CONSULTATION REPORT OF SMEs ACCOMMODATION NEEDS AND BARRIERS TO SUSTAINABLE PRACTICES

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1 INTRODUCTION

The Mediterranean region faces growing challenges in balancing the economic development of its tourism sector with the urgent need for sustainable practices. The tourism industry often exerts significant pressure on the region's environmental and cultural resources, amplifying the need for actionable and systemic solutions. The MAST project aims to address these challenges by fostering the adoption of sustainable management practices among small and medium-sized enterprises (SMEs) in the hospitality sector. Starting from the ISO 21401:2018 standard, the project's outcomes are the definition of a sustainability protocol and the development of a self-assessment tool able to guide SMEs in their transition to a sustainable management model, addressing economic, environmental, and social dimensions.

In line with the overall objective of the MAST project, this deliverable focuses on identifying and analysing the barriers and needs faced by hospitality SMEs in adopting sustainable practices. To this end, a consultation report has been developed based on the study conducted within WP1. The report carefully analyses the main critical issues hindering the adoption of sustainable management models by SMEs, including high initial costs, regulatory complexity, lack of specific skills and lack of institutional support. At the same time, key needs to facilitate the path to sustainability are highlighted, such as access to specific economic resources, availability of innovative technologies, simplification of regulatory and administrative processes, and provision of specialised training programmes.

In particular, the importance of adopting a systemic approach that actively involves public institutions, private actors and local communities emerges strongly. Collaboration between these actors is considered essential to promote synergies that can enhance territorial resources, foster the adoption of recognised sustainable standards and strengthen integration between businesses and communities. This approach is particularly relevant in the context of the challenges related to social sustainability, where dialogue with local communities and the enhancement of cultural heritage can be a distinctive element for the tourism sector. At the same time, the report emphasises the need for practical measures to ensure greater social equity, including the promotion of gender equality, and specific interventions to mitigate environmental impacts through the efficient use of natural resources and waste reduction.

Through its in-depth analysis of barriers and needs, this deliverable provides empirical insights into the barriers and enablers of sustainability, offering a roadmap for practical interventions and capacity-building initiatives within the tourism sector. By aligning with the broader objectives of the MAST project, it lays the foundation for addressing the difficulties and constraints in implementing sustainable management systems, empowering SMEs to overcome these obstacles and adopt lasting sustainable practices.

2 ENVIRONMENTAL SUSTAINABILITY

2.1 Barriers

Among the most significant environmental barriers is the *high cost of sustainable technologies, such as water-saving systems, solar panels, environmentally friendly building materials or advanced consumption monitoring tools*. These investments, while promising significant long-term benefits, are difficult to tackle without the support of incentives or subsidies.

Another significant barrier concerns the *lack of technical and operational skills* to effectively implement and manage sustainable practices. Many facilities lack trained staff and adequate tools to monitor consumption and reduce waste. Furthermore, the *complex regulatory framework* and the *perception of certification procedures as bureaucratic and burdensome* discourage many companies from pursuing formal environmental standards.

Environmental sustainability barriers are synthesized in Table 1.

Table 1. Main Barriers to Environmental Sustainability within the Partner Countries' Hospitality Facilities

Barriers	Description
High costs of sustainable technologies	● **Technologies and materials**: Water-saving systems, solar panels, eco-friendly materials and advanced tools require considerable initial investment. *E.g.: '[One of the problems] is money available to invest in pro-sustainable equipment, measurements etc.'.* ● **Limited access to incentives**: The absence of financial facilities or targeted subsidies makes it difficult to meet upfront costs, even for investments with long-term benefits.
Lack of technical and operational skills	● **Insufficient training**: Lack of qualified personnel to effectively implement, manage and monitor sustainable practices. ● **Inadequate tools**: Facilities often lack the necessary technological tools to optimise consumption and reduce waste *E.g.: 'We would need clear goals … for example, this year this much food waste and next year this many % less. But we cannot measure that, nor do we have knowledge and people to set proper standards/objectives for us.*
Regulatory complexity	● **Overly bureaucratic regulations**: The complex and burdensome regulatory framework discourages many companies from pursuing environmental certifications. ● **Perception of rigidity**: The perception of an inflexible regulatory approach exacerbates the sense of difficulty and discourages participation in certification processes. *E.g.: "The bureaucracy for implementing certain actions/sustainability projects is a burden…".*
Procedural barriers to certification	● **Challenging administrative procedures**: Environmental certification procedures are often perceived as lengthy and cumbersome. ● **Lack of support**: Lack of advisory services to simplify and facilitate the path to environmental certification.

