

Good practices and lessons learned about CSEIs in rural areas

*Recommendations on how to strengthen the enabling
factors conducive to CSEIs in rural areas*

Deliverable #4.2





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Executive Summary

The PARI project, an acronym for Paths for Rural Innovation, coordinated by the REVES Network, represents a significant effort to understand and promote Clusters of Social and Ecological Innovation (CSEIs) in rural European territories.

By focusing on three distinct regions – Navarra (Spain), Torres Vedras (Portugal), and Östergötland (Sweden) – the project has generated valuable insights into the enabling conditions, challenges, and potential of these clusters to drive sustainable and inclusive rural development.

This document synthesises the lessons learned from the local plans developed in these three territories. It provides a detailed analysis of the methodologies employed, the strengths and weaknesses identified, and the strategic objectives formulated. Furthermore, it offers a robust set of policy recommendations designed to guide local, regional and national policymakers in creating an environment conducive to the growth and success of CSEIs in rural areas. The ultimate goal is to leverage social and ecological innovation to build more resilient, sustainable and attractive rural communities across Europe.

PARI is a two-year European project that was launched in September 2024 and is due for completion in August 2026. It is funded in the framework of the EU SMP–COSME Programme that is designed to support the competitiveness of enterprises and small and medium-sized enterprises (SMEs) within the European Union.

The project is coordinated by REVES (Réseau Européen des Villes et Régions de l'Économie Sociale), a prominent network dedicated to fostering partnerships between local and regional authorities and social economy organisations. The consortium behind PARI is a diverse and synergistic group of seven partners, comprising both local and regional public authorities and established social economy entities. This multi-stakeholder composition is crucial, as it brings together a wide array of expertise and perspectives essential for the effective development and implementation of CSEIs in varied rural contexts.

1. Introduction and context

Rural areas across Europe are at a critical point, having to cope with a confluence of persistent challenges that threaten their vitality and sustainability. These include, but are not limited to, demographic decline, often characterised by an aging population and out-migration of youth; economic marginalisation, stemming from a lack of diversified economic opportunities and limited access to markets; and environmental degradation, exacerbated by climate change, unsustainable agricultural practices, and resource depletion. However, amidst these challenges, rural areas also possess inherent strengths: rich natural and cultural heritage, strong community bonds (*'bonding'* and *'bridging'* social capital, as in Putnam's words, 2000) and an expanding potential for innovation, particularly in the spheres of social entrepreneurship and ecological sustainability.

The PARI project emerged from the recognition of this dual reality, aiming to harness the untapped potential of rural communities by fostering the development of Clusters of Social and Ecological Innovation (CSEIs).

The core mission of PARI is twofold: first, to identify and analyse the enabling conditions that facilitate the emergence and flourishing of CSEIs; and second, to construct practical, replicable pathways for their sustained development and growth. The project's activities are structured around several key pillars: comprehensive mapping of existing CSEI experiences to understand their operational dynamics; providing targeted support to local actors in devising robust governance models and collaborative frameworks; facilitating transnational peer-learning through immersive study visits and interactive workshops; and ultimately, generating a suite of transferable tools, methodologies, and evidence-based policy recommendations that can be adapted across diverse EU rural contexts.

At the heart of the PARI project lies the concept of the Cluster for Social and Ecological Innovation (CSEI). A CSEI is not merely a collection of individual entities but rather a dynamic, place-rooted network of diverse actors. These actors typically include public bodies (municipalities, regional governments), social economy entities (cooperatives, associations, foundations), conventional enterprises, cultural organisations, farmers, entrepreneurs, and engaged citizens. Their collective purpose is to pool resources, share knowledge, and collaborate synergistically to address the specific social and environmental challenges pertinent to their local territory.

What fundamentally distinguishes CSEIs from traditional industrial clusters is their underlying ethos and operational drivers. While conventional clusters are often characterised by intense competition and a primary focus on profit maximisation, CSEIs are deeply embedded in the principles of the social and solidarity economy. These foundational principles include: *cooperation* as a primary mode of interaction, fostering mutual support and shared objectives; *democratic governance*, ensuring inclusive decision-making processes that empower all stakeholders; and the reinvestment of value back into the community, prioritising *social and environmental returns over purely financial gains*. This deliberate integration of social and ecological purpose into every facet of their activities and collaborative structures is the defining characteristic of a CSEI.

