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Testing Circular Tourism Innovation Across the Mediterranean

GreenSET's MEDSSIM pilots turn different SME challenges into shared lessons for sustainable tourism

An article by GreenSET consortium partners Tertúlia Algarvia (Portugal) and the Regional Development Agency of Tirana (Albania)

In Kruja, Albania, a boutique hotel has turned a simple challenge - how to encourage visitors to stay longer - into an opportunity to rethink its tourism offer. Albergo Diffuso Kruja has expanded beyond accommodation and panoramic dining by introducing a light snack bar, a branded ice-cream cart and improved luggage logistics, while cultural workshops and partnerships with local artisans enrich the visitor experience. Average stays have grown from one to three nights, and the hotel is attracting more international groups.

What can happen when a tourism business looks beyond the service it already provides and asks a simple question: can we create something new, or improve what we already offer?

This is the question that GreenSET is exploring through the MED Sustainable Service Innovation Methodology (MEDSSIM). Rather than providing a one-size-fits-all solution, MEDSSIM guides SMEs through a structured process to identify opportunities, develop or improve tourism services, test new concepts and connect them with circular and sustainable principles.

For businesses already accustomed to innovation, the value can be less about discovering the need to change and more about having a structured way to turn ideas into action. The owner of Valza Boutique Hotel in Albania, another GreenSET pilot participant, explains: "We are always thinking about change and innovation in our business, but the MEDSSIM methodology gave us a structured process to explore and develop new tourism services."

At Valza, this process supported the refinement of a retreat concept combining professional meetings with authentic local experiences. Flexible packages, outdoor working spaces and curated cultural activities helped the business strengthen its offer for international corporate groups and extend activity into the low season.

In Portugal, Bio Desafios developed "The Grocery to Table Lunch – Cooking Together", combining shopping at its organic grocery with a shared cooking session and lunch. The experience incorporates the measurement of food and water waste, turning resource efficiency into part of the service itself. Success is tracked against defined targets, demonstrating how circularity can become something that businesses can monitor rather than simply describe.

Also in the Algarve, Silêncio Místico created “Wild Algarve by Myself”, a self-guided ecotourism experience for small groups along lesser-known trails, including the Via Algarviana and Rota Vicentina. The service relies on local partnerships and combines visitor experience with environmental monitoring, allowing the business to follow both its environmental footprint and indicators such as booking conversion and partner performance.

The first phase involved 29 participating SMEs across the nine partner countries, covering a wide range of tourism services and destinations. The pilots included adventure and heritage experiences, boutique accommodation, corporate retreats, eco-tourism, digital services, gastronomy, cycling and slow tourism. Each business started from its own resources, challenges and market opportunities, while applying a common methodology.

GreenSET Pilot 1 at a glance



Source: GreenSET pilot records, 2026

This created a second level of innovation: innovation in the methodology itself.

A solution that is appropriate for one tourism business may not work in exactly the same way for another. Local resources, customer expectations, business capacity and destination characteristics all influence how a new service can be designed and implemented. Testing MEDSSIM across different Mediterranean contexts therefore provided an opportunity to identify where the methodology was sufficiently flexible and where adaptation was needed.

The value of GreenSET’s approach lies in this combination of local experimentation and transnational learning. The businesses test new ideas in their own environments, while the partnership can compare experiences across countries and use the lessons to refine the methodology and its supporting tools. In this way, knowledge generated by one pilot can inform another rather than remaining isolated within a single destination.

Additionally, the lessons from participating SMEs are now feeding directly into the next phase. Based on the experience of Pilot 1, the GreenSET consortium is refining MEDSSIM and its supporting tools ahead of Pilot 2, while preparing for its wider application through Business Support Organisations across the Euro-MED region.

The next pilot will provide another opportunity to test, adapt and learn. The ambition is to develop a flexible approach that allows each business to innovate according to its own location, resources and opportunities, while ensuring that the lessons learned locally can contribute to a wider Mediterranean transition towards more sustainable and circular tourism.

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