



RESPONDET
REGIONAL SOCIAL ECONOMY POLICIES
FOR SUSTAINABLE COMMUNITY-DRIVEN
ENVIRONMENTAL TRANSITION -

Final Recommendations



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RESPONDET Final Recommendations

At European level, but also in an ever-growing number of European regions and cities, the social and solidarity economy seems to be increasingly recognized as an important partner for local development, including green transition. A number of strategies, policies and programmes have been launched to strengthen this role.

However, RESPONDET partners still see much room for improvements on the side of policy-makers and public authorities, the social economy ecosystem, local communities themselves and other players. Hereafter, main proposals raised during different moments of transnational and local exchange – the mission workshops, discussions with local stakeholders, the European Policy lab, or the final webinar – are summarized. A first series of recommendations focuses specifically on the promotion of social economy-based community energy initiatives and circular economy, the following on more general framework conditions linked to capacity-building and governance/partnership.

A) Community Energy Initiatives

1. In some EU Member States relevant EU directives (2018/1999, 2018/2001 and 2019/944), which are a fundament for an explicit recognition and development of community energy initiatives – especially, but not only through a definition of (rules around) Citizen Energy Communities (CEC) and Renewable Energy Communities (REC) - have not yet or only partially been transposed. This creates a number of legal uncertainties for community energy initiatives. RESPONDET partners call on Member States to become (more) active by **accelerating the full implementation of the directives and/or clarifying related national legislation** (including aspects such as cooperation with distribution system operators etc.). This should be done *in the framework of a genuine multi-stakeholder dialogue* - taking into account experiences and proposals of already existing community energy initiatives, local and regional authorities, experts, social economy, civil society, academics and others.

In this context, RESPONDET partners ask the European Commission to further monitor and push for the implementation of the aforementioned directives.

2. Monitoring of the implementation of National Recovery and Resilience Plans, but also operational programmes related to EU Cohesion Policy, and the possible review of these plans and programmes at the national level are another opportunity to encourage the promotion of community energy initiatives.

3. No other type of actor corresponds, with its principles and characteristics, as closely to the main features listed in the EU definition of Citizen Energy Communities (CEC) and Renewable Energy Communities (REC) as does the social economy. RESPONDET partners therefore call on the European Commission, Member States and regions to explicitly **recognize – in the implementation and possible reviews of EU directives - the role of cooperatives and other type of social economy organisations in the promotion of community energy initiatives.**

4. EU and national legislation should include provisions - or leave flexibility to local/regional authorities to formulate specific criteria for citizen/renewable energy communities - which contribute to **better identify and act in view of “false” renewable energy communities**, e.g. initiatives set up by multinationals without giving citizens and local communities a real possibility to own, manage and control the activities of the energy community. The latter are often also a reason for resistance of citizens face to renewable energy projects.

In case specific criteria are formulated by local/regional authorities this should be done, however, respecting the principle of proportionality and without introducing additional administrative burden for citizen initiatives.

5. **Citizen/renewable energy communities - in particular if clearly based on social economy principles - pursue general interest objectives.** This should be better recognized – even more so, if the initiative pursues multiple objectives, including for example energy sharing schemes aiming to address energy poverty or the active involvement of disadvantaged households. As a consequence, **European and national policy-makers should make use of the possibility to exclude these initiatives from state aid rules.** This would also facilitate the participation of local/regional authorities in these initiatives which may contribute in a significant way to local/regional development.

6. **As long as an exclusion from state aid rules through a clear recognition, in national legislation, of the general interest character of citizen/renewable energy communities has not been realised in EU Member States, a revision of European State Aid rules should include an increase of the de minimis threshold for these initiatives**, thereby recognizing the substantial investment necessary especially in the start-up phase of many of these communities.

7. Incoherences in legislation concerning renewable energy policies and other policies - such as those promoting entrepreneurship, to provide just one example - are another obstacle in the development of community energy initiatives. European, national and regional policy-makers are therefore strongly encouraged to carry out an **(ex-ante) assessment of the impact of different policies on the creation of an appropriate eco-system for citizen/renewable energy communities and strive for a more coherent policy framework in general.**

8. The often complicated and lengthy administrative procedures in place in many EU Member States when it comes to REC and CEC and related installations, as well as sometimes large incoherences regarding administrative rules and capacity at different level (e.g. local and regional), are a significant obstacle for their development. **Member States and competent regions should cooperate and revise/align administrative rules and procedures**, but also provide **capacity-building to civil servants enabling the latter to acquire knowledge (going sometimes also beyond their concrete field of expertise) on the specific cases and characteristics of citizen/renewable energy communities and related legislation** in order to adapt procedures and services. In the framework of such capacity-building measures, specific attention should also be given to conveying knowledge on the specific characteristics and functioning of the social economy, including cooperatives.