To illustrate, a CSEI might manifest as a network of organic farmers, local food processors and educational institutions collaborating to establish a resilient and sustainable regional food system, thereby enhancing food security, promoting healthy eating, and reducing environmental impact. Alternatively, it could be a coalition of social enterprises, a municipal authority, and a cultural association working in concert to transform a disused industrial site into a vibrant hub for innovation, community engagement, and cultural expression, breathing new life into neglected urban or peri-urban spaces. The institutional form of a CSEI can vary widely, from highly formalised structures to more informal, trust-based networks, as observed in the Östergötland case. The critical element is the shared commitment to collective action for social and ecological benefit.

The PARI project strategically includes three distinct rural territories to serve as living laboratories for CSEI development. Each region, while unique in its socio-economic and cultural fabric, offers invaluable insights into the diverse challenges and opportunities inherent in fostering social and ecological innovation:

- Navarra (Spain). This region presents a compelling model of a polycentric territory, successfully balancing industrial strength with a rich tapestry of rural community life. Navarra stands out for its robust social economy sector, which accounts for a significant 10% of regional employment. Crucially, the development of CSEIs in Navarra is deeply integrated into the region's overarching Navarra Sustainable Strategy 2030, providing a clear policy framework and institutional alignment that supports and legitimises these initiatives. This demonstrates how CSEIs can be effectively embedded within broader regional development agendas. This strong political commitment has enabled a high degree of policy integration, facilitating cooperation between public authorities, the social economy ecosystem and local stakeholders in support of CSEI development.
- Torres Vedras (Portugal). This municipality exemplifies a dynamic and rich ecosystem of innovation. Its initiatives span a wide spectrum, from ambitious urban regeneration programmes to dedicated social innovation incubators. Furthermore, Torres Vedras showcases pioneering efforts in sustainable food systems, including school food sustainability programmes that connect students directly with local producers, and successful cooperative winemaking ventures. The experience of Torres Vedras underscores the potential for CSEIs to emerge from a holistic approach that integrates diverse sectors and addresses multiple, interconnected challenges.
- Östergötland (Sweden). The region of Östergötland offers a fascinating case study in the power of cooperative trust and informal collaboration. Sweden, in general, boasts a long-standing tradition of municipality-association cooperation, which is often driven by practical needs and locally negotiated agreements rather than rigid formal structures. In Östergötland, this culture of trust acts as a powerful enabling factor for informal collaboration, demonstrating that effective CSEIs do not always require complex legal or bureaucratic frameworks.

Despite their individual characteristics, these three territories share common underlying structural challenges typical of many European rural areas. These include issues such as limited access to specialised knowledge, difficulties in attracting and retaining talent, and the fragmentation of existing innovation initiatives. The PARI project aims to leverage the unique strengths of each territory while simultaneously addressing these shared challenges, providing a structured framework for the consolidation, scaling, and replication of successful CSEI models.

2. Methodological approaches to local planning: a participatory and context-sensitive framework

The successful development of local plans within the PARI project was predicated on the adoption of a robust, participatory and context-sensitive methodological framework. This approach was meticulously designed to ensure that the resulting strategies were not only deeply rooted in the specific local realities of each territory but also garnered broad ownership and support from a diverse array of territorial stakeholders. The methodology emphasised **iterative processes, continuous learning** and **adaptive management**, recognising that **rural innovation is a dynamic and evolving phenomenon**.

Lesson Learned 1:

Comprehensive context analysis and the strategic use of the 'place typology' approach

A foundational and indispensable step in the planning process was the execution of a comprehensive context analysis for each participating rural ecosystem. This involved a meticulous examination of the key characteristics, inherent assets, and pressing needs of the rural areas in Navarra, Torres Vedras, and Östergötland. The analysis extended beyond mere demographic or economic indicators to encompass social, cultural, environmental, and governance dimensions, providing a holistic understanding of the operational landscape.

Crucially, the project pointed out the relevance of adopting an objective approach to strategically analyse the territories, such as the 'place typology' approach. Used in Östergötland, this approach allows for a nuanced understanding of the specific spatial and socio-economic dynamics at play within each territory, moving beyond generic classifications of 'rural' to identify distinct typologies based on factors such as population density, economic specialisation, connectivity, and proximity to urban centres. By applying this typology, it is possible to discern how different rural contexts might require tailored approaches to CSEI development, recognising that a one-size-fits-all solution would be ineffective.

Resulting from such observation, the original PARI local plans were not abstract or generic blueprints, but rather highly specific and actionable strategies precisely calibrated to the unique realities, opportunities, challenges and constraints of each region.

