

# Executive summary

While the COVID-19 crisis put many economic activities on hold, notably tourism, a pillar of Granada's economy, and significantly affected people's lives and social well-being, it has also given renewed momentum to deliver more sustainable production and consumption patterns in line with carbon neutrality goals. At the same time, COVID-19 has provided an opportunity to rethink and reshape urban policies, and increased awareness of the circular economy's role in achieving carbon neutrality goals, whilst also stimulating economic growth, creating jobs, and improving people's lives and social well-being. The Spanish Recovery, Transformation and Resilience Plan (España Puede) set aside 37% of funds for its green agenda, including three main policy levers: urban and rural agenda and the fight against depopulation; resilient infrastructures and ecosystems; and, just and inclusive energy transition.

Granada is taking steps towards the circular and low-carbon economy transition. The recent transformation of a wastewater treatment plant into a bio factory resulted in increasing reuse of water and its transformation into energy, zero waste, zero energy and zero CO<sub>2</sub> emissions in 2020. The city is now exploring ways to apply circular economy principles in its urban policies, to cover a much broader range of activities, including:

- Services preventing waste generation, making efficient use of natural resources as primary materials, optimising their reuse and allowing synergies across sectors.
- Economic activities taking place in cities to be planned and executed in a way to close, slow and narrow loops across value chains to increase the durability of goods, reduce waste generation and promote sustainable production and consumption patterns.
- Infrastructure designed, built and operated to avoid linear locks-in, to increase resource efficiency, reusing and repurposing.

Granada has the potential to create a circular economy that capitalises on its main strengths: tourism and science. The city could generate positive environmental, social and economic impacts through greater circularity in sectors related to tourism by for example closing loops across value chains in relation to food, housing and mobility. As a city of science, Granada could also exploit opportunities to develop concrete links between digitalisation and the circular economy, using data and technologies that prevent waste and transform it into new resources.

The innovation that the circular economy can bring about has the potential of producing positive impacts and create new businesses and new job opportunities, in a city that, despite recent improvements, still has one of the highest levels of unemployment in Spain (28.4%).

Achieving this transition will however require overcoming a number of challenges, including: policy silos across municipal departments in charge of spatial planning, climate change and digital transformation in order to achieve common objectives and efficient use of human, technical and financial capacities; lack of effective collaboration on waste, water and transport policies across neighbouring municipalities; insufficient human, technical and financial resources to support businesses; and the need to increase awareness of sustainable consumption amongst citizens.

The city of Granada can play a role as promoter, facilitator and enabler of the circular economy but this requires a collective and coordinated approach across all stakeholders and levels of government.

To promote the circular economy, the municipality could:

- Create a dedicated municipal structure for the circular economy to coordinate actions towards the circular economy transition across municipal departments, building on the experience of the Municipal Office of Innovation, Smart City and Funds for Transformation.
- Define a circular economy strategy, starting with an urban metabolism analysis to map resource flows and consulting stakeholders to identify sector-specific goals, supported by financial and human resources for their achievements.
- Promote a circular economy culture, strengthening and expanding existing educational initiatives, as well as leading by example.

To facilitate collaboration among a wide range of actors to make the circular economy happen on the ground, the municipality could:

- Promote dialogue for cooperation on waste prevention and management; local food production and distribution, tourism and transport within the metropolitan area, in collaboration with the Province and the Region of Andalusia.
- Identify synergies across existing and future initiatives in Granada on climate change, smart cities, and waste management to enhance policy coherence.
- Establish collaborations around the circular economy with relevant players, such as technological centres, universities and the business sector.
- Experiment on circular economy projects at small scale (e.g. neighbourhoods) and facilitate territorial linkages with the surrounding rural areas.

To enable the necessary governance and economic conditions, the municipality could:

- Include circular economy principles into Green Public Procurement, and apply life-cycle analysis approaches.
- Explore funding options to accelerate the transition to the circular economy across businesses and in community based initiatives, including through participation in European calls for circular economy-related initiatives.
- Review and analyse the required skills and capacities for carrying out activities associated with designing, setting, implementing and monitoring the circular economy strategy.
- Support businesses by creating an incubator to promote circular economy projects; organising initiatives for the collaborative development of ideas for implementation in the most relevant sectors of the city; and creating a single window for the circular economy for businesses.
- Explore the innovative solutions that big data, the Internet of Things, machine learning and blockchain tools can provide to the circular economy (e.g. real-time information to make last-mile logistics more efficient).



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