2.2 Needs

They highlight the need for *advanced technologies and monitoring tools* to optimise the use of natural resources, such as automated systems for managing energy and water consumption or infrastructures for recycling and waste reduction. These tools are an essential element in ensuring a lower environmental impact.

Another priority need concerns *access to technical training programmes* aimed at developing staff skills in sustainable management. Finally, there is an urgent need to *simplify regulations and certification procedures*, making pathways to the adoption of recognised environmental standards more accessible. This would allow SMEs to approach the sustainability journey with more confidence and fewer bureaucratic hurdles.

Environmental sustainability needs are synthesized in Table 2.

Table 2. Main needs for environmental sustainability within the partner countries' accommodation facilities

Needs	Description
Advanced technologies and monitoring tools	• **Natural resource management systems**: Need for tools to optimise energy and water consumption, such as labour free automated sensors and control systems. • **Infrastructure and systems for recycling and waste reduction**: Demand for advanced technologies that promote the recovery and reuse of resources, reducing environmental impact.
Technical training programmes	• **Skills development**: Need for dedicated training courses to improve staff knowledge in sustainable management. • **Operational support**: Specific training to implement and monitor sustainable practices effectively.
Simplification of regulations	• **Facilitated access to certification**: Need to make environmental certification processes less complex and burdensome for SMEs. • **Reducing bureaucratic hurdles**: Proposal of clearer regulations and simplified administrative paths to encourage compliance with standards.
Promotion of recognised environmental standards and their positive impacts	• **Accessibility of standards**: Need for policies and instruments that incentivise SMEs to adopt recognised environmental certifications. • **Greater security on the path to sustainability**: Creating a regulatory and operational environment that reduces uncertainties and supports businesses in the long term.

3 SOCIAL SUSTAINABILITY

3.1 Barriers

The *preservation of cultural heritage and the relationship with local communities* represents one of the most complex challenges for accommodation facilities. Protecting and enhancing cultural authenticity requires a delicate balance between tourist attraction and the preservation of local traditions, an aspect that facilities find complex to manage. In addition, the *lack of structured initiatives to foster positive interactions between tourism service providers and local populations* limits the possibility of offering authentic experiences to visitors and consolidating mutually beneficial relationships with host communities. This is compounded by the need to *balance tourism flows with the mitigation of negative impacts on communities*, which requires more attention and targeted strategies.

The *lack of adequate knowledge and information for the implementation of socially sustainable management practices and models* is another significant obstacle for companies in the sector. This gap includes difficulties in understanding and using the tools needed to integrate social sustainability into management and operational processes, such as international standards and certifications, specifically pertaining to social sustainability. Without a thorough understanding of these elements, establishments struggle to grasp the benefits of a socially sustainable approach and take concrete actions to adopt it systematically. Accommodation facilities also report a *lack of clear and accessible information on how to translate social sustainability goals into concrete actions*. This lack of dissemination and sharing of practical guidelines, adapted to the specific needs of different realities, leaves facilities without a defined path to follow. The information available, often fragmentary or generic, does not fully respond to daily operational challenges, making the integration of social sustainability into activities complex. Finally, the structures complain of an *institutional support* that *is often lacking*. Local institutions, which could play a key role in facilitating this transition, do not always provide sufficient resources, targeted incentives or training programmes for facilities. Frequently, social sustainability pertains to cultural (and social) heritage, which is well protected, often making their valorisation for the purpose of tourism (and hospitality) either extremely expensive or even impossible (for example, renovation and reuse of old buildings). The *lack of effective public-private collaboration* slows down the change process and reduces the opportunities for facilities to adopt socially sustainable approaches, thus hampering their potential for innovation and responsible development. Lastly, the tourism industry must improve the ability to measure the positive impacts of tourism on ensuring the social well-being of local communities and the preservation (also restoration) of cultural heritage. Understanding these positive impacts would allow better communication within the communities and contribute to positive attitudes

towards tourism and acceptance of tourism as a driver of socially sustainable communities.