Lesson Learned 2:

Leveraging established analytical tools for structured planning

To provide a structured framework for analysis, strategic thinking and the articulation of clear objectives, the PARI project integrated several well-established analytical tools into its planning methodology. These tools facilitated a systematic approach to problem identification, solution design, and impact assessment:

- **SWOT Analysis** (Strengths, Weaknesses, Opportunities, Threats). This classic strategic planning tool was extensively utilised to conduct an internal and external assessment of each territory's capacity for CSEI development. Internally, it helped identify inherent strengths (e.g., strong community networks, natural resources) and weaknesses (e.g., limited funding, lack of coordination). Externally, it pinpointed opportunities (e.g., emerging markets for green products, supportive regional policies) and threats (e.g., administrative complexity, stakeholder fatigue). The SWOT analysis provided a clear snapshot of the strategic landscape, informing the subsequent formulation of objectives and actions.

- **Theory of Change (ToC).** This methodology resulted as instrumental in articulating the long-term vision and desired impacts of the local plans. It involves mapping backward from these ultimate goals to identify the necessary preconditions, intermediate outcomes and specific interventions required to achieve them. This process helps to clarify the causal pathways through which CSEI activities are expected to lead to desired social and ecological changes, making explicit the underlying assumptions and facilitating more robust monitoring and evaluation. By visualising the 'how' and 'why' of change, ToC can foster a shared understanding among stakeholders.
- **Collective Impact Framework.** Recognising that complex social and ecological challenges cannot be solved by any single organisation acting alone, the Collective Impact Framework can be adopted to structure and facilitate collaboration among diverse stakeholders. This framework emphasises five key conditions for successful collective impact: a common agenda (shared vision and understanding of the problem); shared measurement systems (collecting data and measuring results consistently); mutually reinforcing activities (coordinated actions that support each other); continuous communication (open dialogue and trust-building); and backbone support (a dedicated organisation to coordinate and manage the initiative). The application of this framework contributes to moving beyond fragmented efforts towards a more integrated and synergistic approach to CSEI development.

Lesson Learned 3:

Progressive and adaptive stakeholder engagement to build ownership and capacity

Stakeholder engagement was a central, iterative and adaptive pillar of the PARI methodology. The project recognised that the legitimacy, effectiveness and sustainability of CSEIs are directly proportional to the active and meaningful participation of a wide spectrum of actors. The initial phase involved a meticulous stakeholder analysis, categorising key groups to ensure comprehensive representation:

1. the “Core Organisations” are the primary drivers and beneficiaries of the CSEI initiatives, often including social economy enterprises, cooperatives, and local public bodies directly involved in the cluster's activities.
2. The “Supporting and Enabling Partners” include entities that provide crucial resources, technical expertise, institutional backing, or policy support, such as regional development agencies, financial institutions, and relevant government departments.
3. The “Innovation and Knowledge Actors” are universities, research centres, vocational training institutions and individual experts who can contribute cutting-edge knowledge, research capabilities, and innovative methodologies to the cluster.
4. The “Technical and Thematic Stakeholders” include organisations and individuals possessing specialised expertise relevant to the cluster's specific focus areas, such as agricultural specialists for agri-food CSEIs or environmental experts for ecological transition initiatives.

The engagement process was deliberately designed to be progressive and adaptive, acknowledging that **the level and nature of stakeholder involvement need to evolve as the cluster matures and its activities unfold**. This meant moving from initial awareness-raising and consultation to deeper co-creation and shared decision-making. A particular emphasis was placed on the mobilisation of the **local community**, ensuring that citizens, grassroots organisations and civil society groups were not merely recipients of interventions but active participants in the co-creation of action plans. This approach aimed to foster a sense of collective ownership and ensure that the resulting strategies were genuinely reflective of local needs, aspirations, and existing territorial capacities. Regular feedback loops and flexible engagement mechanisms were integrated to allow for continuous adaptation based on emerging insights and changing local dynamics.

Lesson Learned 4:***Building on existing territorial capacities and governance structures promoting the principle of subsidiarity***

A fundamental methodological principle guiding the PARI project was the solid commitment to building upon, rather than bypassing, existing territorial capacities and established governance structures. This approach is rooted in the principle of subsidiarity, advocating that decisions and actions should be taken at the lowest appropriate level, leveraging local knowledge and established networks. The project explicitly aimed to avoid the creation of redundant or parallel mechanisms, which can lead to inefficiency, stakeholder fatigue, and a lack of long-term sustainability.

