European initiatives on Circular Economy strategies for tourism

UN Tourism

At the international level, UN Tourism identifies the circular economy as a strategic approach for the tourism sector, especially from the point of view of minimizing its environmental impacts, including waste and pollution, as well as CO2 emissions, given the potential of a circular economy to decouple economic growth from resource use. To this end, they articulate two key initiatives in their agenda:

- the **Global Tourism Plastics Initiative** uniting the tourism sector behind a common vision to address the root causes of plastic pollution. It enables businesses, governments, and other tourism stakeholders to lead by example in the shift towards a circular economy of plastics.
- the **Global Roadmap for Food Waste Reduction**, a consistent framework for Tourism stakeholders to embrace the sustainable management of food so that it never becomes waste.

European Commission

The **EU Transition Pathway for Tourism** likely integrates circular economy principles into various aspects of the tourism industry to promote sustainability and resilience. By encouraging resource efficiency, waste management, product lifecycle considerations, collaboration, innovation, and consumer education, the pathway aims to transform the tourism sector into a more circular and sustainable industry.

European financed projects

Several projects in the programme to date are incorporating circular economy aspects into their working approaches. Some of the most noteworthy are:

- **INCIRCLE**, project started at the end of 2019, developed, and tested a “toolkit” of tools for the transformation of the tourism sector according to the principles of the circular economy, declined on 4 “pillars”: waste management, water management, sustainable mobility, and renewable energy sources. The toolkit is composed by a set of specific tools, fully aligned to the INCIRCLE methodology, as follows: Operational Model Toolkit, Participatory Process Toolkit, Strategy Evaluation Toolkit, Summary of Strategies, Summary of Circularity Indicators, and Policy Brief.





- **CASTWATER** (Coastal Areas Sustainable Tourism Water Management), a collaborative initiative aimed at addressing water management challenges in coastal areas of the Mediterranean, as over the past 15 years, water demand has doubled in the region, exerting immense pressure on local water resources.
- **CONSUMELESS**, a sustainable tourism project involving Mediterranean coastal areas aimed at reducing the consumption of energy, water use, and waste generation, to maintain the integrity of coasts and to offer authentic and identity rooted experiences.
- **WAT'SAVEREUSE**, a project funded by the EU program LIFE focused on the awareness of the tourism sector on legislation on water saving and reuse. The general objectives are to explain the benefits of water legislation and national initiatives to promote the circular economy in water consumption, especially in the tourism sector.

3. The projects' approach

The following projects are the first thematic projects approved by the Interreg Euro-MED 21-27 programme, under the Sustainable Tourism Mission and more specifically, tackling the Specific Objective 2.6 Promoting the transition to a circular and resource-efficient economy. For this reason, they have been allocated in the MED Cluster Circular Economy. More projects will join the cluster as new calls are resolved.

MAST - MAKing Sustainable Tourism possible

The common challenges addressed by the project are:

1. overcoming differences and uniting Mediterranean SMEs accommodation around the common objective of reshaping tourism in more sustainable ways.
2. stimulating and supporting them in the implementation of sustainable management systems, through the development of easily applicable solutions.

The overall objective is to facilitate and support **Mediterranean SMEs accommodation** in implementing a **sustainable management system**, which is currently a critical factor for the success and competitiveness in the long term. The expected change is to facilitate the **transition towards sustainable tourism** by such SMEs, enabling them to implement a sustainable management system and to pave the way for achieving the ISO 21401:2018 certification. To this end, the project foresees the development of two outputs: sustainability protocol and the self-assessment tool.





MED-Routes - Enhancing MED sustainable cultural tourism through the creation of eco-itineraries inside European Cultural Routes

Cultural Tourism is a key asset in MED economies; however, it has a strong, mutually detrimental relationship with climate change when tourism industries do not effectively incorporate sustainable practices. The MED area therefore needs to strategically re-shape its cultural tourism offers by matching its focus on local cultural heritage with greater sustainability. Cultural Routes of the Council of Europe (CRs) represent a key instrument to sustain and promote cultural tourism all over Europe, from mainstream destinations to small-scale local contexts.

MED-Routes overall objective is therefore to establish and disseminate a **local-based, low-impact model of sustainable tourism across Cultural Routes** of the Council of Europe (CRs) in the MED area to establish a specific model of **Mediterranean “slow tourism” rooted in the common heritage of 4 CRs**.

To tackle the general objective, MED-Routes approach is rooted in a TRANSFER rationale:

1. Transfer mechanisms are put into place to cross-reference the most relevant, field-tested outputs from INCIRCLE & EMbleMatic projects for the design of eco-itineraries.
2. Transfer mechanisms are further encouraged in application to MED-Routes experience through capacity building and institutional networking, especially in WP4. By exploiting Cultural Routes' plural and transnational dimension, MED-Routes will encourage the diffusion of its eco-itinerary model in the context of other CRs and by the initiative of similar institutional actors transnationally.

