

Whitepaper

Accelerating the adoption of the Circular Economy in the tourism and leisure sector: the 3-M Framework as the Foundation of Circular Entrepreneurship



Colophon

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Introduction

Tourism enterprises, entrepreneurs and tourists all play an important role in ensuring a high level of resilience and sustainability in the tourism economy and in the wider environment and economy. This is especially important for tourism entrepreneurs because they rely on their local environment to attract visitors who are also increasingly aware of the need to take more “sustainable” holidays. To achieve this, the EU Interreg 2 Seas FACET project sets out to facilitate the adoption of circular economy practices in the tourism and leisure sector in the EU 2 Seas region: the coastal areas of England, Belgium, France, and the Netherlands.

The 2 Seas region has traditionally been a tourist destination with a strong impact on the regional economy. The circular economy is required – in this region as well as in other destinations – to ensure that the tourism sector remains viable in the interests of host communities and the natural environment. The need for a circular economy was also amplified by the COVID-19 pandemic, with calls for more resilience and sustainability in tourism destinations ([UNWTO, 2020](#)).

The EU Interreg 2 Seas FACET project helps the development of circular economy pilot projects in the tourism sector. It demonstrates the potential transferability of the circular economy pilots to other tourist destinations. It is an important part of FACET to understand and offer viable recommendations for tourism entrepreneurs to accelerate the adoption of a circular economy in the tourism sector of the region.

The purpose of this white paper

This white paper aims to provide a guide to the important factors forming the foundation of successful circular entrepreneurship in the tourism and leisure sector. It builds on the experiences of the EU Interreg 2 Seas project FACET as well as consulting the valuable knowledge available in the relevant literature. It is particularly targeted at informing tourism entrepreneurs who could contribute to the circular economy and sustainable development, and at other stakeholders who could support tourism entrepreneurs in their journey to becoming circular.

This white paper details a novel 3-M framework (fostering the Meaning, Mastering the skills, and establishing Membership of communities) as the foundation of circular entrepreneurship and enterprise.

Shifting to a circular economy involves businesses changing their practices to support the circular management of resources (including repurposing and reusing resources). These changes can pose financial, social, business and technical challenges and benefits for entrepreneurs. This white paper makes recommendations to tourism entrepreneurs, particularly SMEs and organisations working with them, including the public sector, on ways to accelerate the implementation of circular economy solutions in tourism. Thus, the white paper suggests directions and actions entrepreneurs can follow to enhance their involvement in the circular economy and to act collectively with other tourism stakeholders.

The EU Interreg 2Seas FACET project has previously published two white papers which provide specific recommendations 1.) to [local authorities](#) on how to create an environment encouraging the development of a destination circular economy, and 2.) on circular economy financing challenges and the potential of [reward-based crowdfunding](#) to fund circular economy initiatives. Building on the above publications, this white paper focuses on three key factors to be considered as the foundation of circular entrepreneurship, helping to accelerate the adoption of circular economy practices in the tourism and leisure sector. This white paper proposes a **3-M framework** as the foundation of Circular Entrepreneurship:

- 1) Fostering the **Meaning** and purpose of being a circular entrepreneur and enterprise.
- 2) **Mastering** the skills and lead the organisation towards circularity.
- 3) Engaging and learning within the **Membership** of new circular communities

The first recommendation concerns the meaning of, and purpose for, embarking on a circular economy journey. It is suggested that entrepreneurs should consider and find ways to learn more about global and local challenges as well as about the potential benefits arising from the application of circular economy solutions. Circular entrepreneurs should also embody the affective feeling toward the natural environment and the empathy for people suffering from the effects of global warming and pollution. Moreover, this white paper recommends that the entrepreneurs and their organisations should master the skills needed to implement circular solutions. This is not only relevant to ensure their motivation to adopt circular solutions but also to enable their ability to identify and manage circular practices in their operations. Third, the framework highlights the importance of joining innovative networks and communities in a circular economy, and how this can be done at the destination, regional and national levels.

The purpose of this white paper

This white paper first introduces the concept of the circular economy and how it applies to the tourism sector. Links to previously published white papers are made where there are more detailed discussions available on the application of circular economy solutions in tourism. Secondly, the white paper elaborates on the 3-M Framework for circular entrepreneurship and on recommendations for tourism entrepreneurs about how to accelerate the implementation of circular solutions. These recommendations are also of interest to other destination stakeholders, working on the circular economy and sustainability, including local public sector authorities. This white paper contains examples, cases, and testimonials of entrepreneurs and relevant tourism stakeholders.