A prime example of this principle in action is the strategic capitalisation on the LEADER approach (Liaison Entre Actions de Développement de l'Économie Rurale / Links between the actions of rural economy development). LEADER, a community-led local development initiative of the European Union, has fostered the creation of Local Action Groups (LAGs) across rural Europe. The PARI project recognised LAGs as playing a central and indispensable role as territorial intermediaries. These groups possess deep local knowledge, established networks and a proven track record in facilitating participatory rural development. By integrating LAGs into the CSEI development process, the project could ensure that new initiatives were firmly anchored in the local context by tapping into existing social capital and streamlining coordination efforts. This approach not only enhances the legitimacy and effectiveness of the CSEIs but also contributes to the strengthening of existing local governance structures, fostering a more resilient and self-reliant rural development ecosystem.

More broadly, the PARI experience also showed the importance of building on existing territorial ecosystems, collaborative networks and governance arrangements, rather than creating new structures. This approach strengthens local ownership, avoids duplication of efforts and contributes to the long-term sustainability of CSEIs.

Lesson Learned 5:***Leveraging inherent strengths for innovation***

The partner territories, and indeed many rural areas, possess inherent strengths that can be effectively leveraged for the development of CSEIs, such as:

- ***The growing recognition and role of the social economy.*** There is a growing understanding and appreciation of social economy organisations as not just providers of social services, but as dynamic economic actors and crucial drivers of local development. Their embeddedness in communities, focus on social value creation, and often democratic governance structures make them ideal candidates to lead or participate in CSEIs. This recognition provides a strong foundation for their integration into broader development strategies and for advocating for supportive policy frameworks.
- ***The strategic alignment with regional policy frameworks.*** In regions like Navarra, the successful integration of social economy objectives and CSEI development into overarching regional policy frameworks, such as the Navarra Sustainable Strategy 2030, represents a significant strength. This alignment provides institutional backing, ensures strategic coherence, and can unlock dedicated funding streams and political will. When CSEIs are seen as integral to achieving broader regional economic, social, and environmental goals, their sustainability and impact are greatly enhanced.
- ***The robust traditions of collaborative governance and trust.*** Regions such as Östergötland benefit from deeply rooted traditions of cooperation between municipalities and local associations. This often manifests as a high degree of social capital and trust, facilitating

informal yet highly effective collaboration. Such trust-based relationships can significantly reduce transaction costs, foster shared understanding, and enable rapid response to emerging challenges, proving that formal structures are not always a prerequisite for effective collective action.

- **The local innovation ecosystems.** Despite facing structural challenges, many rural territories, exemplified by Torres Vedras, possess vibrant ecosystems of existing innovation initiatives. These range from grassroots community projects to more formalised incubators focusing on urban regeneration, sustainable food systems, and social entrepreneurship. These existing efforts provide a fertile ground for CSEI formation, offering a pool of experienced actors, established networks, and a culture of innovation that can be harnessed and scaled.

Lesson Learned 6:

Being aware of existing criticalities and weak points

The effective development and scaling of CSEIs can be hindered by Internal weaknesses, often systemic in nature, such as:

- **Limited experience with structured cluster governance.** A common challenge identified is the lack of extensive experience among local actors in establishing and managing structured governance models specifically designed for clusters. This can lead to difficulties in defining clear roles and responsibilities, coordinating complex multi-stakeholder activities, and ensuring accountability within the cluster framework.
- **Over-reliance on project-based dynamics.** Many innovation initiatives in rural areas are heavily dependent on short-term, external project funding. This creates a cycle of discontinuity, where efforts cease once project funding ends, hindering long-term strategic planning, institutional memory, and the sustained impact of interventions. This project-based mentality often prevents the development of self-sustaining models.
- **Fragmentation of innovation initiatives.** In many rural areas, the efforts to promote innovation are frequently fragmented and operate in isolation. A lack of overarching coordination mechanisms means that individual initiatives, though potentially impactful, fail to achieve synergistic effects or contribute to a broader, systemic change. This fragmentation can lead to duplicated efforts and missed opportunities for cross-learning and collaboration.
- **Silos thinking within Public Administration.** A significant internal weakness lies within public administrations themselves, where there is often a limited degree of structured interdepartmental coordination. Different departments (e.g., agriculture, environment, social affairs, economic development) may operate in silos, leading to disjointed policies, conflicting priorities, and an inability to provide integrated support for cross-sectoral initiatives like CSEIs.

