



## EU Action Plan for the Social Economy

### REVES position

The European Network of Cities and Regions for the Social Economy (REVES aisbl) welcomes the intention of the European Commission to adopt and implement a European Action Plan for the Social Economy.

Social economy and its local networks play a fundamental role in European cities and regions: not only as a generator of (quality) employment, but also as a promoter of (economic) democracy, active citizenship, social inclusion and solidarity. It is an important partner for local and regional governments when it comes to building resilient communities, conceiving and implementing holistic local development strategies. Also in recent months, during the Covid-19 crisis, it was often partnership with social economy-related initiatives and alliances that enabled local and regional governments to rapidly react to a number of challenges in different fields where national (or European) responses were still missing. ...

Social economy is a central pillar for European recovery and transition towards a more inclusive, participatory and sustainable society.

Point of departure, however, for this recovery, is the local level, are local communities! It is here where social economy has its roots. It is here where it unfolds its innovation and mobilisation potential.

In addition, partnerships between the social economy and local/regional authorities provide a precious testbed for new welfare models which finally serve Member States and the European Union at a larger scale.

**REVES therefore urges the European Commission to create, in the different measures that will be proposed by the European Action Plan for the Social Economy, a strong link to the local and regional level. As a consequence, each proposed action should be assessed against its concrete impact in cities and regions.**

More concretely, REVES would like to draw the attention of the European Commission to the following points:

#### 1. Need for a better contextualization

REVES members appreciate the different initiatives taken by the European Commission in recent years to support cooperation between cities/regions and the social economy.

At the same time, REVES would like to encourage EU policy-makers to develop *all* future/upcoming policies and measures in a way to ensure

- a) That the local/regional perspective – the level on which social economy unfolds its activities – is strongly considered;
- b) That different programmes and initiatives are *accessible* to cities/regions wishing to develop/strengthen their *policies for* and *partnerships with* the social economy;
- c) that measures are developed in a way to better take into account the specific context in which territories find themselves and which might differ from territory to territory (different type of urban areas vs. different type of rural areas, peripheral areas vs. centres, different development stages, different cultures etc.)

Due to its specific features, social economy initiatives cannot be considered disconnected from their respective local context.

In this regard – and considering the strong focus of a number of EU policies and initiatives on urban areas, REVES would like to call on EU policy-makers to *also invest in the development of rural areas*.

Many rural territories face depopulation; register an increasingly aging population; have lost proximity services and experience economic depression... All of this makes it difficult for them to attract (future) investors. Isolationism increases, intensified by slower digital connections and in some cases a lack of digital literacy. Many of these areas lack a territorial development project anchored in a vision for the future. In this specific contexts populism is gaining ground.

Yet, in a number of regions rural areas demonstrate the huge potential they have – in partnership with the social economy - to (re-)create perspectives for the local population, including new generations. Projects realised by social economy organisations in partnership with local public authorities take rural areas as a value in itself. Nevertheless the encouraging results, this movement has to be boosted significantly - otherwise changes will not be as fast and extensive as needed to rapidly invert the previously described state of art.

Also policies and programmes for rural development should better take into account the specificities of the respective territories. An example here are mountainous areas (over a third of the entire territory of Europe) for which a number of rural development initiatives proved not to be suitable.

REVES deplores the emphasis of the current (and future) Common Agricultural Policy and support mechanisms for rural development on large scale (industrial) projects and a lack of elements that would clearly foster transition towards a stronger participation of stakeholders (involvement of consumers, workers, citizens in general) as well as social and environmental sustainability. . Provisions fostering partnerships and new models for rural welfare, including also social economy initiatives, do exist, but are not visible enough and do not seem to be recognized and used as models for transition in rural areas.

Studies and experience have shown the importance of small-scale projects for *sustainable development in* and *resilience of* rural areas. Small scale does not exclude impact also at a larger scale, if infrastructures for networking (including exchange of know-how) and partnership (including sharing of resources, among them digital infrastructure) between territories and players are ensured.