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Circular economy in tourism

The circular economy is recognised as necessary for the tourism sector ([Manniche et al., 2019](#); [Einarsson & Sorin, 2020](#)) because of the pressures that the sector can place on local resources and communities (e.g., waste generation, overconsumption of resources such as water and energy, and fragile environments), and the sector's potential to bring positive benefits to destinations through its linkages with Sustainable Development Goals ([UNWTO, 2022](#)). A circular economy allows tourism and hospitality businesses, as well as communities and regions, to move from the **linear model** of *take-make-dispose* resources to a **circular model**, in which resources are *kept* and *valued* for as long as possible by finding alternative production and consumption solutions, and alternative uses of materials and products.

In Figure 1 we illustrate the main differences between the (currently predominant) linear model and the circular economy model.

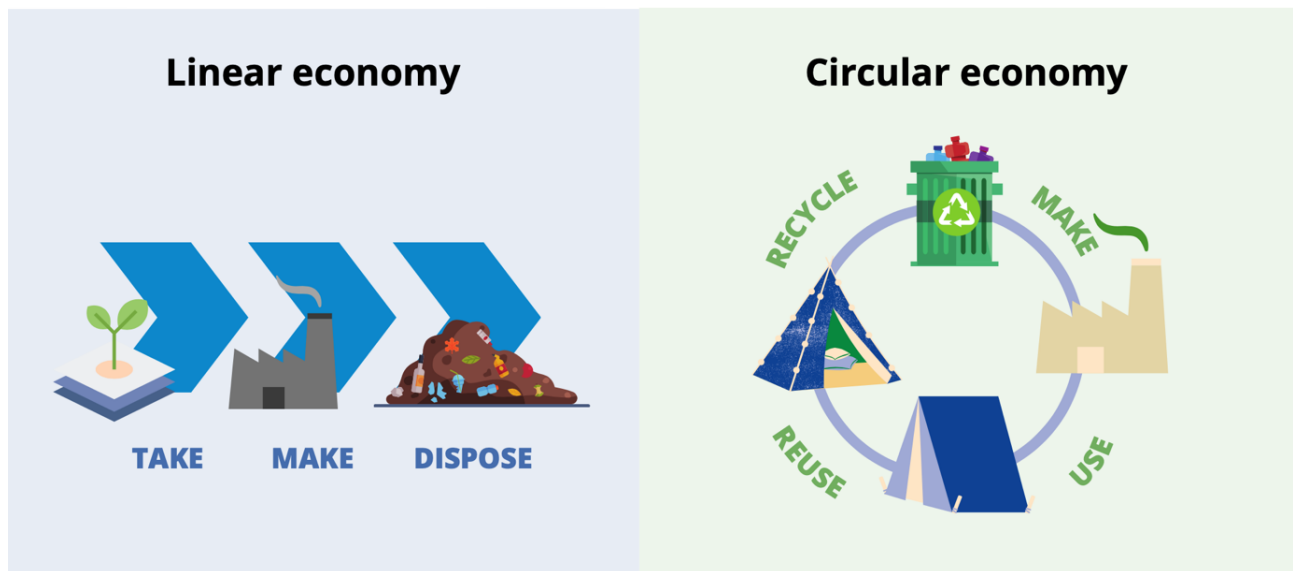


Figure 1. From a Linear to a Circular Economy

Source: Interreg 2 Seas project FACET

The circular economy in tourism can help decrease the sector's reliance on resources ([Korhonen et al., 2018](#)), create new and more sustainable jobs ([Sulich & Soloducho-Pelc, 2021](#)), decrease business operating costs ([Sorin & Sivarajah, 2021](#)), accelerate digital development focused on creating social and environmental value ([Antikainen et al., 2018](#)), and ultimately help build tourism and destination's resilience ([World Travel Tourism Council, 2022](#)). The ways circular economy solutions can be applied in the tourism sector were introduced in a previously published white paper which detailed the [Circular Ladder for Tourism Entrepreneurs](#). Several recommendations are provided in the following sections, particularly to tourism entrepreneurs, on how to successfully implement and manage circular solutions, such as those depicted in the Circular Ladder for Circular Entrepreneurs.



Circular Entrepreneurship in Tourism & Leisure Sector: 3-M Framework

This white paper proposes the 3-M Framework for circular entrepreneurship in the tourism and leisure sector. We elaborate on the framework and provide recommendations about how tourism entrepreneurs can help to achieve the circular economy. The contents are of interest to tourism entrepreneurs and to the many other stakeholders, who are working to accelerate the adoption of circular initiatives in tourism business operations. The recommendations were developed during the [Interreg 2Seas project FACET](#). Tourism entrepreneurs in the 2Seas region, including coastal communities in England, France, Belgium and The Netherlands, were met and interviewed. An online survey was also conducted by the project team; the answers given helped to identify key motivations and challenges faced by tourism SMEs when seeking to adopt circular economy solutions.