9. Community energy initiatives are a rather recent phenomenon in a number of EU Member States. Uncertainties and a lack of experience still exist regarding the legislative framework (in particular in cases where an – appropriate – legal framework is still missing), business and financing models, governance and ways to better involve citizens, to name just some examples. **Member States, regions and municipalities should jointly create opportunities for experimentation in these fields (e.g. through “sandbox experiments”)** and integrate results in a review of legislation, appropriate services, financing schemes, etc. The European Union should encourage this kind of experiments through programmes such as Horizon EU – in this context it appears, however, important not to focus on quantitative aspects and results in the first place, but on the development of replicable concepts and models (including governance, citizen involvement etc.). Moreover, with regard to innovation the focus should not be on technology only. Also social innovation has to be encouraged (with regard to energy, for example, more experimentation and innovation with regard to energy poverty, energy sobriety and related topics is urgently needed).

10. Community Energy Initiatives often require a significant investment in particular, but not exclusively, in their start-up phase. Local communities are not always able to raise the amount needed from the start. Member States and regions should **support work on appropriate financial mechanisms and programmes providing start-up financing, but also opportunities for financial support at a later stage**. The initiatives developed by specific public investment agencies focusing specifically on the social economy, including loan-to-grant financing models, but also models combining public and citizen finance or other already existing experiences in different EU Member States and regions can serve as an inspiration.

11. Likewise, **structural funding covering staff costs of community energy initiatives in their launching and development phase** might boost the emergence of these projects. A number of citizen/renewable energy communities rely on the contribution of volunteers and/or do not (yet) have sufficient human resources. This has also an impact on their capacity to raise financing and/or extend their activities.

12. In a number of Member States, public authorities tend to rather fund larger structures at the expense of smaller initiatives. **Smaller projects and their replication should be promoted much more**. Organisations such as Som Energia, Societat Cooperativa

Catalunya have shown the strength of smaller, though well-connected, projects, their potential to mobilise and involve citizens and therewith their contribution to green and social transition.

13. Public authorities might also decide to **support community energy initiatives in other ways, providing resources such as land, buildings, administrative support or training**, to name just a few means of support. Policy-makers and public administration should evaluate existing possibilities in their city/region and discuss their potential with local stakeholders, including citizens.

14. **Programmes and financing related to Recovery and Resilience Plans, but also Cohesion Policy, as well as other European, national and regional policies should be used also to implement capacity-building measures** enabling local communities to ask for and make use of existing support measures. The latter does not always happen due, amongst other aspects, to a lack for example of (human) resources or know-how.

15. Member States, but also and in particular regions and municipalities should stimulate the **creation and strengthening of a multi-actor eco-system supporting community energy initiatives at different level (starting from neighbourhoods)**. Incentives for cooperation between these players should be given. These networks are not only of great importance when it comes to raise funding - they also help increasing visibility and acceptance of community energy initiatives and to mobilise different type of competences and other resources.

16. Much still remains to be done in order to **mobilise citizens** as active members and/or supporters of community energy initiatives. Member States, regions and municipalities – in cooperation with other actors such as social economy, civil society, media or organisations in the field of education and training - should **realise appropriate information and awareness-raising activities. These activities should enable citizens to better understand the added value of community energy initiatives, cooperation and the multiple roles citizens take in these initiatives**. Media campaigns, public events at different level (including events such as the Social Forum) or boot-camps with all stakeholders involved in the creation and support of community energy initiatives are only some of the possible instruments that could be used for this purpose. Information and awareness-raising actions should be based to a large extent rather on a positive narrative which also highlights the added value of acting as a community.

17. Referring to the previous point: **Specific attention, in awareness-raising and capacity-building measures, should be given to disadvantaged persons and households** which still too rarely participate in initiatives linked to local energy communities, energy sharing etc. Projects linked to the renovation of social housing, for instance, could be an opportunity (and examples exist!) to actively approach (future) beneficiaries.

18. The EU definition of the models of 'renewable energy community' and 'citizen energy community' reflects to a large extent the values and principles of the social economy. Municipalities, regions, Member States, European policy makers and civil servants might therefore link their efforts to raise awareness on these models with **providing higher visibility of the social economy concept as such**.