REVES calls on EU policy-makers to

- *establish a specific a task force involving GECES, the Committee of the Regions and intermediary organisations to ensure different EU measures take the local/regional perspective into account ;*
- *develop – eventually based on the outcome of the work of the aforementioned task force – a specific scheme of analysis based on which the usefulness/accessibility of adopted measures for the local/regional level can be assessed;*
- *re-conduct initiatives such as the Social Economy Missions (in cooperation with European networks representing local/regional stakeholders and after further adaptation of administrative procedures to the functioning of public authorities);*
- *reinforce cooperation with the Committee of the Regions and existing networks of local and regional governments.*
- *make the development and experimentation of new models of rural welfare explicitly part also of the New European Bauhaus initiative. Inspiration could be drawn from local/regional/national initiatives around the revival of rural areas (community cooperatives, village movements, etc.).*
- *launch new flagship initiatives - within CAP and the related EAFRD - which aim to explore and spread social economy- and partnership-based models of rural development as well as to stimulate networking between territories (hereby, synergies between different policy fields and sectors – such as the role of the cultural and creative sector in mobilizing citizens and resources for rural development - should be more deeply analysed).*

## **2. Going beyond sector-specific policies and programmes**

Despite some improvements in recent years, many policies and initiatives for the social economy at EU level remain very much sector-specific. This might be appropriate in some cases. However, REVES member cities and regions would like to draw the attention of the European Commission to the increasing importance and role of the social economy when it comes to the development and implementation of *holistic strategies and policies for territorial development in general*. Social economy, its networks and alliances showed their capacity to link *different* elements of local development strategies and welfare – employment creation, access to services, innovation, social inclusion, green and digital transition, etc.

In this context, REVES deplores, for example, the lack of ‘social’ elements in many European and national programmes and projects linked to green or digital transition – despite interesting and also impactful initiatives developed by local alliances around the social economy which integrate different elements (green – social – digital – cultural...) of territorial development.

REVES therefore welcomes the work of the social economy taskforce within the European Commission, but would encourage further intensified cooperation between different DGs and departments with a view to create stronger links between hitherto rather sectoral programmes and policies.

Partnerships between local and regional authorities and the social economy with regard to the conception and implementation of holistic local development strategies in general - should be made visible and encouraged throughout different programmes and policies.

REVES invites the European Commission to:

- *foster the participation of different DGs in GECES meetings, based on the relevance of topics under discussion;*
- *(further) promote involvement of social economy actors in programmes and initiatives where the social economy did not or rarely play a role up until now (e.g. initiatives linked to digital or green transition, mobility, agriculture – to name just a few);*
- *take inspiration from examples, in different cities and regions, of social economy involvement in the elaboration and implementation of holistic local development strategies and raise awareness on these models in different Member States and at EU level.*

### 3. Access to finance

REVES welcomes the increasing attention on the social economy in **EU programmes/funds**. However, even where funding is available, a number of cities, regions and social economy organisations report not to be able to access financing due to a lack of capacities (information&knowledge, human resources, ...) or inconsistencies among different legal environments.

Also local and regional authorities that *are* informed about the different funding possibilities still find them hard to access. In most cases, (administrative) rules and methodologies still differ from one programme to another. Cities and regions and social economy organisations – especially those that might not be in a position to have a specific EU or project department – feel they are not able to mobilise the competences needed to deal with this diversity of programmes.

REVES therefore encourages further initiatives improving *information for and capacity-building of* local and regional authorities as well as social economy organisations in the framework of the Cohesion Policy Funds, but also other EU-related programmes.

Increasing efforts have been made at EU level, in recent years, to push for the *accessibility to or development of appropriate financial instruments* supporting the development of the social economy. Here, however, REVES sees two main challenges and need for action:

1. These instruments remain rather inaccessible to a number of social economy initiatives (lack of competences/recognition by intermediaries managing these instruments, lack of capacity to follow necessary procedures, lack of guarantees, ...).
2. Despite discussions and an increasing attention on the topic, in a number of Member States there is still no political will to initiate major and more extensive investments in financial support and financial instruments for the social economy.