Staff shortages further complicate the path to social sustainability, which inevitably affects the ability of facilities to adopt and implement socially sustainable practices effectively. The *seasonality of the industry and uncompetitive wages* make it difficult to attract and retain workers, especially during busy periods. Social sustainability is often limited by weak collaboration between experts on heritage, social issues, cultural diversity and the tourism industry. This operational instability limits the effectiveness of sustainable initiatives, which require constant commitment and a stable workforce to be developed and maintained over time. The *lack of qualified and trained personnel on the topic of sustainability* represents a further challenge for accommodation facilities. The absence of experienced or adequately trained figures makes it complex for facilities to initiate and consolidate pathways towards more responsible and lasting models.

Finally, a crucial issue relates to *gender inequalities*, which manifest themselves in the form of unequal pay, limitations in career opportunities and difficult working conditions for women, particularly in managerial and culinary roles. These factors represent significant obstacles to the creation of inclusive and socially sustainable working environments in the hospitality sector.

Social sustainability barriers are synthesized in Table 3.

Table 3. Main Barriers to Social Sustainability within the Partner Countries' Hospitality Facilities

Barriers	Description
Conservation of cultural heritage and relations with local communities	● **Cultural preservation**: Facilities face difficulties in protecting and enhancing cultural heritage, balancing tourist attraction with the preservation of local authenticity. *Es: 'We would need full cooperation with cultural institutions [...] Lack of cooperation and proper information flow makes it difficult to offer meaningful cultural experiences for guests.* ● **Relations with local communities**: There is a lack of structured initiatives to promote positive interactions between tourism service providers and local populations. *E.g.: 'We're trying to offer packages that would allow our guests to explore local events and culture, but there's little cooperation from the local population'.*
Need to attract tourists with minimal social impact	● **Social tensions**: Facilities often have to reconcile increasing tourist flows with reducing negative impacts on host communities.
Lack of knowledge and support for sustainable management	● **Knowledge gap**: Facilities are often unfamiliar with standards and certifications, hindering a systematic adoption of social sustainability. ● **Information Gap**: Facilities lack clear information on how to integrate social sustainability into daily management. In addition, an evident gap exists in understanding positive impacts of socially responsible tourism practices in supporting social wellbeing of local communities. ● **Insufficient institutional support**: Local institutions do not always provide the necessary support to facilitate the transition to social sustainability. ● **Lack of indicators pertaining to social sustainability criteria, also within majority of existing environmental labels and schemes**. Not having clear indicators allows deviations on interpretation what social sustainability is; hence making the benchmarking of progress (inter and intra sectorial) impossible.

Shortage of personnel and skills	● **Lack of personnel**: the seasonality of the sector and uncompetitive wages make it difficult to attract and retain workers. *E.g.: "We can't afford to pay competitive wages [...] It's a problem when trying to retain staff, especially during the high season.* ● **Lack of qualified personnel**: the skills needed to implement socially sustainable practices are often lacking.
Gender inequality	● **Gender equality**: Women face unequal pay, lack of promotion and unfavourable working conditions, especially in culinary or managerial roles. *E.g.: 'Female chefs face significant obstacles, including lack of promotion and difficult working conditions'*

3.2 Needs

To meet the challenge of cultural heritage preservation and promote positive relations with local communities, *accommodation facilities need targeted tools and strategies*. In particular, there is a need to develop *practical guidelines to protect and enhance cultural heritage*, balancing tourist attraction with the preservation of local authenticity. Furthermore, in order to foster constructive relations with local communities, it is essential to *create spaces for dialogue and collaboration that enable the definition of shared objectives and the active involvement of the population in the improvement of the tourism offer*. A further crucial element concerns the sustainable management of tourist flows. Facilities need *specific programmes and tools that provide clear indications on how to reduce negative impacts on communities while promoting positive relations and a balance between tourism growth and local welfare*.

