WEBINAR #13 - SUSTAINABLE TOURISM WEBINARS

CIRCULAR ECONOMY: EXPLORING AN INNOVATIVE APPROACH FOR THE TOURISM SECTOR

WEDNESDAY 06TH OF JUNE 2018 (14H00-15H00 CEST)
Introduction by moderator

Dr Dirk Glaesser
Director for the Sustainable Development Programme of the World Tourism Organization (UNWTO)
A global and diversified network involving 151 actors with one common goal: decoupling tourism growth from the consumption of finite natural resources.
Tips for a smooth session:

• All attendees are on listen-only mode (please make sure you are muted)

• Attendees can ask questions to the panelists anytime throughout the webinar by posting them in the chat box of the control panel (press « send to everybody » so that moderator can see your questions as well)

• When typing the question, please indicate to which panelist it is addressed

• At the end of the webinar, during the Q&A session, the organizers will be reading out the questions and the panelists will share their replies

• The session is being recorded and the Youtube link will be posted on the UNWTO website tomorrow
The objectives of the webinar are to:

- Provide definitions of circular economy and explore potential of circular models within the tourism sector;
- Learn more about innovative business models that apply circular principles;
- Explore concrete results of implementation of circular business models through the case study of Hotel Verde project.
Mainstream and accelerate circular practices

Ms Anna Tarí
Founder, Circular Economy Club
Mainstream & accelerate circular practices

Anna Tarí
Founder
Circular Economy Club (CEC)
anna@circulareconomyclub.com
CEC is the international network of over 2,600 circular economy professionals and organisations in over 60 countries.

Non-profit | Global
Anyone can join online for free
The Linear Economy

Issues from the linear economy

- Resource scarcity
- Environmental stress
- Lost value of materials
The Circular Economy

Economic Opportunity

80% of the $3.2 trillion worth of materials used in producing consumer goods, are never recovered (McKinsey 2014).

- Designing products for circularity
- Renting instead of buying
- Reusing, Sharing, Recycling
An economic model that focuses on the redesign of products and processes “to maximize the value of resources through the economy with the ambition to decouple economic growth and resource use”

(Ghisellini, Cialani, and Ulgiati 2016, 15)
The challenges for travel & tourism

<table>
<thead>
<tr>
<th>Adopt the framework</th>
<th>Finding the business case</th>
<th>Destination symbiosis</th>
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<tbody>
<tr>
<td>Lack of specific framework</td>
<td>Profitable, no externalities and same quality</td>
<td>Systems Thinking</td>
</tr>
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<td>● Per sector</td>
<td>Creativity</td>
<td>Coordinated stakeholders</td>
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How CEC mainstreams circularity

Anyone can add research, solutions, projects, funding opportunities

Free advice from circular economy experts

+60 Organizers locally worldwide and global events
Thank You
www.CircularEconomyClub.com
Circular economy transition – Opportunities for tourism businesses

Dr Jesper Manniche
Center for Regional and Tourism Research (CRT)
1. How should we understand the Circular Economy and the transitioning processes by which it emerges, especially in the context of tourism?
2. What circular approaches and business models may be applied by tourism businesses and destination managers?
   - Production-orientated opportunities
   - Consumption-orientated opportunities
3. Summing up and concluding
How should we define the Circular Economy?

On the basis of a review of relevant literatures, Kirchherr et al. (2017) define the circular economy this way:

“A circular economy describes
• an economic system
• based on business models which replace the end-of-life concept with *reducing, alternatively reusing, recycling and recovering* materials
• in *production/distribution and consumption*
• thus operating at the *micro-level* (products, companies, consumers), *meso-level* (eco-industrial parks, supply chains), and *macro-level* (city, region, nation and beyond)
• with the aim to accomplish *sustainable development*, which implies creating *environmental quality, economic prosperity and social equity* to the benefit of current and future generations.”

Sustainability is the goal – circularity is the way !!
THE (POSSIBLE) TRANSITION TOWARDS A CIRCULAR ECONOMY

The circular economy is (maybe) emerging through open-ended change processes at three levels: niches, regime, landscape (Geels & Schot, 2007).

Currently, the linear economy forms a dominant socio-technical regime, sustained by laws, regulation, infrastructures, markets, knowledge, cultural norms etc. ("dynamically stable").

Innovations of circular technologies/solutions are realized in smaller niches by networks of actors (social, practice-based learning; R&D). Gradually, varying technological elements become compatible and aligned.