Another problem reported with regard to accessibility of different EU programmes that could be used to boost the development of the social economy is the lack of financial guarantees.

With regard specifically to initiatives related to the European Recovery Plan REVES is concerned by the fact that certain EU programmes and financial instruments such as those proposed, for example, in connection with Next-Generation EU *mostly seem to focus on* or are in the end *mainly accessible for* macro-projects coordinated mainly at national level. Cities and regions working in cooperation with

the social economy fear not to be able to access a large part of the funding available for investment in local development processes.

REVES therefore invites the Commission to bring the topic of vertical cooperation and involvement of the local/regional level more strongly into discussions with the individual Member States.

Finally, REVES would like to signal an urgent need to reshape certain programmes and procedures – some of which have initially been designed for funding of activities run by enterprises - in order to better take into account internal procedures and functioning of public authorities. For the moment and still too often, inappropriate procedures are an obstacle to participation of local/regional authorities in these programmes/projects or make this participation very difficult.

*REVES encourages the European Commission to:*

- *stimulate and provide instruments for capacity-building for social economy, but also public authorities to enable them to access various programmes AND invest in human resources able to support them in related procedures;*
- *adapt legal requirements for the access of funds and financial instruments so as to facilitate the participation of social economy-based partnerships (e.g. with public authorities);*
- *further encourage peer-learning among public authorities and social economy organisations regarding access and use of existing and new funds and/or financial instruments for the promotion of (partnerships around) the social economy – involving also relevant European organisations, the Committee of the Regions and members of national and regional parliaments;*
- *further carry-out awareness-raising and information campaigns on different financing opportunities – funds, existing financial instruments and new opportunities linked to Next Generation EU etc. - and support peer-learning (e.g. following the example of the ESF Transnational Learning Platforms – even though this should not be limited to ESF!!);*
- *develop initiatives targeting financial actors (alternative finance, but also traditional financial players) to mobilise financial guarantees;*
- *pilot a guarantee scheme adapted to social economy organizations, to ease their participation;*
- *strengthen awareness-raising on existing and creation of new alliances between social economy, public authorities and other type of actors to increase the availability of financial guarantees for the social economy (e.g. in the context of Cohesion-Policy-Funds).*

#### **4. The importance of smaller social economy projects/community initiatives and recognition of the “non-commercial” part of the social economy**

The Covid-19 crisis – but not only! - has once again shown the importance of community initiatives and their contribution to solving vital challenges at local and regional level. Even though most of these initiatives are rather of limited size (micro and small), partially also of informal character, they have proven to be impactful and generators of social innovation. They have become a driving force for “competent communities” and a strong pillar for the resilience of territories.

Yet, often, these initiatives (and their partnership with cities/regions), due to their size and sometimes also form, have difficulties in accessing (EU) funding. More decentralized support (e.g. in the context of CLLD), but also investment in capacity-building is vital.

In addition, local and regional social economy initiatives (among them the aforementioned ones) report difficulties in accessing different EU programmes also for another reason: Due to their non-profit or sometimes even due to their not-for-profit character they are not necessarily recognized as 'enterprises' in different Member States or even in certain programmes at EU-level (including COSME).

*REVES encourages EU policy-makers to:*

- *revise eligibility criteria for different programmes and financial instruments to facilitate the participation of smaller social economy organisations and initiatives;*
- *improve accessibility of EU programmes and funds for smaller social economy initiatives through awareness-raising, investment in capacity-building targeting specifically smaller entities, further simplification regarding administrative procedures and the establishment of selection criteria ensuring – wherever possible - a minimum balance between funding for projects of different size;*
- *further promote Community-Led Local Development (CLLD) approaches and build on the model and existing good practice to inspire their take-up also in other EU programmes and policies (beyond Cohesion policy);*
- *explore existing and stimulate the development of new partnerships between less formalized community initiatives, social economy organisations and local/regional governments. Integrate this topic in the follow-up/continuation of work on social economy clusters;*
- *encourage a revision of the EU definition of the term “enterprise” such as it has been stipulated in Art. 54 TFEU.*

#### **5. Revision of State Aid rules:**

State aid rules remain a major obstacle for partnerships between the social economy and public authorities. Social economy enterprises, including cooperatives, should be able to raise capital in ways that do not conflict with their respective ownership constructions.