Lesson Learned 7:

Capitalising on existing approaches and seeking integration

The widespread presence and proven effectiveness of the **LEADER** approach and its **Local Action Groups (LAGs)** across Europe represent a significant opportunity. LAGs, with their deep local knowledge, participatory methodologies, and established networks, are ideally positioned to act as crucial intermediaries and facilitators for the initiation and development of CSEIs. Leveraging this existing infrastructure can accelerate cluster formation and ensure local relevance.

The rapid advancements in **digital technologies** and the increasing availability of open-access data portals and other **digital data infrastructures** offer unprecedented opportunities for data-driven

decision-making. These infrastructures can be used to map real-time socioeconomic and environmental indicators, track progress, and provide evidence for the impact of CSEIs, thereby strengthening their legitimacy and attracting further investment.

Many European regions have adopted **Smart Specialisation Strategies (S3)** to focus their research and innovation investments on key strengths. Aligning CSEI objectives with these regional S3 frameworks can unlock significant funding streams, foster collaboration with research institutions, and ensure that social and ecological innovation is recognised as a core component of regional economic development.

The **increasing societal focus on ecological sustainability and social equity** creates a favourable environment for the products and services generated by CSEIs, particularly in the context of global challenges, such as climate change and social inequality. This growing market and public support can translate into new business opportunities, increased citizen engagement and stronger political will for supportive policies. Furthermore, consumer preferences may increasingly shift towards ethical and environmentally friendly products and services, creating a niche that CSEIs are uniquely positioned to fill.

Lesson Learned 8:

Proactive mitigation strategies and robust policy responses to handle threats

External threats, often beyond the direct control of CSEIs, require specific knowledge and competences for identifying them, handling them with specific mitigation measures, and devising appropriate policy response(s) for effective management. Among the detected threats, the following have been pointed out during the field research activities in PARI:

- **Administrative and regulatory complexity.** The intricate web of public funding regulations, state aid rules and public procurement procedures can pose substantial barriers for social economy organisations and emerging CSEIs. These complexities often favour larger, more established entities with dedicated administrative capacities, inadvertently disadvantaging smaller, community-based initiatives that are rich in social capital but poor in bureaucratic expertise. This can lead to exclusion from vital funding and market opportunities.
- **The importance of long-term policy support,** beyond funding stability. Clusters of social and ecological innovation are particularly exposed to a form of risk that differs from ordinary market risk: they depend on an enabling institutional environment, including recognition, legal status, access to public procurement, coordination across levels of government. Evidence gathered during the observation and analysis process in PARI shows that even where clusters secure adequate short-term financing, they remain fragile if that financing is not backed by a durable policy commitment. Policy stability addresses the legitimacy and continuity problem, and clusters need both to consolidate into lasting ecosystems rather than remaining project-based initiatives that dissolve once a funding cycle ends.
- **Challenges in cross-policy area coordination.** The inherently cross-sectoral nature of CSEIs, which by definition span rural development, social innovation, ecological transition and agri-food sustainability, necessitates effective coordination across diverse policy areas. The absence of integrated policy frameworks and robust inter-ministerial/inter-departmental collaboration at higher levels of government can create significant hurdles. This often results in fragmented support, conflicting policy signals and an inability to provide the holistic, integrated support that CSEIs require in order to function.
- **Economic volatility and funding instability.** Rural economies are often more vulnerable to external economic shocks, market fluctuations and changes in agricultural policies. This inherent economic volatility, coupled with the often-unstable nature of funding for social and ecological initiatives (which may rely heavily on grants or philanthropic donations), can

severely threaten the long-term viability of CSEIs. This is particularly true for those clusters that struggle to establish diversified, self-sustaining funding models beyond initial grant periods.

- ***Stakeholder fatigue from multiple initiatives.*** Rural communities are frequently the target of numerous, sometimes overlapping or poorly coordinated, development initiatives. This can lead to a phenomenon known as 'initiative overload' or 'stakeholder fatigue,' where local actors become disengaged, cynical, and reluctant to participate in new projects, even those with significant potential. If new CSEI initiatives are perceived as just another short-term, unfocused effort, they will struggle to gain the necessary local buy-in and commitment.

3. A guiding framework for CSEI development. Strategic criteria for future actions

To effectively navigate the complex landscape sketched in the Lessons Learned, and to ensure that future interventions are impactful, consistent and sustainable, within the PARI project a set of overarching strategic criteria have been formulated.

These criteria are meant to be a common framework, providing guidance for the formulation of **local plans** covering the design, prioritisation and implementation of all actions related to CSEI development within the partner territories and beyond. They embody the core principles of the project, emphasising local relevance, collaboration and measurable impact.