19. Competent public authorities, in cooperation with the social economy and players in the field of education and training, should **ensure an appropriate educational offer for different age groups which either integrates the topic ‘community energy initiatives (and social economy)’ in existing modules or creates new learning opportunities of different format.**

20. Likewise, **citizens** should have access to capacity-building enabling them to **better understand the functioning of the electricity market** and the functioning of installations for the generation/distribution/consumption of renewable energy.

21. **Exchange, capacity-building and mutual learning on the topic “community energy initiatives” between different policy departments, institutions and organisations** should also be stimulated.

22. Finally, RESPONDET partners propose a specific European taskforce to be set up which would bring together different representatives of the European Commission, practitioners, civil society, researchers and policy-makers (local/regional, national European ...) to work on topics raised in the aforementioned proposals and exchange best practices.

B) Circular Economy

1. A number of public strategies and policies promoting the circular economy still seem to consider the latter also and above all as an opportunity in terms of economic development to be promoted mainly among ‘mainstream’ enterprises. The potential of the social economy in this field, its initial role as a main pioneer of circular economy approaches and the importance to combine objectives linked to sustainable development, economic development and social cohesion are not yet recognized and considered enough. EU policies have an important potential to mobilise policy-makers at local/regional level – also and in particular with regard to green transition. **RESPONDET partners therefore invite EU policy-makers to more explicitly highlight the added value of circular economy activities based on social economy principles** which lies, amongst other aspects, in the creation of fair employment, the integration also of most disadvantaged groups into the labour market and society, the mobilization of the population, the stimulation of cooperation and the creation of networks able to enhance solidarity and mutual learning. All this supports an inclusive green transition.

2. **Even where policies for the promotion of the social economy exist, stronger links need to be created - at the EU, national and regional/local level – between these and policies promoting the circular economy.** Examples where this has been done and is further improved exist already (e.g. Wallonia Region).

3. **Programmes/financial support for the circular economy should become better accessible for and adapted to the needs of a diversity of enterprises, including the social economy.** For the moment, in a number of cities/regions, social economy is still too often considered as a kind of “niche” with some specific measures, but it has problems accessing the – often more numerous - initiatives that target above all mainstream enterprises.

4. RESPONDET partners invite policy-makers and public administration at different level to **more strongly promote – also and especially through financial support measures – the integration of social economy principles in circular economy practices and projects.**
5. Developing integrated support measures that are accessible as much for social economy and/or social economy-based citizen initiatives as for other type of enterprises might also provide opportunities to **encourage stronger cooperation between these different players and a spill-over of practices based on social economy principles.** This presupposes, however, to avoid initiatives in which the social economy is automatically pushed into a role as a 'junior partner' or 'client' and 'last part of the chain' without any opportunity to co-develop the initiative together with the other partners. Practices promoting cooperation such as they have been developed in the region of Catalunya might provide inspiration here
6. At the same time, **evaluation systems should be developed and applied which help counteracting the currently increasing risk and practices of 'green washing' and 'social washing'.** One of the possibilities are, for example, **labelling processes** developed and realized in cooperation with, amongst others, the social economy.
7. **Support instruments should target also smaller, less formalized citizen initiatives in the circular economy which follow social economy principles.** Apart from being an important vehicle to mobilise local communities, these initiatives often prove to be a fertile ground for experimentation and therewith also innovation (see, for example, the development of relevant maps and services by citizens in Cracow or the Mercato Circolare in Turin).
8. As also in other areas, the **simplification of administrative procedures** linked, for example, to the application of financial support, is a key condition for the success of support measures.
9. **Communication of existing support** – be it finance, advice or other – is another crucial element in the promotion of social economy-based initiatives in the circular economy. Often, in particular smaller citizen initiatives, but also other social economy players are not aware of existing opportunities. Here, RESPONDET partners consider the establishment for example of **online platforms centralizing different type of information in a kind of "online one stop shop"** useful. At the same time, **communication campaigns** raising the awareness of citizens on the existence of these platforms should be carried out.
10. Public authorities should **more strongly evaluate and explore possibilities of green and social public procurement and develop appropriate measures (including guiding legislative and administrative acts)** which enable public administration to actively apply such approaches.
11. Social economy players are often not directly – or to a very limited extent – involved in the **co-construction of public policies** relating to the circular economy. **Local and regional governments should dare to implement stronger participatory approaches**

(initiatives such as the Eco-Małopolska Council or the Circular Economy Council in Wallonia might provide some inspiration here).