Member States should be allowed to implement financial schemes which help cooperatives/social economy to attract capital without this being considered to violate state aid rules (and the internal market).

The cooperative business model, for instance, has proven to form stable and resilient businesses. Yet, access to capital can be a challenge, because cooperatives raise capital among their members/constituents/in local communities. Fostering 'sustainable, smart and inclusive growth' should also mean encouraging European citizens to invest in enterprises and organisations which are important to them: local social enterprises, employee-owned enterprises, customer-owned enterprises, community-owned enterprises and organisations etc.

The current state aid rules allow for government aid to help SMEs access finance. However, exemptions such as those expressed in art. 21 of Commission Regulation (EU) No 651/2014 of 17 June 2014 lead to government schemes which provide aid to growth/high risk enterprises and exclude cooperatives and other type of social economy enterprises.

The text reads:

*Eligible undertakings shall be undertakings which at the time of the initial risk finance investment are unlisted SMEs and fulfil at least one of the following conditions:*

*(a) they have not been operating in any market;*

*(b) they have been operating in any market for less than 7 years following their first commercial sale;*

*(c) they require an initial risk finance investment which, based on a business plan prepared in view of entering a new product or geographical market, is higher than 50 % of their average annual turnover in the preceding 5 years.*

Several EU Member States have investment schemes which provide for tax reductions if a private investor invests in companies responding to the above criteria. However, citizens cannot receive tax reductions for investments in social economy enterprises/cooperatives which are older than 7 years. Yet, cooperatives and other type of social economy enterprises rarely raise capital in one go, but slowly and incrementally.

In the UK (before Brexit), under a specific “Social Investment Tax Relief scheme” citizens were able to receive tax reductions when investing in social enterprises, but this was then considered as de minimis state aid and the amount allowed for was therefore lower.

*REVES urges EU policy-makers to:*

- conduct in-depth studies on opportunities and limits of models such as the Social Investment Tax Relief scheme in the UK;*
- launch an in-depth analysis exploring and raising awareness on the potential of citizen investment (as members, active supporters and partners from the local community, etc....) in social economy enterprises, including an analysis of regulation (state aid legislation and other) setting limits to this potential ;*
- revise existing state aid legislation so as to create fair opportunities for public authorities and – indirectly - citizens to invest in social economy enterprises as key players in the transition to resilient territories and generators of quality employment;*
- undertake the above revision in cooperation with experts also from the social economy.*

## **6. Partnerships: Going beyond Public procurement**

Much still needs to be done to encourage and enable public authorities at local and regional level to use possibilities provided by the European public procurement directive for cooperation with the social economy.

An increasing number of local and regional governments acknowledge the importance of integrating elements linked to principles such as social inclusion, gender equality, conciliation between family life and work, or equal access to services into public procurement procedures. At the same time, due to legal insecurities and lack of know-how, authorities remain rather cautious regarding social public procurement .

The “Buying for social impact” seminars organized by the European Commission in recent years were highly appreciated and should be continued at national and regional level – bringing together cities and regions, but also different Member States. Moreover, further capacity-building measures and peer learning opportunities should be realised. They should be based to a large extent on action-based

learning and exchange around concrete practices - *including open exchange around bad practice and how to deal with possible 'worst case scenarios.*

Yet, at the same time, REVES cities and regions would also like to highlight an increasing conviction of the inappropriateness of using public procurement as a means to stimulate and reinforce cooperation between public authorities and social economy due to its strong competition element.

To mobilise all local potential for development (and recovery) it is necessary to bring different actors together in a spirit of cooperation – a basic value and fundamental pillar of the social economy and its initiatives. REVES cities and regions are aware of this potential and would like to build on it – however, the very much competition-based public procurement procedures rather represent a countercurrent in these dynamics.