The 3-M Framework is summarised below and also in Figure 2:

- a. It is suggested that entrepreneurs should explore the **meanings** or purposes of adopting circular economy solutions. The extent to which entrepreneurs find purpose may depend upon their business plans, skills, and their awareness of the circular economy's ability to generate benefits for both their business and for the wider community at the destination level and beyond. The tourism and hospitality entrepreneurs should also develop the affective quality on natural environment and empathy feeling for fellow human being suffering from the negative effects of climate change and environmental degradation.
- b. In the white paper, we recommend that entrepreneurs develop and **master circular economy skills** that include technical, financial, and marketing skills. This acquisition of new skills is essential as the circular economy requires businesses to embrace new ways of operating internally, and when also relating to their external environment (e.g., suppliers, and customers).
- c. Moreover, in the white paper, we suggest that entrepreneurs and organisations become **members of multi-sectoral networks, partnerships and innovation communities** in the circular economy. Being part of such communities allows the tourism entrepreneurs to lead, to share and absorb knowledge about the circular economy as well as create synergies and partnerships for the implementation, marketing and management of circular initiatives. Partnerships and networks have much greater political and operational power, and credibility, than lone small businesses.

These three aspects introduced above are mutually reinforcing. For example, although an entrepreneurs' meaning or purpose is needed to master circular skills, by mastering circular skills, entrepreneurs may enhance their understanding and willingness to adopt circular solutions. Similarly, by mastering circular skills, entrepreneurs may improve their ability to join, participate in and benefit from innovative networks. Moreover, by participating in innovative networks, entrepreneurs will also master new skills for a circular economy. In the following sections, the key recommendations in relation to the three aspects introduced above are developed in more detail.

- 01 Why do you want to be Circular?**
Heart: love, compassion, emotional connection
Head: knowledge about climate change, it's impacts and severity
- 02 Participate & influence communities**
Value Chain
Trade associations and joint purchase
Quadruple helix & wider
- 03 Building capabilities within the business**
Leader & Champion of CE
Knowledge about:

 - Circular Economy & law/guidelines
 - Footprints of the operations
 - CE solutions/practices/technologies**Skills** - implementation & managing
Training for staff
Communicating CE to customers

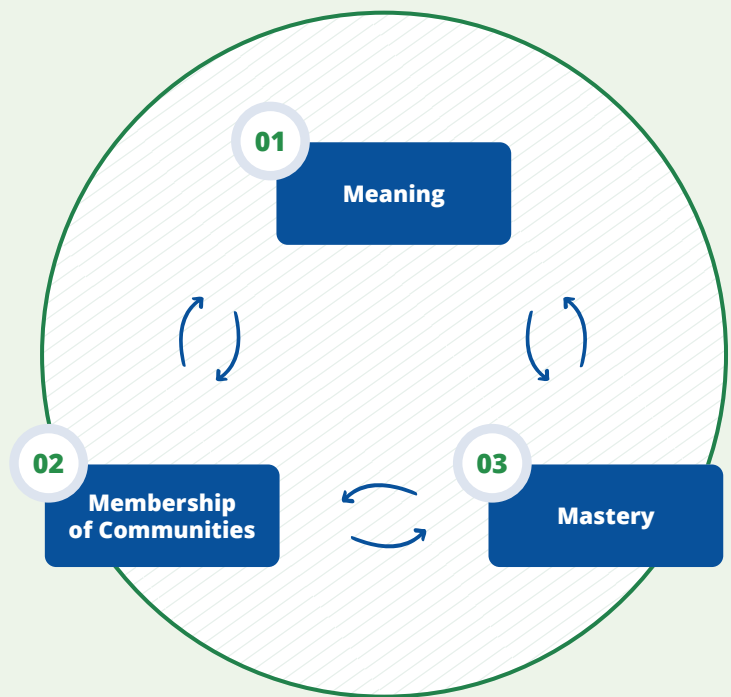


Figure 2. The 3-M Framework for Circular Entrepreneurship in the Tourism and Leisure Sector
 Source: Interreg 2 Seas project FACET

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Entrepreneur's meaning and purpose in adopting a circular economy

During the Interreg 2 Seas project FACET and following the entrepreneurs' interviews and answers to the online survey, we found that to accelerate the adoption of circular economy solutions, tourism entrepreneurs should foster the meanings and purposes of the required transition into a circular economy, thereby consolidating their intentions to make change happen. Moreover, each entrepreneurs' vision, passion, and motivation to adopt circular solutions, is based on their understanding of the social and environmental challenges that the global and the local community is facing, such as global warming, climate change, and plastic pollution. Entrepreneurs find purpose only if they have a cognitive understanding of these challenges and how they can be mitigated by the application of circular economy solutions.

From a socio-psychological perspective, the entrepreneurs' intention to adopt circular practices is influenced by their **cognitive** and **affective** faculties ([Lins de Holanda Coelho et al., 2020](#); [Diamantopoulos et al., 2020](#)).