12. Local and regional authorities, in cooperation with the social economy, civil society, academic actors and other players, should use the current momentum circular and social economy receive - but also opportunities provided with the Recovery and Resilience Plans or the start of the new Cohesion Policy-related programming period – to **develop and/or promote capacity-building**. Measures in this field are necessary to enable different type of actors (reaching from public administration over social economy and other type of organisations and enterprises to citizens) to a) become aware of the large potential and added value of social economy practices in the circular economy, b) support the latter with appropriate tools and/or c) become (more) active in the circular economy and apply circular (economy) approaches.

13. Initiatives promoting capacity-building for green transition (including circular economy practices) should **consider social economy enterprises (active in the circular economy) not only as potential beneficiaries, but also as a provider of skills** (participatory management, mobilization and team work-related skills, digital skills for example with regard to technologies facilitating participation in the labour market of disadvantaged groups, etc.). The capacity of the social economy also in this field is often under-estimated and under-exploited.

14. RESPONDET partners still perceive a need for **stronger campaigns and actions which would increase the awareness and knowledge, among the population, of the added value of social economy-based initiatives in the field of the circular economy** in terms of sustainable local development, social cohesion, employment creation etc. Moreover, **appropriate tools should be developed and/or be better made visible which allow citizens to identify ways and means to adopt and support circular practices in their immediate environment**. In this context, campaigns organised in cooperation with local media, or events might sometimes have stronger effects than other type of instruments.

C) Social economy as a key driver of green transition – Strengthening capacities of all players

1. Policies promoting (social economy-based initiatives in the field of) green transition, including circular economy and community energy initiatives, should not be considered mainly another means to promote yet new possibilities for economic growth. They should be seen above all as an instrument to create decent living conditions for everyone that are intrinsically linked with the preservation of the planet and its resources.

2. Policy-makers should further strive towards more integrated approaches of policy-making which overcome sectoral approaches and foster better communication and cooperation between different policy departments and services: much potential to fully develop the capacity of local communities to create social economy-based initiatives in the field of community energy and circular economy is lost due to legislation and support measures which in many cities/regions are often still rather punctual, sometimes

incoherent, not always known or not tailor-made to the specific characteristics and needs of the social economy. In this context, also public budgets should be less sectorised – common budget envelopes could be (much more) developed for specific transversal topics touching on the competences of different ministries.

3. Administrative procedures at different level (local, regional, national...), but also of different policy departments should be harmonized as much as possible – their incoherence is another major hindrance for community initiatives in the field of energy or circular economy to emerge and/or further develop their activities.

4. Legislation, including legal definitions, should be adapted with a view to better stimulate social economy initiatives in the field of community energy and circular economy, taking their specificities better into account and thus allowing them to deploy their full potential.

5. Programmes and measures supporting diverse initiatives for green transition, also in the field of (renewable) energy and circular economy, should be made *more accessible for* and *communicated to* social economy-based community initiatives of different size. They should take into account the specificities (including potential also in terms of social inclusion etc.) of these type of initiatives and stimulate spill-over to other type of enterprises based on clear principles and criteria, thereby also avoiding the “green and social washing” risk. It is not always necessary to create entirely new programmes and instruments, but to adapt what exists, if necessary, and – above all – make it known to potential beneficiaries.

6. Cities and regions should more strongly engage in awareness-raising campaigns on the (potential) role of the social economy in green transition which should target politicians and public administration, the local population in general, but also the social economy as such: even in territories which are rather pioneers regarding the development of policies promoting the social economy, the potential of the latter when it comes to develop and implement community energy initiatives or initiatives in the field of the circular economy is often rather unknown.

7. Possibilities for different groups of the local population, including different age groups, to acquire knowledge on the added value of the social economy model – also in fields such as energy and circular economy – and related know-how are of utmost importance and still very much lacking in schools, universities, adult education centres and other educational institutions. RESPONDET partners see a need for the promotion of life-long learning on these topics and the application of an interdisciplinary approach.

8. Policy-makers, in cooperation with social economy umbrella organisations and federations, civil society, universities and other actors, should support the development of databases, online platforms and other systems which allow for the collection of data on existing activities and experiences of social economy-based initiatives in green transition – including circular economy and community energy initiatives. This information should be as much as possible made accessible to different type of actors, including social economy and related citizen initiatives. It can stimulate the replication of successful initiatives, exchange between practitioners, foster the development of knowledge and know-how and, not at least, help creating trust as a major fundament for cooperation and local value chains and not at least feed into policy-design.