Models such as the Swedish IOP (idea-based public partnerships) or cooperative approaches to public procurement such as those experimented by the Italian city of Brescia should be more strongly explored and further experimentation be encouraged.

*REVES encourages the European Commission to:*

- *organize and/or support further editions of national training seminars and (transnational) peer exchange for public authorities regarding the application of the European public procurement directive and procurement partnership with the social economy;*
- *complement existing guidance material with a publication focusing on common errors regarding social public procurement and ways to solve these;*
- *more strongly explore and support the experimentation of alternative approaches that (could) replace public procurement or provide an alternative to existing procedures;*
- *revise the public procurement-related directives in order to better clarify the reference framework for public-social economy partnerships involving the use of public finances.*

## **7. For a social (economy-based) digital transition**

Digital transition has to serve Europe's population and its territories. It should not be considered an end in itself.

Therefore, REVES strongly recommends EU and national policy-makers to develop digital transition-related programmes and initiatives less from a "promotion of businesses and start-ups" point of departure, but with the objective to promote infrastructures for the development of resilient communities and territories.

The potential of initiatives in the field of digitalization to respond to multiple aspects of (local) development should be better taken into account when assessing their added value.

In different parts of Europe social-economy-based initiatives in the field of digitalization – such as platform cooperatives - have emerged or are being developed which respond to several challenges at a time, linking economic development, social inclusion & participation and other elements.

Yet, much still needs to be done to enable the social economy to fully unfold its potential in digital transition processes.

To provide just one example: The experience of REVES members shows that, in the field of digitalization and social economy, investments in *material resources only* might not have any impact, if they are not accompanied by the necessary investment in human resources, skills and competences which often prove to be insufficient. EU policies and programmes should promote and support the integration of high qualified professionals in the social economy sector, programmes helping social economy organisations to modernize and/or fully use their potential through the development of co-labs in partnership with other players such as universities, local&regional governments, etc.

Another challenge that is being observed with regard to initiatives and policies is a lack of coordination between different initiatives and the organisations or sectors *in or through* which they are being developed. EU-initiatives should therefore not only support the development of digital solutions, a functioning infrastructure and capacity-building, but, beyond that, should also stimulate coordination and cooperation at a more system-oriented level to create and maintain an environment in which single projects can unfold their full potential.

Also and more specifically, REVES would like to draw the attention of EU policy-makers on the topic of the platform economy. Local and regional politicians, scientists, associations of small and medium-sized enterprises (including the social economy) are increasingly warning of the apparent 'side-effects' big platforms such as AirBnB or Amazon have on people's quality of life, fundamental rights and the development of cities and regions in Europe.

REVES welcomes initiatives launched at EU level regarding, for example, working conditions of platform workers and the intention of EU policy-makers to better regulate these platforms and support their monitoring.

At the same time REVES encourages EU policy-makers to more deeply explore the potential of platform cooperatives. Their model and practices point the way for (socially) sustainable change that promotes people and regions, creates high-quality jobs, counteracts discrimination and strengthens rather than undermining solidarity and democracy. Platform cooperatives have proven their ability to respond to concrete local challenges and create local employment whilst developing partnerships based on a sharing of knowledge, infrastructure and other resources also at national and European level. Their great potential is still very much underestimated.

Together with other European and international organisations, REVES has developed a specific position paper on platform cooperatives which can be found [here](#).

*REVES encourages EU policy-makers to:*

- *further develop and invest in specific capacity-building measures for social economy structures in the field of digitization and digitalization and, hereby, also take into account – as much as possible - the specific local/regional context in which they operate (e.g. providing opportunities also for social economy in less developed or rural areas to have access to support measures);*
- *through programmes such as Horizon Europe: conduct research on the role of more systemic multi-stakeholder cooperation in enhancing the potential of digitization and digitalization of single social economy initiatives (e.g. in the field of health, but also culture, mobility, etc.), including in the framework of holistic local/regional development strategies;*
- *raise visibility of the (model of) platform cooperatives as pioneers for a fair, transparent and democratic digital economy;*