Cognitive refers to **memory, attention, and reasoning**, which develop perceptions of external stimuli ([Wójcik & Ciszewska-Mlinarič, 2020](#)). Cognitive reasoning helps entrepreneurs weigh-up the benefits versus the costs of implementing circular solutions ([Ap, 1992](#)) by considering and being aware of the financial, socio-environmental, technical and institutional effects of the circular economy.

Tourism entrepreneurs that participated in the FACET project shared their motivations to embark on a circular economy journey while being predominantly rooted in their recognition of the benefits a circular economy approach can generate for the natural environment.

For **Kathleen Devinck, from Park Hotel De Panne** in Belgium, the decision to pursue sustainability is a logical one. In an interview, Kathleen explained that Hotel De Panne was motivated to adopt circular economy solutions not only because it is good for the environment, but also because it can support the local economy.



Picture credit: Lucien Von Schomberg

Similarly, **Olivier Willaert**, from the **B&B De Arend** in Belgium, while he sees the transition to a circular economy as a way of being adaptable to market trends, he also highlights the **inherent moral duty** that we have to the environment. When asked about the motivating reasons to adopt circular economy solutions, Oliver stated it was not just for marketing, but also to inspire other entrepreneurs and demonstrate that tourism practices can be different.

In addition to the cognitive factor, **affection** is a key factor in enhancing entrepreneurs' reasons to adopt circular economy solutions. Affection is defined as a **state of mind which relates to emotions and contributes to developing perception and persuasion**. The affection factors include the **desire of the people to experience something new** and **their emotions**, which help shape judgements and behaviour ([Diamantopoulos et al., 2020](#)).

Entrepreneurs who are determined to take circular economy actions talked about their love of nature, the welfare of the next generation to come, and their empathy toward people suffering from the effects of climate change and environmental degradation.



Picture credit: Angelo Sciacca

There was a similar reflection from Nerina de Krijger from **Hof Christina Hoevehotel** in the Netherlands. The circular solutions at Hof Christina are motivated by her passion for her hotel as well as for spreading awareness. As Nerina mentioned, she supported the circular economy because of her passion.

For **Philippe Martens, circular economy coordinator at O.666 a leisure centre in Ostend, in Belgium**, the fascination with sustainability originated from his personal experiences with water sports, specifically windsurfing, surfing and kitesurfing. He was concerned by the negative impact that the composite materials used in the boards and sails had on the natural environment.

As Philippe explains:

“But what really troubled me was that we were practicing our sport with products, like boards and sails, that were a curse precisely for the medium in which we practice the sport, namely the environment. So, I personally started searching for ways to make boards out of natural materials or materials that wouldn't harm our oceans and create microplastics.”

This led him to pursue product design that would respect the environment and create boards out of natural materials like

wood and flax. They have been working on this for 20 years, experimenting with different materials and techniques, and even hosting workshops to teach others how to make surfboards out of natural materials.

For Andrea Wesdorp, HR/Operations Manager at Strandhotel Westduin in the Netherlands, the motivation to adopt circular solutions is to make their hotel one of the most sustainable hotels in Zeeland. They are motivated by the idea of creating a sustainable hotel not just in terms of technical feasibility, but also in terms of internal operations, employee and guest satisfaction, and social responsibility.

“Maybe it's a challenge to achieve, I believe that by focusing on all aspects of sustainability, including internal operations, employee and guest satisfaction, and social responsibility, we can accomplish our mission of being a truly sustainable hotel.”

Andrea explained that although it is a challenge to achieve a circular economy the ultimate goal is to being a truly sustainable hotel. In addition to their meaning, entrepreneurs should master circular economy skills. These skills can be mastered in several ways, as recommended in the following sections.



Picture credit: Angelo Sciacca

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Entrepreneur's mastery of circular economy skills

Mastering circular economy skills is essential for entrepreneurs not only to better understand the circular economy and its benefits for the business and for wider society but also to improve the entrepreneur's capacity to identify, implement and manage circular economy solutions. In this white paper we refer to "mastery" as the building of entrepreneurs' and their staff's organisational capabilities, and the skills required for a circular economy throughout the process of transiting from a linear to a circular economy.

This includes the capacity to understand the purpose of the circular economy, identify and develop circular economy ideas and then how to manage and communicate to customers and to the public, their circular economy practices and achievements. Building organisational capability and skills for a circular economy, therefore, not only helps entrepreneurs to enhance their understanding of the circular economy but also creates more proactive entrepreneurs in finding solutions to problems and adopting circular innovation through calculated risks and strong and rewarding problem-solving capabilities.

In the next few sections, we break down some of the key technical capabilities needed by tourism entrepreneurs to embrace the circular economy.

