



GreenSET

Interreg
Euro-MED



Co-funded by
the European Union

Service Innovation in Tourism: A Critical but Overlooked Sustainability Driver

An article by GreenSET consortium partners ([Nicosia Tourism Board](#) and [STEP RI](#))

I. Introduction: The Mediterranean's Circular Imperative

The Mediterranean is a single connected system of coasts, seas, and hinterlands tied together by trade, energy, mobility, and culture. Its complexity also makes it vulnerable: the region faces warming, droughts, fires, floods, rising seas, overexploited resources, polluted ecosystems, and deepening inequalities, especially in seasonal coastal economies (Plan Bleu/SoED, 2020; EEA, 2020). These cumulative, cross-border pressures demand cooperation at scale.

Interreg Euro-MED was set up to address this, translating EU goals into missions on sustainable economy, natural heritage, green living areas, and tourism, with a focus on the circular economy (Interreg Euro-MED, 2023). Circularity is not a niche choice but a competitive strategy for service-driven economies like tourism, food, transport, and construction, where value depends on flows of materials, water, energy, and quality of experience (OECD, 2021).

EU policy provides the framework: the Circular Economy Action Plan aims to decouple growth from resource use, cut pollution, and create jobs (European Commission, 2020). Regional evidence underlines the urgency of shifting to a preventive, regenerative model (EEA, 2020). Interreg Euro-MED's standards reinforce this with data-driven, place-based cooperation; pilots that close loops; and replicable solutions aligned with EU and Mediterranean frameworks.

In sum, circularity is the Mediterranean's pragmatic path to resilience and prosperity—and the benchmark for the programme's quality and impact.

II. Service Innovation: A Critical but Overlooked Lever

When we discuss circular transformation, the spotlight often falls on industries and products, such as recycling technologies, renewable energy infrastructure, or new materials. Yet, in the Mediterranean, where service-driven economies dominate, innovation in services is the decisive lever for change.

Eco-tourism, clean energy services, sustainable mobility solutions, and resilient regional food systems all have the potential to accelerate circularity. These are not marginal activities; they shape livelihoods, community resilience, and the region's global positioning. However, service innovation remains underutilized. Efforts are too often fragmented, policies inconsistent, and regional strategies insufficiently coordinated. The result is that promising initiatives remain local and disconnected, rather than scaling across borders where their impact could be multiplied.

What is missing is a structured, Mediterranean-wide approach that helps services evolve into engines of sustainability. Here is where Mediterranean Sustainable Services Innovation Management (MEDSSIM) comes into play—a methodology specifically designed to address these systemic gaps and transform service innovation into a shared driver of circular development.



GreenSET

**Interreg
Euro-MED**



**Co-funded by
the European Union**

III. What is MEDSSIM?

MEDSSIM is a framework designed to equip the region with a common language and set of tools for circular service transformation.

At its core, MEDSSIM combines systems thinking, co-creation, and circularity evaluation tools to help regions move beyond isolated projects. It provides a structured but flexible pathway - a step-by-step, iterative process where organisations begin by mapping their resources and partners, then identify opportunities, design and test service concepts, and finally align business models for implementation and improvement.

Equally important, MEDSSIM is not a top-down blueprint. It is a participatory methodology that aligns policymakers, small and medium-sized enterprises, researchers, and local communities around a shared transformation agenda. Engaging diverse stakeholders in the same process helps bridge policy gaps, break down barriers, and foster regional coherence.

Ultimately, MEDSSIM offers more than a toolkit - it represents a mindset shift. Instead of treating services as secondary to industrial innovation, it places them at the heart of Mediterranean sustainability strategies, enabling the region to harness its strengths while addressing its vulnerabilities.

IV. Bringing MEDSSIM to Life Through GreenSET

GreenSET serves as the enabling toolkit that turns MEDSSIM's methodology into practice. It equips Business Support Organisations (BSOs) and SMEs with structured processes to map service ecosystems, run co-design workshops, and support scenario planning that aligns business models with the principles of a circular economy.

Adaptable across tourism, fisheries, mobility, and urban services, GreenSET provides the tools to translate broad sustainability goals into actionable, community-based services. Its harmonized metrics and impact indicators allow regions to track progress, while its competence pack, best practices library, and certification scheme foster long-term capacity.

Most importantly, GreenSET builds transnational learning networks, enabling Mediterranean communities to exchange knowledge and scale proven solutions. By combining structure with flexibility, it ensures that circular transformation is not only initiated but embedded, positioning services as engines of resilience, competitiveness, and sustainability across the Mediterranean.



GreenSET

Interreg
Euro-MED



Co-funded by
the European Union

References:

- European Commission (2020) *Circular Economy Action Plan: For a cleaner and more competitive Europe*. Brussels: European Commission.
- European Environment Agency (EEA) (2020) *State of the Environment Report 2020*. Luxembourg: Publications Office of the EU.
- Interreg Euro-MED (2023) *Programme Priorities and Missions*. Available at: <https://interreg-euro-med.eu> (Accessed: 2 September 2025).
- OECD (2021) *Circular Economy in Cities and Regions: Synthesis Report*. Paris: OECD Publishing.
- Plan Bleu/SoED (2020) *State of the Environment and Development in the Mediterranean*. Marseille: Plan Bleu, UNEP/MAP.

All rights reserved. This text and the concepts described (MEDSSIM and GreenSET) are the intellectual property of the GreenSET Consortium.