Already existing tools at European level such as the Social Economy Gateway or the Rural Pact Platform Community Group on Social Economy could (further) promote exchange on *specific* topics such as energy or the circular economy.

9. Policy-makers, in cooperation with other actors, should create possibilities, for local communities, to experiment different initiatives in a secured environment before launching a project. This has proven, in some cities/regions an element of success for policies promoting (social economy) initiatives in various fields. Moreover, in this context, experimentation can also be a means to stimulate partnerships between the various actors.

10. Financial support in fields such as community energy initiatives and others should be provided as much as possible in combination with other capacity-building measures such as training regarding technical skills and knowledge or advisory services.

11. Member States and regions all over Europe should make use of the opportunities linked to Next Generation EU, the new programming period of Cohesion Policy Funds and other programmes to further stimulate and strengthen partnerships around the social economy in the field of green transition. This should also include support for capacity-building and experimentation.

12. Regarding the scope of policy measures fostering social economy-based initiatives, be it in the field of energy, circular economy or other sectors, the former should be available as much for rural areas as for urban ones and possibly and, where appropriate, create synergies and cooperation between citizens in both areas.

13. RESPONDET partners invite governments and public authorities at different levels not only to support social economy initiatives in the fields of (community) energy and circular economy, but to become active players in these areas themselves and this in different ways (energy installations, public purchase practices, etc.), thus leading by example.

D) Social economy as a key partner in green transition processes - Governance and partnership

1. The general policy framework at European level – for example in the field of citizen energy initiatives, but also regarding more general topics such as public procurement – already opens up important opportunities for the establishment of (new forms of) partnerships between citizens, social economy and related community initiatives, public authorities, SMEs and others that are vital for achieving progress in green transition. However, in a number of cases, legislation is not or only slowly implemented and/or related opportunities are not used. The European Commission should closely monitor progress in the different Member States and further encourage peer reviews and peer-learning between Member States and Regions.

2. Administrative rules and procedures are another major obstacle for collaboration and partnership that should not be under-estimated. RESPONDET partners would encourage a stronger dialogue between policy-makers (including public administration), the social

economy and related community initiatives as well as other stakeholders which should *lead to or accompany* a review of existing procedures. In this context, it also appears vital to involve in the discussions, wherever appropriate, public authorities from different levels of government (local, regional, national, ...) in order to also promote a stronger coherence of rules and procedures.

3. Social economy should be involved in social dialogue. Its strong absence here in many countries has, in the opinion of RESPONDET partners, a negative impact by isolating the social and solidarity economy from the design of more transversal strategies, their implementation and monitoring. Moreover, it reduces possibilities to develop partnerships with mainstream enterprises and other players.

4. Policy-makers and public administration, in cooperation with other actors and stakeholders, should support the publication of legal texts (for example those linked to renewable or citizens energy communities, etc.) – in a language which is understandable to citizens.

5. In recent years, in some European regions and cities, partnerships between public authorities and the social economy increased and might even have taken new forms. This has also encouraged citizen engagement and led to new initiatives. However, it appears fundamental that the role of each player (including public authorities) and expected outcomes of the partnership are always well defined. Otherwise, there is a risk of a decreasing engagement of social economy and related community initiatives in dialogue and cooperation. Reasons might be deception about, for instance, the (unclear and invisible) outcome of consultation procedures marked as ‘co-design’ or a feeling of “control” by public authorities, which might ultimately also lead to a lack of trust.

6. Public authorities play an important role in stimulating partnerships also between the social economy and other type of players, such as private enterprises. They might help making the social economy, its added value and potential more strongly visible and fighting stereotypes. At the same time, public authorities should play a more active part regarding the fight against green and social washing and should establish frameworks in which cooperation between social economy and other private players can develop on equal terms, without the former being absorbed or ‘hijacked for marketing purposes’ by the latter.

7. RESPONDET partners call on policy-makers at different levels to open up larger opportunities and support for experimentation. The French law on experimentation (2021) and related local/regional projects or “Living Lab” experiences in certain cities and regions show the potential lying in occasions to develop and test new policies and ways of doing, including new forms of partnership between the social economy and other players. In this context, the possibility to derogate, at least temporarily, from existing legislation and/or to have further financial support for the test period may be of great importance.

In this context, but not only, RESPONDET partners would like to stress the fact that another vital condition for the mobilisation of citizens and the creation of partnerships between different kind of players, in the framework of experimentation and beyond, is the acceptance – also on the side of supporting public authorities and investors - of failure.