Understand an operation's "Environmental Footprint" and learn how to identify Circular Economy solutions

Understanding the environmental footprint of business operations is a key skill that should be mastered by tourism entrepreneurs for two main reasons:

Firstly, by knowing what the impacts or environmental footprints of certain business activities are, an entrepreneur's intentions to adopt circular solutions may be higher than when there is lower awareness of a business's consequences on society and the environment.

Secondly, entrepreneurs that are more aware of the environmental footprint of their business activities may have a better sense of where to act and, consequently, which circular solutions to prioritise based on business potential impacts, opportunities, and cost-related considerations.

Taking part in training and other formative events can help entrepreneurs gain a better understanding of business impacts and the circular solutions to choose to adopt, as well as any collaborative arrangements needed to be set up to ensure effective circular solutions. This would also help entrepreneurs to seek – where needed – external advice targeted on specified priorities, thus making the transition to a circular economy more time and cost effective.

Staff capacity building on circular solutions

Not only the top management level, but all team members in all departments (e.g., Food & Beverage, maintenance, housekeeping, and purchasing) could contribute significantly to the circular transition of an organisation or business.

It is essential to promote capacity building throughout all levels of the organisation to help to identify, implement and manage circular solutions. It is, therefore, crucial for all to join targeted training to enhance their team's abilities to identify innovative circular opportunities as well as to create the space for all members to share ideas.

Tourism businesses can seek capacity-building assistance from the local public sector (if support is provided), skilled consultants, or university continuing education (see Jin et al., 2021; Koth et al., 1991). One example is the series of LEADER groups that were created by the EU to stimulate rural economic initiatives often using trained project officers to guide and assist those local LEADER groups.

Mastering circular economy organisational skills can accelerate the entrepreneurs' adoption of and successes in circular practices. For this, capacity-building activities should be organised and made available to stimulate the development of technical and management skills as well as the ability to identify innovative opportunities for each organisation. Moreover, the existence of accreditation systems for businesses and staff members completing training could not only stimulate participation but also help entrepreneurs showcasing their internal achievements. Capacity building among staff can be supported through a number of activities, as listed in Table 1 below.

Table 1. Capacity Building for a Circular Economy

Training for selected individuals

Selected individuals from destination tourism organisations can participate in training and oversee specific aspects of the circular transition and its management. Training can be conducted by external experts on how to make specific operations more circular (e.g., maintenance, food & beverage).

Group training on issues that concern the entire business operations

Group training may also include general awareness sessions on the new “circular” mission and the targets of the tourism organisation.

Mentorship by business staff members

Mentorship by selected staff members with specific experience in circular economy.

Participation in external training-of-trainers

Participation in events by selected staff from local authorities or larger businesses, who will then pass their knowledge to colleagues as well as to members of other tourism businesses at the destination (that are perhaps part of a network).

Participation in “living labs”

Living labs are places where new business ideas for more radical changes to business operations can be developed, synergies and collaborations established with like-minded existing and aspiring entrepreneurs. One example of a living lab can be found [here](#).

In addition to capacity building for a circular economy, it is essential that a destination or an organisation appoints a circular economy manager or extends the responsibilities of existing managers.

Appointing a Circular Economy Manager

Any circular economy approach that goes beyond any basic legal requirements requires a strong commitment and involvement on behalf of the top management to be successful, beneficial and long-lasting.

Without this commitment and a genuine conviction about the environmental, social, and economic interests of the implementation of circular economy activities, other projects may supplant the approach, even if it generates financial savings on “expenses” (e.g., energy, waste, water) or “purchases” (e.g., food waste) and responds to the growing awareness of consumers for new consumption models.

Depending on the size of the tourism business, it is recommended that a **circular economy manager** is appointed to coordinate, monitor the process, liaise with other businesses’ circular economy managers, and contact experts for support if necessary.

Employees should also be consulted, and their feedback and proposals gathered together, to help to improve the circular economy processes of the organisation. The success of the circular transition will highly depend on the involvement, skills, linkages and power of the circular economy manager and the adoption of the circular economy processes by employees in their daily work practices.

One specific example from the FACET project shows the value of having a selected person within each department to coordinate as well as to mentor and explain to others about the circular economy.

Andrea Wesdorp, from the **Strandhotel Westduin**, located in the Netherlands, explains that each hotel department works with a so called “green team” member who works to promote sustainable practices within their specific department:

“We have a green team. That means that every department has a green team member. So, at reception, at the service, sales, in the kitchen, HR, management and the technical service. They regularly sit together for ongoing developments that are there.”

The Green Team members also discuss cost-saving and sustainability measures with department heads. “We asked for example the chef, go and think with your team about a replacement product for example, frying fries. Of course, there are always guests who really want fries but it’s wise to look for alternatives. Think about a substitute and use vegetables of the season and they are also much cheaper to buy.”