At the same time, the lack of adequate knowledge and information raises the need for *targeted training and practical tools for accommodations to integrate sustainability into their operational processes*. The adoption of international standards and certifications requires support programmes that simplify the requirements, making them more accessible to small and medium-sized enterprises. Furthermore, there is a need to *bridge the information gap by providing clear operational guidelines that support social inclusion and the involvement of local communities. Local institutions can play a crucial role in providing economic incentives and promoting more effective public-private collaboration*, thus strengthening the capacity of facilities to adopt socially sustainable management models. For example, they could organise training courses, facilitate access to technical resources and create networking

opportunities to develop shared projects with local communities. *Monitoring and self-assessment tools could help facilities measure the impact of their social initiatives and identify areas for improvement*, facilitating an ongoing journey towards greater social sustainability.

Hospitality venues also need *solutions to overcome seasonality and uncompetitive wages in order to attract and retain staff*. Among these, *the offer of non-monetary benefits*, such as accommodation or meals, and the *introduction of more stable contracts* could be effective strategies to make the sector more competitive. In addition, *targeted recruitment campaigns and collaborations with schools and technical institutes could enhance career development opportunities in the sector*. In addition, there is a need for *accessible training programmes* to develop specific skills in social sustainability and fill the shortage of qualified personnel. These could include practical courses on sustainable practices, inclusive management, community involvement and creating equitable work environments. Workshops and mentoring sessions with experts would also be useful to strengthen the technical and managerial skills of staff.

Finally, a key issue is the *promotion of gender equality and inclusiveness*, ensuring pay equity, career opportunities and appropriate working conditions, especially in managerial and culinary roles, where significant inequalities persist. To address these challenges, establishments could encourage greater organisational flexibility where possible and promote internal awareness of gender equality.

Social sustainability needs are synthesized in Table 4.

Table 4. Main needs for social sustainability within the partner countries' accommodations

Needs	Description
Enhancing cultural heritage and building lasting relationships with local communities	• **Practical guidelines**: Needed to protect and enhance cultural heritage, balancing tourist attraction with the preservation of local authenticity. **Dialogue and collaboration**: Creation of dedicated spaces to define shared objectives and actively involve local communities in improving the tourism offer. • **Access to economic and project resources**: Important to develop shared initiatives with communities, such as cultural projects and activities that integrate local traditions into the tourism experience.
Sustainable management of tourist flows	• **Operational programmes and tools**: Necessary to manage tourism flows in a sustainable way, reducing negative impacts on local communities and encouraging their active participation. • **Practical guidance**: Essential to help facilities balance the influx of tourists with the preservation of the social and economic well-being of host communities.
Training, information and support for sustainability	• **Targeted training and practical tools**: Needed to integrate sustainability into operational processes and overcome the lack of specific knowledge. • **Support programmes for standards and certification**: Simplification of requirements to make sustainability tools more accessible to small and medium-sized enterprises. • **Operational** Guidelines: Fundamental to bridging the information gap and fostering social inclusion and community involvement. • **Institutional collaboration**: Local institutions can provide economic incentives, promote networking and facilitate public-private cooperation. • **Monitoring and self-assessment tools**: Essential for measuring the impact of social initiatives and identifying areas for improvement, fostering continuous improvement.

Attracting, retaining and training staff	• **Solutions to overcome difficulties related to seasonality and uncompetitive wages**: Accommodation facilities need targeted strategies to make the sector more attractive and competitive (e.g. benefits, more stable contracts, targeted recruitment campaigns). • **Accessible** training: Training programmes are needed to develop specific skills on social sustainability, including practical courses on sustainable practices, inclusive management and community involvement. • **Skills enhancement**: Workshops and mentoring sessions with experts to improve the technical and managerial skills of staff, fostering more sustainable and effective management.
Promoting gender equality	• **Pay equity and career opportunities**: Essential measures to reduce inequalities, especially in managerial and culinary roles. • **Internal awareness-raising**: Important to promote cultural change and more inclusive working environments.

4 ECONOMIC SUSTAINABILITY

4.1 Barriers

The main economic barriers for the adoption of sustainable practices by hospitality SMEs relate primarily to the *high initial costs of implementing green technologies*, such as photovoltaic panels, energy efficiency systems or waste management infrastructure. These costs are often perceived as unaffordable, especially for smaller establishments or those with limited budgets. Added to this is the *lack of access to appropriate financial incentives*, such as subsidies or tax breaks, that could mitigate the initial economic impact of such investments.