At overall landscape level, economic, political, social, environmental developments (e.g. climate change, rising prices of resources, the Paris agreement, globalization, new medias, new consumption patterns) put pressure on the linear regime ("windows of opportunities") and encourage niche-level innovations.

In combination, landscape-level developments and niche-level innovations challenge the linear regime and provoke systemic re-configuration.

Source: Geels & Schot, 2007, p. 401
THE TOURISM SECTOR IN A TRANSITION SYSTEM PERSPECTIVE

- As tourism relies on wide-ranging supply chains and infrastructures (transport, energy, water, buildings, food, medias etc.), it is not possible to define an independent “Circular Tourism Economy”. Tourism may contribute to but cannot alone realize a truly Circular Economy. Concerted policy and entrepreneurial actions at multiple levels are required.

- Like other sectors, tourism operates within a linear economic regime, constraining the diffusion of circular principles. The prevailing linear economy regime relies on, for instance, a set of policies and regulation schemes regarding (lagging) taxation and management of natural resources that allow firms to externalize the costs of their environmental impact in the pricing of products (e.g. air travels). The linear economy regime is also based upon certain cultural perceptions, which are deeply integrated in societies at large and in the curriculums of educational institutions, perceiving nature as ‘something out there’, something disconnected from human activities. Besides, energy systems are still largely fossil-based and renewable energy sources not widespread.

- Due to the virginal stage of the circular economy, documented “best practices” are sparse.
How can tourism contribute to a transitioning to the CE?

The tourism sector has a bad sustainability record (big CO² footprint due to the traveling element; vast use of energy, water and other natural resources; negative impact of mass/over-tourism on local cultures and communities). Nonetheless, tourism indeed has potentials for encouraging transitioning to a circular, more sustainable economy – at production as well as consumption side.

Production-orientated opportunities: Reducing use of resources and saving costs
Tourism businesses can reduce their use of resources and save costs by implementing circular principles (reduce, reuse, recycle, recover) in their operation and supply chains. For examples:

- Energy saving/efficient buildings
- Water and energy-saving laundry technologies (e.g. laundry service company Berendsen: reusing water, saving energy and linen)
- Extending the life of furniture, carpets, and other fixtures through repairing and remanufacturing
- Reducing food waste through new practices, i.e. produce-on-demand, smaller buffet plates, staff awareness etc.
- The hotel Crown Plaza, Copenhagen, and the small hotel, Green Solution House, Bornholm/Denmark, have both implemented a range of such initiatives, e.g. ground-water based heating/cooling system, solar panels on buildings, water cleaning/saving systems, refurbishment of furniture, “smart” rooms (controlling of heating), reduction and use of food waste (cf. Manniche et al., 2017).

Relevant business models: Waste management, Eco-design, Cradle to Cradle, Produce on demand
How can tourism contribute to a transitioning to the CE?

Production-orientated opportunities: New products and revenue sources

• Sale/redistribution of food waste (*Too Good To Go* [https://toogoodtogo.dk/]): Restaurants, caterers, supermarkets etc. advertise left-over food that customers can find and purchase via an app and then collect
• Sale/redistribution of used furniture, matrasses, building materials and other “bi-products” (remanufacturing and up-cycling)
• Rental of electrical cars (e.g. the Austrian ski destination Werfenweng, [https://www.werfenweng.eu/EN/SAMO](https://www.werfenweng.eu/EN/SAMO))

*Relevant business models:* Waste as a resource, Leasing, Sharing Economy
How can *tourism* contribute to a transitioning to the CE?
Consumption-orientated opportunities

Compared to other sectors, tourism has certain specificities which makes it key to encouraging transition towards more *sustainable consumption*, i.e. “Transformative Tourism” (UNWTO, 2016) or “Transforming Travel” (Smith, 2018).

**The Sharing Economy of Tourism:**
As tourists, we carry very little with us, let ourselves immerse in new surroundings and socio-technical setups, and use the properties of other people, e.g. a room and a bed to sleep in. This means that some of the primary barriers to a more circular economy, i.e. the distribution of a large number of individualised household goods are by definition already overcome in tourism. In other words, some of the business models that the circular economy promotes – replacing ownership by access, sharing amenities between users – are already in place within the tourism and hospitality sector.