Strandhotel Westduin, shows the role of circular managers or of circular economy coordinators within the business to stimulate changes across the departments, that are beneficial for both the environment and the business.

Understanding new market requirements on greener operations and circular branding strategies

One of the potential barriers to adopting a circular economy is sometimes the entrepreneurs’ fear of losing market share and facing low customer acceptance of new circular operations and services.

In response to such risk, tourism entrepreneurs interested in implementing circular economy solutions should tap into the growing markets in sustainable products and green development in tourism. It is essential for the business to attract new markets to make circular operations more financially viable. Moreover, it is also important to inform existing customers about new changes and their benefits. When the market accepts, embraces and enjoys the circular changes, entrepreneurs may be more likely to implement circular solutions.

As shown in Table 2, tourism entrepreneurs can take several actions to access new markets and to nurture existing markets by raising awareness among their guests.

Table 2. Accessing Circular and More Responsible Tourism Markets

Match sustainability business needs with customers' expectations

Circular solutions should develop in line with **customers' expectations** (including **green expectations**). Sustainability **businesses strategies** should also be in line with **customers' needs**, helping to ensure their acceptance. It is necessary that tourists are involved in the process of deciding how destinations and their tourism operators shift to more sustainable services, and learn how they themselves will benefit from the shift ([Pulido-Fernandez & Lopez-Sanchez, 2014](#)) **thus ensuring that circularity is developed in line with market expectations (existing and new markets)**.

Develop and launch awareness-building activities within the local community and actively communicate the benefits of circular economy to guests

To maximise **market acceptance** of circular services and/or products, businesses should develop **awareness-building** activities where **communities** and **customers** are informed about the circular initiatives implemented and their purpose. It is through **public empowerment** ([Sutawa, 2012](#)) and **customer knowledge** of sustainability that sustainable entrepreneurs and destinations can have active market support from the public ([Dodds et al., 2010](#)). .

Shift to sustainable tourism promotion channels

To **access new markets**, entrepreneurs should seek collaborations with **tourism channels** (including tour operators) that promote green and circular tourism experiences. In particular, **tour operators**, as they can sometimes play a central role in the tourism sector, have the **capacity to influence supply and demand, re-directing tourism market trends to more sustainable destinations** ([Cavlek, 2002](#)).

Special attention should also be given to understand the tourism markets of a specific destination. Universities can help this process by training students to carry out survey, including skills in questionnaire design and data analysis. It is also very important to work with the travel media – press, radio and television – to highlight the advantages of circular tourism economy practices in a destination.

During the FACET project, we have seen inspiring examples of how tourism entrepreneurs have shifted to more strategic promotional strategies and how they are promoting awareness-building among their guests following the implementation of circular solutions.

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- Switch off the TV and heating or air conditioning in absence & at checkout
- Limit shower time
- Close windows and doors while the heating or air conditioning is on
- Close the building entrance door when entering or exiting the building

Help jij mee energie besparen?
Contribuez-vous à économiser l'énergie?
Will you help save energy?



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During the FACET project, we have seen inspiring examples of how tourism entrepreneurs have shifted to more strategic promotional strategies and how **they are promoting awareness-building among their guests** following the implementation of circular solutions.

Kathleen and Burch, owners of the **Holiday Suites**, believe that sustainability at Holiday Suites can have environmental and social benefits. They actively share the initiatives implemented in the hotel operations – and their benefits – with other tourism entrepreneurs as well as the guests, [sustainability webpage](#) and sustainability flyers.

Holiday Suites also raise awareness among staff.

Sustainability is in fact, a regular subject in weekly meetings and training provided for staff members to learn about low-impact practices.

Understanding new government policies and targets

Often one of the barriers to a circular economy is the lack of awareness of government policies and targets and how these would influence destination and business management.

This lack of awareness may affect the entrepreneur's willingness to adopt circular solutions and failure to comply with regulations and strategic directions of the destination. Moreover, it can also mean entrepreneurs miss the opportunity of finding supporting instruments, such as incentives, to facilitate the adoption of circular initiatives.

In a previously published [white paper](#) by the Interreg 2 Seas project FACET, we outlined some of the policies and strategies for destinations in the 2Seas region with their own targets. Examples include the [Circular Economy Road Map](#) for France, [Roadmap Food Loss 2015-2020](#) in Belgium, the [Packaging Regulations for Businesses](#) in the Netherlands, and the [Circular Economy Action Plan](#) for the EU as a whole. Tourism entrepreneurs, by informing themselves about regulations, regional and destination action plans, and other strategies, will better understand the role they can and should play in creating more sustainable destinations.

Moreover, in addition to national and international regulations, local and destination sustainable tourism strategies – which would ideally be developed within broader strategic frames – should be devised and implemented, usually by local authorities, by consulting destination stakeholders, including the tourism private sector. During consultations, tourism entrepreneurs can provide their input as well as familiarise themselves with the sustainability objectives of the destination. This also creates a sense of ownership among entrepreneurs in locally developed strategies and stimulates their long-term commitment.