The combination of all these elements defines transfer & capitalization as the core assets in MED-Routes' approach in an innovative perspective for sharing the main outputs:

1. Transnational Strategy for sustainable tourism & eco-itineraries in the MED area
2. Green Label of Mediterranean CRs for the certification of eco-itineraries
3. MED-Routes Action Plans outlining key actions to apply the Transnational Strategy into CRs' agenda.



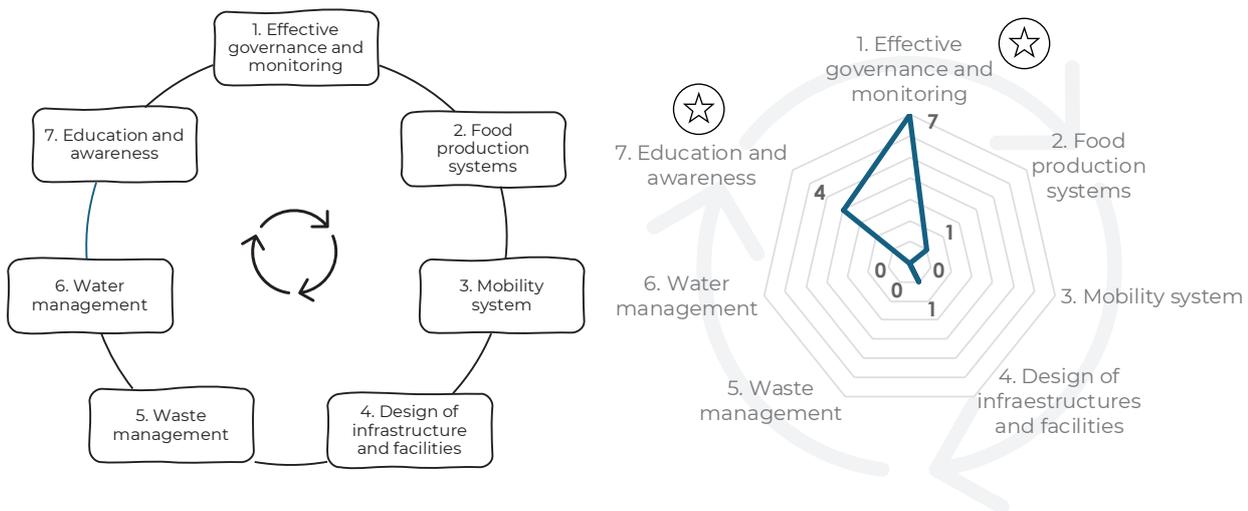


4. Main challenges and topics for discussion identified

As indicated in the section 2, and in general terms, a set of key areas can be considered to intervene for the activation of the circularity of the tourism economy.

During the 1st MED Clusters meeting, in the framework of Community4Tourism Interreg Euro-MED project, (April 11 2024, Rome), members debated which of these areas pose constraints to the acceleration of the topic. The result shows and describes what can be considered as an initial phase of the process of executing circularity in tourism, as the opinion concentrates on the identification of two main areas to act upon for a real implementation.

These areas rely on the essential elements of any structural transformation process to be pursued, as is the case of the circular economy paradigm: the provision of broad, transversal, participatory governance models with a holistic vision; and the transfer of knowledge and critical thinking to society to reach the milestones of the transformative movement.



Thus, the areas identified are:

- Firstly, the need for better and more **effective governance**, as there is little culture of monitoring for the management of circularity, as well as in general in the measurement of the sustainable performance of both companies and destinations. And in this line, there is a need for a broad agreement at all administrative levels with competences in the application of effective policies as well as the regulatory framework and the setting of fair incentives that reward SMEs that carry out demonstrable good practices, and therefore avoid greenwashing.





- Secondly, the need to make progress to reduce the **knowledge gap** in the tourism sector, and in society in general, about the principles of the circular economy, the relationship with the current climate context, and the importance of sharing proved good practices to implement it. The need to **raise awareness** among tourists during the consumption of their experiences is also part of this area.

The Circular Economy cluster members also reflected on the identification of possible solutions or actions. In a first approach to the topic, a set of proposals emerged, which, ordered by area of implementation, are the following:

Areas of implementation	Code	Solutions proposed during the first meeting of the MED Cluster Circular Economy
1. Effective governance and monitoring	EGM1	Enhancing regulatory frameworks and impact assessment within a multi-level approach in the tourism activity.
	EGM2	Incentives plans for recognition of good practices and behaviours in SMEs, destinations, and consumers.
	EGM3	Design of a strict monitoring and reporting system of the circularity performance for a real management in destinations and SMEs.
	EGM4	Revision of the regulatory framework in circular economy to promote finance tools to the SMEs.
	EGM5	Encouraging public and private investments for a new generation of circular economy business models in tourism.
2. Food production systems	FPS1	Elaboration of smaller portions of food and adaptation of menus and buffets to healthier diets.
4. Design of infrastructures and facilities	DIF1	Diversification of tourism destinations including communities and proximity services and products.
5. Waste management	WM1	Reuse of oils / fats for cosmetics, food for animals, biofuels...
	WM2	Provision of doggy bags or similar systems for food leftovers in restaurants and caterings.