But it could be organized and exploited in much more strategic ways as a core element of the services and experiences provided for guests (“come-as-you-are-and-use-what-we-have”). The guests’ use and evaluation of goods provided by the host (e.g. raincoats, sun hats, cycling equipment, toys, books etc. etc.) could be important part of the staging of and storytelling about a venue.
How can tourism contribute to a transitioning to the CE?
Consumption-orientated opportunities

Tourism is “Experience Economy” (Pine & Gilmore, 1999), i.e. value-creation relies not on functional product features but on memorable, meaningful experiences co-created by producers and consumers. “Staging” and storytelling of such experiences are key.

Tourism relies on an interpersonal host/guest relationship, which gives opportunities for deep, value-based interaction and for influencing the way guests think and behave not just during but also after their holiday. Tourism has the capacity to experiment with and reconfigure the way daily life is organized.

The Circular Economy can become a central part of the guest-host relationship and can be a way to include and engage guests in ways that add to the guest’s experience by allowing them to contribute and at the same time make sense from an environmental perspective.

Thus, hotels, restaurants, conference venues, and entire destinations could re-organize themselves as “Transformative Living Labs” where guests experience, play with, gain information and knowledge about and radically re-think the organization of their daily life and their use of resources. Guests’ use of energy, electricity, water etc. during the stay could be reflected in the pricing, i.e. guests are compensated for a responsible behaviour.

Creating and operating such Transformative Living Labs may lead to important processes of valorisation and acceptance of new circular/sustainable technologies and cultural values (Huguenin and Jeannerat, 2018). Such cultural valorisation processes are crucial for changing the demands for tourism and travelling in more sustainable directions.

CIRTOINNO Interreg South Baltic European Union
SUMMING UP & CONCLUSIONS:

A *transition system perspective* is needed in order to understand the open-ended social dynamics at multiple societal levels through which a new Circular Economy regime (maybe) emerges. Political, economic and cultural changes at overall “landscape” level and technological innovations in “niches” (such as the tourism sector) put pressure on the prevailing linear “regime” and provoke systemic re-configuration.

In such a transition system perspective, the **tourism sector forms only a small part/niche**, relying on other sectors, legislation, technologies, infrastructures etc. Tourism may contribute to but cannot alone realize a truly Circular Economy. Concerted policy and entrepreneurial actions at multiple levels are required.

Yet, tourism has big potentials for encouraging transition to a circular economy: Despite relying on service production, tourism businesses use vast amounts of energy, water, food, building components, furniture etc. The **opportunities of saving costs and creating new revenue sources** by implementing circular principles and business models are as big as in any other sector.

Compared to other sectors, tourism is key to encouraging more **sustainable forms of consumption**. The close interpersonal host/guest relationship can be exploited for “transformative tourism”, supporting the guests to take sustainable, responsible choices. Hotels can be “Living Labs” in which guests play with, gain knowledge about and re-think the organization of their daily life as part of their holiday experiences. Guests may be compensated economically for a responsible use of resources.
References to relevant literature:


Thank you for your attention!

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www.crt.dk
Case study: circular practices within hotel industry

Ms Sally-Anne Käsner
Executive Associate, JG Afrika
Case study: Circular approach within the hotel industry

Sally-Anne Käsner
6 June 2018
ABOUT US – DEVELOPMENT PARTNER
About 85% of waste is still landfilled in South Africa.
Sustainable Practice...?
‘Waste’ – means any substance, whether or NOT that substance can be reduced, re-used, recycled and recovered –

- that is surplus, unwanted, rejected,
- discarded, abandoned or disposed of;
- which the generator has no further use of for the purposes of production
Waste is really material that is the result of:

• **environmentally unintelligent design** of products or services and/or

• **poor operational practices** in the manufacture and use of products or services.
We need to understand our materials better...

- Waste is a human concept
- Our economy is built on the “wasteful” production of goods and services

We’ve come to accept the existence of waste, pollution and resource depletion as an unavoidable consequence of our modern society and economy.
The Circular Economy

What is it?
A circular economy -

• is restorative and regenerative by design,
• aims to keep products, components, and materials at their highest utility and value at all times,
• distinguishes between technical and biological cycles,
• a continuous, positive development cycle.
How do we use Circular Economy thinking to design waste out of a system... in a Hotel environment?
CASE STUDY – HOTEL VERDE

AFRICA'S GREENEST HOTEL

10% Discount
Use promo code 'DIRECT' when booking
T's and C's apply.
As “Africa’s Greenest Hotel”, Hotel Verde follows the principles of sustainable development by:

- minimising environmental impact
- maximising wider social benefits
- following a resource and material efficient “zero waste to landfill” strategy

through the procurement of goods and related services from suppliers.
Better for the Guest evaluates the impact of suppliers’ operations, products and services on guest health focusing on efforts such as those that improve indoor air quality, help reduce allergens and minimize product toxicity.
Better for the Community assesses suppliers’ economic, social, and environmental impacts as they relate to relationships in the workplace, the marketplace, the supply chain, the community, and the public policy realm.
GENERAL PRODUCT EVALUATION CRITERIA

Better for the Planet measures suppliers’ efforts to protect the environment and preserve resources through its operations, products and services as reflected in its raw material use, carbon, energy, waste, and water footprints.
Better for the Hotelier measures the positive contribution of suppliers’ operations, products and services to improving a hotel’s sustainability, guest satisfaction and business performance.
The elements of the OMMP are:

- Buyers Guide and a Suppliers Guide
- Sustainable procurement criteria in the form of “Score Card”
- Aided by “Product information sheet” filled in by supplier/manufacturer
- Assesses products across their life-cycle.
Aim is to manage the following key areas (consumables):

- Cleaning Chemicals
- Guest Amenities (Toiletries only)
- Laundry Chemicals
- Food and Beverages
<table>
<thead>
<tr>
<th>Supplier Company Name</th>
<th>Product Category</th>
<th>Product Name</th>
<th>Raw Material/Product Composition</th>
<th>Production &amp; Manufacturing</th>
<th>Packaging &amp; Distribution</th>
<th>Price</th>
<th>Product Effectiveness</th>
<th>Overall Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>XYZ SUPPLIER</td>
<td>Guest Amenities</td>
<td>Product 1</td>
<td>9</td>
<td>3.5</td>
<td>8</td>
<td>4</td>
<td>4</td>
<td>31.25</td>
</tr>
<tr>
<td>XYZ SUPPLIER</td>
<td>Guest Amenities</td>
<td>Product 2</td>
<td>3.75</td>
<td>6.5</td>
<td>9</td>
<td>8</td>
<td>4</td>
<td>31.25</td>
</tr>
<tr>
<td>XYZ SUPPLIER</td>
<td>Guest Amenities</td>
<td>Product 3</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>XYZ SUPPLIER</td>
<td>Guest Amenities</td>
<td>Product 4</td>
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<td>0</td>
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</tr>
<tr>
<td>XYZ SUPPLIER</td>
<td>Guest Amenities</td>
<td>Product 5</td>
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<td>0</td>
<td>0</td>
<td>0</td>
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**Notes:**
- **Product Group:** Guest Amenities
- Any soaps, lotions, shampoos, conditioners, bath additives or other personal toiletries

- **Evaluation Criteria:**
  - Raw Material/Product Composition
  - Production & Manufacturing
  - Packaging & Distribution
  - Price
  - Product Effectiveness

- To be determined from the score card evaluation from 0-10 where 0 is the worst impact and 10 is least impact.
- The higher the score the better.

- Information will automatically pull through from each product input sheet – please do not make changes to this sheet.
PRODUCT COMPARISON

Guest Amenities

Evaluation Criteria: Raw Material/Product Composition

Evaluatio

Price

Evaluatio

Evaluation Criteria: Packa Distribution

Price

Evaluatio

Evaluation Criteria: Raw Material/Product Composition
GUEST AMENITIES
FOOD AND BEVERAGE

Your complimentary fresh milk is stored in the fridge.
FOOD AND BEVERAGE

Your complimentary fresh milk is stored in the fridge.
Rewards

Sort your waste
Earn a Verdino

Recyclable
Paper | Glass | Tins | Plastic | Metal

Non-recyclable
Food items | Serviettes | Food soiled paper
Foil | Chip packets | Electronics | Polyethylene
OUTCOME OF THE OMMP

A different way of doing things:
• Bulk supply
• Local suppliers
• Less packaging and take-back systems
• Less waste
• Comparative product information

Products that are better for the environment, community, guest and hotelier
STEPS TOWARDS CREATING A CIRCULAR ECONOMY

• Re-think the way we operate in our business environments...
• Re-think the ingredients and packaging we choose and accept from our suppliers
• Rethink the environmental and social ethics of suppliers
• Understand the true impact of products and services across their lifecycle
THANK YOU

Sally-Anne Käsner / Bonte Edwards

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Q&A session

Please send your questions through the chat box in the control panel.
Thank you!

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