Sourcing finance for a circular economy

High capital investments for the implementation of certain circular economy solutions and potentially higher costs for their operations and management can be the barriers for some entrepreneurs who wish to transition from a linear to a circular business model.

To mitigate some of the financial challenges faced by tourism businesses – and particularly SMEs – entrepreneurs require external financial supports, from the public and/or commercial finance sectors. The public and finance sectors can and should adapt existing funding mechanisms to the requirement of a circular economy in the tourism sector. These funding options should particularly take into consideration the characteristics of SMEs and the circular solutions that are likely to implement.

Tourism entrepreneurs can also take some actions to enhance their accessibility to financing opportunities, including:

- **Seeking alternative finance options**, including using reward-based crowdfunding. See a recently published [white paper](#) by the FACET project on how tourism entrepreneurs can use reward-based crowdfunding to raise the necessary financial resources to support the implementation of circular initiatives in their businesses.
- **Developing, where possible, circular ideas** to be funded that are in line with already available funding opportunities. That is, matching circular solutions with available funding.
- **Seeking hybrid funding opportunities** for supporting circular solutions. These, for instance, may include combining loans with grants, crowdfunding with loans, etc.
- **Take part in voucher schemes** financing fully or in part, circular solutions. Voucher schemes such as the 2Seas FACET project Voucher Scheme can successfully support tourism SMEs in initial funding for concrete technical solutions for their circular ideas. Voucher schemes can be developed in any country.

In addition to mastering the circular economy skills, tourism entrepreneurs may take part in circular communities to boost collaboration for circular innovation as explained below.



Membership of Circular Communities

To truly embrace a circular economy, tourism entrepreneurs should be open to new ways of **operating** and **networking**. By joining innovative networks and communities, tourism entrepreneurs can develop and master circular economy skills as well as increase their inner motivation or establish the meanings for adopting circular economy solutions. A number of networking opportunities exist. These are listed, along with their benefits, in Table 3.

Table 3. Networks and Communities for a Circular Economy

Network and Communities for a Circular Economy

Access to professional networks

Being part of a **professional and innovation network** (e.g., living labs, incubators) would allow entrepreneurs to gain access to **technologies, policies, and managerial knowledge**. Active presence in a network can also enhance the entrepreneurs' **problem-solving** capabilities and know-how to take **calculated risks**. Ultimately innovation networks help entrepreneurs create new synergies and increase **entrepreneurial innovativeness** ([Yousaf et al., 2022](#)).

Engage in Quadruple Helix Communities

Different from other types of communities or networks, in a **Quadruple Helix Community**, the entrepreneurs would have access to **multi-sectoral support**, from **academia, civil society**, and from the **private** and **public sector** which help to practically translate circular ideas into concrete initiatives. Support can be of **technical, financial**, and **social** nature, **boosting entrepreneurs' skills**. Any such collaborative approach is especially important for the COVID-19 recovery in tourism ([Espinoza-Sánchez et al., 2022](#)).

Engage in Circular Value Chain Communities

In a **Circular Value Chain Community**, the entrepreneur can create synergies along the **value chain** and move their business model from **traditional** to **circular** value chain where environmental, social, and financial impacts are the central elements. **Collaboration** among the value chain allows entrepreneurs to implement circular solutions **by learning how to mitigate many of the challenges they face**.

Engage in Joint Purchasing Communities

Joint purchasing agreements are arrangements between (groups of) businesses to purchase services, equipment, and/or supplies jointly. In a **Joint Purchase Community**, circular solutions are more **cost-effective**. By creating synergies in joint purchasing, barriers related to **economies of scale** can be mitigated and **market power** could be enhanced. **Entrepreneurs can also learn from each other on circular practices**.

Join available capacity-building programs

Join available **capacity-building initiatives** such as **innovation schemes, webinars, workshops**, and other forms of training such as **train the trainers**. These events – where available – can boost the entrepreneur's **understanding of circular practices, their benefits, challenges and how to mitigate them**.

Some of the recommendations provided above in Table 3 not only allow tourism entrepreneurs to mitigate the technical barriers that they may face, but also give answers to some of the financial challenges.

For instance, through Joint Purchasing initiatives entrepreneurs can have access to better buying power, and through Quadruple Helix Communities, the private sector can have a louder voice on issues concerning the lack of public and private funding opportunities for a circular economy.

Examples from the FACET project illustrate how being part of a community has been essential to the development of circular economy solutions.



Picture credit: Interreg 2 Seas project FACET

The **Municipality of De Haan in Belgium** participated in the FACET project as one of the circular economy pilots. De Haan is a great example of how **public-private partnerships** can support and accelerate the tourism sector's transition to more sustainable and circular practices.