A further obstacle is the *lack of local cooperation and integration*. The absence of collaborative networks between companies in the area limits the possibility of reducing costs through synergies or supporting local economies, increasing the phenomenon of economic flight to external suppliers or large international players. Finally, the *lack of reliable data on long-term economic returns* makes it difficult for companies to plan sustainable investments with confidence.

Economic sustainability barriers are synthesized in Table 5.

Table 5. Main barriers for economic sustainability within the partner countries' accommodations

Barriers	Description
High initial costs	• **Implementation of green technologies:** Photovoltaic panels, energy efficiency systems and waste management infrastructure require considerable upfront investments. • **Perception of unaffordability:** small structures or those with limited budgets struggle to meet these expenses without external support.
Lack of financial incentives	• **Lack of subsidies:** Subsidies, tax breaks and targeted funds for sustainability are insufficient or difficult to obtain. • **Barriers to access:** complex processes and poor communication limit the ability of SMEs to access useful financial instruments.
Lack of cooperation and local integration	• **Lack of collaborative networks:** There is a lack of partnerships between local companies, limiting the sharing of resources and knowledge. • **Economic flight:** Dependence on international suppliers and large external operators reduces local economic benefits and increases operating costs.
Lack of reliable data	• **Uncertain planning:** The lack of analysis and tools to assess long-term economic returns hinders informed decisions on sustainable investments. • **Ineffective monitoring:** Lack of indicators, tools to demonstrate the effectiveness and benefits of sustainable practices.
Low added value	• **High operational costs lead to low ability for high wages:** This makes industry less attractive as professional career.

4.2 Needs

Hospitality firms show a strong *need for targeted financial support*, which could take the form of tax incentives or facilitating access to dedicated sustainability funds. It is considered crucial to have economic resources to cover the high initial costs of interventions while guaranteeing medium- and long-term financial sustainability.

In parallel, there is a need for *training and technical advisory programmes* to support SMEs in identifying the most suitable solutions for their needs and planning sustainable interventions. In addition, there is a need to *strengthen local collaboration networks* that can promote sourcing from local suppliers and reduce dependence on external operators, increasing direct economic benefits for local communities.

Economic sustainability needs are synthesized in Table 6.

Table 6. Main needs for economic sustainability within the partner countries' accommodations

Needs	Description
Targeted financial support	• **Tax incentives and dedicated funds:** Need for tax breaks and access to dedicated funding to cover the initial costs of sustainable practices. • **Resources for long-term sustainability:** Funds that not only address initial costs, but also ensure the economic sustainability of enterprises in the medium and long term.
Training and technical consultancy	• **Support in planning interventions:** Need for training programmes that help SMEs identify sustainable solutions adapted to their specific needs. • **Skills enhancement:** Need to develop technical skills to properly implement sustainable practices and increased added value, both in terms of technology and resource management.
Strengthening local collaboration networks	• **Promotion of local sourcing:** Creating and strengthening networks between local businesses to reduce dependence on external suppliers. • **Economic benefits for the community:** Encourage practices that increase direct economic benefits for local communities, fostering sustainable economic growth at the territorial level.
Access to monitoring and evaluation tools	• **Tools for managing and evaluating interventions:** Need for tools to monitor and evaluate the effectiveness of implemented sustainable practices. • **Transparency and traceability of benefits:** Need for tools to document the results achieved, fostering transparency and communication with stakeholders.

5 CONCLUSIONS

The analysis conducted in the report reveals that the transition of SMEs in the hospitality sector towards sustainable management models is an *imperative path to meet the challenges related to environmental, economic and social sustainability*.

However, *this transition requires a strategic approach that integrates public support policies, access to specific economic resources and the strengthening of technical skills*. Identified obstacles, such as high initial costs, lack of expertise and regulatory difficulties, can *be overcome through financial incentives, continuous training programmes and a simplification of bureaucratic processes*. Additionally, strengthening relations between SMEs and local communities, together with raising awareness on sustainability, will contribute to a more resilient, equitable and integrated tourism system.

The report describes the critical issues and needs that have emerged within the SME accommodation sector and serves as a key information base to guide the development of practical tools. The detailed mapping of the barriers and needs of accommodation facilities provides a clear picture that will be critical for the design of a sustainability protocol and a self-assessment tool. These instruments will aim to facilitate the adoption of sustainable practices, offering SMEs operational guidance and tangible support to assess their progress and implement more effective management models.