7. Education and awareness	EA1	Education to enhance a responsible tourism behaviour.
	EA2	Education to enhance a cultural state of mind for new business models.
	EA3	Organisations of annual meetings and competitions on circular economy best practices.
	EA4	Creation of the Circular Lab for education participating all the stakeholders of the tourism value chain

In addition to the dialogues carried out during the meeting, the present document also leaves some open questions as a list of considerations that must be taken into account in processes aiming to improve tourism development in the Mediterranean region. As part of these processes, the portfolio of thematic projects approved and the upcoming ones are relevant opportunities to propose practical approaches that contribute to collective knowledge and the transformation of the tourism sector with the horizon 2029.

Thus, the transition towards circularity in the visitors' economy presents several challenges summarized below, and which, in turn, define a permanent discussion scenario for the cluster and the Community 4 Tourism.

The challenges key patterns and effects are:

Key Challenge 1 - How do we look at resource efficiency and waste reduction?

Implementing circular practices requires optimizing resource use, minimizing waste, and promoting recycling. In tourism, this involves managing resources like water, energy, and materials more efficiently.

Key Challenge 2 - Do we consider design and durability in the creation of tourism experiences and products?

Designing products (such as accommodations, transportation, and amenities) for longevity and ease of repair is crucial. However, achieving this shift in the tourism industry can be challenging due to existing business models and consumer expectations.





Key Challenge 3 - What level of collaboration do we perceive in the governance of the tourism ecosystem?

Collaboration and Stakeholder Engagement: Circular initiatives necessitate collaboration among various stakeholders, including businesses, governments, and local communities. Aligning interests and fostering cooperation can be complex in the dynamic tourism ecosystem.

Key Challenge 4 - What is the visitor's level of sensitivity and behaviour during tourist consumption?

Encouraging tourists to adopt circular practices (such as reusing towels, reducing single-use plastics, or choosing sustainable accommodations) requires raising awareness and changing behaviour. Overcoming resistance and fostering a sense of responsibility are ongoing challenges.

Key Challenge 5 - Do tourism organisations and destinations have the necessary infrastructure and technology?

Developing circular infrastructure (e.g., waste management systems, renewable energy sources, and efficient transportation) is essential. However, retrofitting existing infrastructure and adopting new technologies can be resource intensive.

Key Challenge 6 - Are there regulatory frameworks and incentives to protect the circular economy?

Policymakers play a vital role in promoting circular practices. Creating supportive regulations, incentives, and penalties can drive industry-wide adoption. Balancing economic growth with environmental protection remains a delicate task.

Key Challenge 7 - How do we manage situations of change, uncertainty, and risk in the current context?

Transitioning to a circular economy involves risks, including financial uncertainties and potential disruptions. Businesses must navigate these uncertainties while embracing circular principles.

Key Challenge 8 - Does tourism have specific challenges that condition the applicability of circularity?

The tourism sector faces unique challenges, such as seasonality, cultural diversity, and varying local contexts. Adapting circular strategies to these nuances requires creativity and flexibility.

Key Challenge 9 - Do we consider the balance between economic and environmental objectives?

Striking a balance between economic growth and environmental sustainability is perhaps the most critical challenge. Circular practices should enhance both without compromising either.

In summary, the circular economy in tourism holds immense potential, but addressing these challenges requires collaborative efforts, innovative solutions, and adaptability.





5. Key documents

European Environment Agency, Accelerating the circular economy in Europe — State and outlook 2024 —

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European Commission; EU Transition Pathway for Tourism 2022.

<https://op.europa.eu/en/publication-detail/-/publication/404a8144-8892-11ec-8c40-01aa75ed71a1>

INCIRCLE POLICY BRIEF, How to lead the change towards a circular tourism in the Mediterranean. [INCIRCLE policy brief | Circular Cities and Regions Initiative \(europa.eu\)](#)





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This document has been developed in the framework of the Thematic Community Project of the Sustainable Tourism Mission of the Interreg Euro-MED Programme 21-27 (Community4Tourism project) and its activity of the Mediterranean Clusters.

The Mediterranean Clusters are the main project's proposal for the support of the transferring of practices and results to other actors and territories, and their integration into local, regional, national and European policies and strategies, covering the 4 main topics that the Sustainable Tourism Mission integrates: innovation, circular economy, climate change and nature & biodiversity.

This document is the Orientation Paper for the MED Cluster Circular Economy and aims to serve as a basis to launch the discussion and set the main priorities for the activities of each cluster in the coming years. It also integrates the main discussions and key challenges identified by the members of the cluster during the 1st Annual Meeting of the Clusters, organised in Rome (April 11, 2024).

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