The Municipality of De Haan aimed to introduce more sustainable wastewater practices among beach operators and develop more effective beach solid waste management. During the FACET project, conversations were facilitated between the municipality and the beach entrepreneurs on how to further improve solid and wastewater management. Together, opportunities for improvement were identified and synergies were created, demonstrating the added value of active destination-based collaboration to solve waste-related issues. **Multi-stakeholder collaboration and by actively consulting the private sector**, a wastewater pipeline was installed, sustainable beach solid waste management practices were promoted, and a sustainable tourism award was launched.

The Hemsby Community Cups facilitated by the 2 Seas Interreg FACET project in the English coastal destination of Hemsby (a coastal village of c.3000 people in Norfolk) is a great example of how a **joint-purchase community** can facilitate the adoption of circular solutions in a tourism destination. The Hemsby Community Cup is a reusable cup designed to replace single-use disposable cups and get closer to becoming zero waste by adopting a circular deposit return system. Through the Hemsby Community Cups, participating tourism entrepreneurs made a concerted effort to improve the sustainability of their business operations.

The joint-purchase community - which was created through stakeholders' consultations facilitated by local champions - the Norfolk County Council and Great Yarmouth Borough Council - allows tourism entrepreneurs to collectively purchase the re-usable cups - when needed - and manage the initiative.



Concluding Summary

The white paper proposed several recommendations that could be considered by tourism entrepreneurs to accelerate their adoption of circular economy solutions.

Firstly, the white paper suggested that the entrepreneurs need to establish their own take on the meanings and purpose of being circular. This is essential in motivating their willingness to adopt circular solutions. Entrepreneurs' meaning was associated with the entrepreneurs' knowledge and concern with global challenges and their understanding of the many benefits that circular economy solutions can generate, both for the business, destination and for the global community. Yet, while it is the role of public sector led planning stakeholders to develop and promote awareness programmes, tourism entrepreneurs can still adopt actions that improve their understanding of challenges and the role of the circular economy. These actions were associated with the entrepreneurs' effort to master their skills for a circular economy, such as by improving their understanding of the environmental footprint of their business operations, what circular economy solutions can be implemented, their benefits, and how they can be successfully managed.

Moreover, it was deemed relevant - to the successful implementation and management of circular economy solutions - for the entrepreneurs to identify and prioritise sustainable promotional channels. Moreover, where necessary, it was highlighted the need to appoint a circular economy manager or extend responsibilities of existing staff, find and access alternative financing options, and support awareness campaigns on the circular economy within the organisation and the destination community. The white paper concluded by suggesting the importance for entrepreneurs to be part of innovative networks and communities which would allow them to gain and share knowledge and implement and manage circular economy solutions at the destination level. Therefore, working together is crucial for a successful circular economy in destinations. This white paper is the last of a series of three white papers published by the 2Seas Interreg project FACET. A First [white paper](#) provided recommendations to local authorities on how to support tourism entrepreneurs, and especially SMEs, in the implementation of circular solutions, and a second [white paper](#), mainly targeted towards tourism SMEs presented reward-based crowdfunding as one of the available financing options to fund the implementation of a circular economy in tourist destinations.



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About the FACET project

The EU Interreg 2 Seas FACET project implements measures to encourage entrepreneurs in the tourism sector to apply circular solutions within their companies, thereby creating new sustainable revenue models. With a strong consortium of project partners from Belgium, England, France, and the Netherlands, experiments are being conducted with circular applications in the fields of accommodation, waste reduction, and circular operations.

As a coastal region, the 2 Seas region (covering the coastal areas of Belgium, England, France, and the Netherlands and connected by the Channel and the North Sea) has traditionally been a tourist destination with a substantial impact on the regional economy. However, tourism also entails the mass consumption of raw materials and puts pressure on their limited availability in the region, where industry, agriculture, and tourism are already competing. Therefore, circular solutions are needed to ensure that tourism remains economically beneficial. Moreover, the COVID-19 pandemic has induced a crisis in the tourism and leisure sector; many tourism firms have suffered – many businesses are in stagnation or facing survival challenges. Now is the time to look at how we have organised our society and economy and how we want to build our systems back sustainably in the post-COVID era.

Throughout the 2 Seas area, FACET locally develops various practical, accessible, and small-scale pilot and demonstration projects to help entrepreneurs gain practical knowledge and experience to make circular business models. FACET provides expertise and support in setting up these pilots.

Interreg 2 Seas 2014-2020 is a European Territorial Cooperation Programme for England, France, the Netherlands, and Belgium. The Programme is co-financed by the European Regional Development Fund (ERDF). The objective is to develop an innovative, knowledge and research-based, sustainable and inclusive 2 Seas area, where natural resources are protected, and the green economy is promoted.

Project Partners



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