- *further promote research on the added value of platform cooperatives – compared to other type of platforms – for local/regional development;*
- *stimulate the development of platform cooperatives and their access to finance in SME-related policies and programmes, through Cohesion Policy Funds and RRF-related initiatives;*
- *promote partnership between platform cooperatives, platform cooperatives and other players, but also between municipalities and regions (of different European countries) on the topic of platform cooperativism.*

## **8. Green transition**

Social economy initiatives all throughout Europe and their partnerships with cities and regions have proven that it is not only fundamental, but also possible to link green transition with action towards social progress.

REVES calls on EU policy-makers to launch initiatives allowing to more strongly explore the role of the social economy in green transition in different EU Member States and regions and make it better visible. In this context, attention should be given not only to green and social elements regarding the *final* outcome of activities, but also to aspects such as (participatory) governance and community involvement. Social economy should be recognized as an important player when it comes to conceiving and implementing initiatives for green transition.

This also applies to the circular economy. There is a great potential for synergies between the social and the circular economy. It is often emphasized that the circular economy takes social sustainability into account, that it must be fair and that social inclusion can have added benefits. However, there are rarely any reports or statements on how social aspects should be integrated in initiatives of the circular economy. Concrete indications are also missing in the EU action plan for the circular economy.

REVES members see an obvious risk that the circular economy is shaped on the basis of the structures of the linear economy (even though a number of social economy initiatives in the field of the circular economy do exist and could serve as a model). Although resource flows are described in new ways, there is a great risk that the circular economy will be “populated” by the actors from the linear economy and will be based on the same type of business models.

REVES sees a great need to describe, explore and build the circular economy as a new form of economy that lets in other types of actors and where more perspectives can be accommodated. The European Commission and other EU policy-makers should strengthen the - existing and necessary future - strong links between the circular economy and the social economy.

Initiatives for the promotion of green transition, including circular economy, should have, as much as possible, a regional dimension in order to respond better to the sometimes very different realities and state of progress in EU cities and regions.

*REVES calls on EU policy-makers to:*

- *continue stimulating research on and visibility of the role and potential (also in terms of governance and mobilization of citizens) of the social economy model in green transition (including the circular economy);*
- *develop programmes stimulating social economy initiatives in the field of green transition that are able to take into consideration specificities of a territory or specific groups (focusing not*

*only on 'light house initiatives', but providing also an opportunity for those lagging behind to improve their performance)*

- *provide for and stimulate investment in capacity-building of social economy organisations and public authorities;*
- *promote interregional cooperation on local transition strategies linking green and social aspects – also, but not only through INTERREG and Interregional Innovation Investment or Horizon Europe (action-based research);*
- *stimulate further research and competence-building on linkages between green and social procurement.*

## **9. Cooperation between social economy and other type of enterprises**

REVES encourages EU policy-makers to further explore and stimulate different type of cooperation between the social economy and other type of enterprises.

Private procurement or cooperation between the social economy and other type of enterprises in the framework of *public* procurement are topics that should be deepened.

However, efforts should not be limited to this type of cooperation and the role of the social economy as a service provider only.

Local and regional governments in several European cities and regions have also launched initiatives to stimulate a spill-over of values and practices from the social economy to other type of enterprises (beyond CSR!). Social economy is seen as a driver of transition and innovation - a model for democracy and participation also in the economy, for economic activities with an added value for territories and their citizens.

In this context, REVES welcomes the efforts made by the European Commission and the GECES expert group to work on clusters including the social economy and, more specifically, on *social economy* clusters involving also other type of enterprises. The topic should be brought further into other initiatives and exchange at EU level, including those initiatives developed and promoted by the Enterprise Europe Network.

Finally, an increasing number of cities and regions recognize the social economy model – and in particular workers' cooperatives - as a possible solution to the succession problem of enterprises. Different initiatives and tools – from awareness-raising over training to the creation of specific financial instruments have been set up. Yet, the model and already developed instruments are still not known to a large number of local/regional policy-makers and enterprises. REVES calls on EU policy-makers, including the European Commission, not only to intensify existing initiatives strengthening the visibility of the workers' coop model and capacity-building – using also ERDF/INTERREG-related instruments - but also to bring the topic more into EU enterprise policy/SME policy and related fora in general.

*REVES encourages EU policy-makers to :*

- *stimulate further research on and experimentation of cooperation between social economy and other type of enterprises in the framework of public and private procurement;*
- *further explore and stimulate cluster-type cooperation between the social economy and other type of enterprises (going beyond the analysis and promotion of clusters in which social economy acts exclusively as a service provider);*

- *launch research on the potential of the social economy (model) and its partners (including cities and regions) to stimulate new models of governance for and democratisation of other type of enterprises;*
- *extend awareness-raising campaigns, peer exchange and training programmes on worker cooperatives in cooperation with social economy actors, SME platforms and chambers of commerce, local and regional governments, etc.;*
- *promote capacity-building of public and (social) private entrepreneurship support bodies with regard to the accompaniment of worker cooperatives and worker buy-outs.*

## **10. Social Innovation and experimentation**

Recent initiatives launched in the context of Covid-19 have shown it once again: Local partnerships around the social economy and related community initiatives are an important motor of (social) innovation. Due to their local roots and networks they are able to mobilise resources and contribute – beyond the creation and provision of new services and products – to the development and implementation of new models of territorial organization making local communities more resilient to a diversity of challenges.

REVES would like to point to the fact that it would be incoherent to promote a more resilient Europe linking innovation mainly to the field of technology. Innovation should be fostered as a holistic concept responding – with a combination of different elements (technological, green, social, procedural, etc.) - to the final objective to tackle multi-faceted challenges, promote cooperation and therewith serve people, territories and the planet. So far, at EU and Member State level, main funding for innovation has been channeled to traditional research and innovation environments – much less to the social economy or social innovation bodies or forums established in several EU cities and regions in cooperation with the social economy.

The innovation potential at local/regional level – which builds on responses to very concrete local needs in a very concrete local context, but which has finally always led to the development of models serving also national and EU policies - should be given an even greater attention at EU and Member State level. In this context, a better environment for **experimentation** should be created and experimentation be encouraged.

This also means incentivizing sociopolitical support of (social) innovation and related experimentation, beyond the social economy sector (including, for example, universities, public authorities, other type of enterprises).

Stronger cooperation with universities could help social economy organisations and their partnerships with other type of players to further improve their knowledge as well as their skills and capacities, including their capacity to evaluate their own performance and find solutions to identified problems.

*REVES encourages EU policy-makers to :*

- *develop programmes stimulating (social) innovation and experimentation and the set-up of conducive eco-systems around the social economy that are accessible also for smaller initiatives and different types of territories (innovation is happening and needed not only in urban areas on which many of the current existing programmes on innovation focus) – such programmes could, for example, provide incentives for the creation of collaborative labs;*

- *stimulate exchange among national governments – e.g. through the Monitoring Committee of the Luxembourg declaration – on experimentation, including examples involving (temporary) adaptations of the national legislative framework such as TZCLD in France;*
- *ease bureaucratic burden for smaller projects and organisations;*
- *reinforce capacity-building also and in particular for smaller projects and organisations;*
- *improve connections and exchange between existing projects and initiatives and stimulate exchange between them and policy-makers at different level (REVES members deplore a lack of opportunities for contacts and exchange between project funded for example in the framework of EU Cohesion Policy, including EARDF);*
- *explore possibilities to re-adapt (prolong) the time frame for successful projects;*
- *improve and monitor partnership – including the involvement of social economy and civil society - in the framework of European Cohesion Policy (e.g. by introducing relevant information on stakeholders involved in the Open Data Portal);°*
- *in the context of programmes such as Horizon Europe: further step up research in the social economy field, through the employment of postgraduate researchers in the sector or creation of research scholarships; incentivise encounters such as bootcamps bringing together researchers, the social economy and interested public authorities.*