These criteria are not merely aspirational but are intended to be operational guidelines for policymakers and practitioners alike.

Criteria	Priority Level	Detailed description and implications
Build on existing structures and initiatives	Very High	Future actions must strategically leverage and integrate with existing organisations, established networks, ongoing programmes and proven governance structures. The aim is to reinforce and enhance what already works, rather than initiating entirely new entities or creating parallel, potentially redundant, mechanisms. This approach recognises the value of accumulated social capital, local knowledge and established relationships. Implications: this criterion promotes efficiency by avoiding duplication of effort and resources, which are often scarce in rural areas. It fosters sustainability by embedding new initiatives within established frameworks, increasing their chances of long-term survival and integration into the local fabric. It also respects local history and social capital, building on trust and relationships already in place. For instance, utilising existing Local Action Groups (LAGs) as facilitators for CSEIs is a direct application of this principle, as LAGs already possess deep community ties and experience in local development. This also helps to mitigate stakeholder fatigue by demonstrating respect for past efforts.
Long-term policy support	Very High	Long-term policy support for clusters of social and ecological innovation should include: • Institutional anchoring, giving the cluster a recognised role in regional or local economic development strategies (rather than treating it as a stand-alone project), so its continuity does not depend on a single funding decision. • Multi-annual, rather than single-cycle, policy frameworks, allowing clusters to plan investments, partnerships and staff retention beyond the horizon of one call for proposals. • Cross-departmental coordination mechanisms, since cluster development typically touches economic development, environmental policy, employment and social affairs simultaneously. Without a coordinating structure, support becomes fragmented in the same way social economy governance is at national level. • Explicit links to succession and knowledge-transfer mechanisms, so that political or administrative turnover does not erase accumulated cluster knowledge and relationships.

Criteria	Priority Level	Detailed description and implications
		Implications: this criterion connects directly to the current European policy context. The Social Economy Action Plan (2021) and the 2023 Council Recommendation on developing framework conditions for the social economy both call on Member States and regions to move from ad hoc support toward durable enabling frameworks. Cohesion Policy 2021–2027, the Just Transition Fund and related instruments increasingly expect multi-annual programming logic rather than one-off grants. The Commission's mid-term review of the SEAP explicitly calls for stronger multi-level governance to carry policy commitments through to implementation on the ground. Clusters of social and ecological innovation sit at the intersection of policy areas that these instruments are meant to support, namely economic, social and environmental objectives combined.
Focus on a limited number of priority challenges	Very High	The local plan for CSEI development should concentrate its efforts and resources on a carefully selected, small number of strategic challenges. These challenges must be clearly defined, locally relevant and have the potential to generate visible, tangible and measurable impact within a reasonable timeframe. This focused approach prevents dilution of effort and maximises the likelihood of success. Implications: this criterion directly addresses the risk of fragmentation and stakeholder fatigue, which can arise from diffuse efforts. By concentrating resources, it significantly increases the likelihood of achieving significant, demonstrable results, which in turn can build momentum, attract further investment, and demonstrate the value of the CSEI approach. It encourages strategic prioritisation and avoids spreading resources too thinly across too many objectives, ensuring that interventions are deep, impactful and sustainable rather than superficial and short-lived. This also facilitates clearer communication of objectives and outcomes to stakeholders and the wider public.
Promote multi-actor collaboration	Very High	Actions should be explicitly designed to foster and strengthen collaboration across a diverse spectrum of stakeholders. This includes public authorities (local, regional, and potentially national), Social Economy organisations, Local Action Groups, innovation actors (e.g., universities, research centres, technology hubs), knowledge institutions and civil society organisations (e.g., NGOs, community groups). Implications: CSEIs are inherently collaborative entities; their very definition rests on the principle of collective action. This criterion underscores the necessity of breaking down silos, both sectoral and institutional, and actively encouraging synergistic partnerships. It recognises that complex social and ecological challenges require integrated solutions that draw on the unique expertise and perspectives of different actors. Effective collaboration leads to more comprehensive, innovative and resilient solutions, fosters shared ownership and enhances the overall adaptive capacity of the cluster. It also builds social capital and strengthens community bonds.
Connect needs, opportunities and resources	High	The local plan for CSEI development should actively facilitate the strategic connection between territorial needs (e.g., unemployment, environmental degradation, lack of services),

Criteria	Priority Level	Detailed description and implications
		available funding opportunities (both public grants and private investment), relevant public policies (e.g., rural development programmes, environmental regulations), and existing support mechanisms (e.g., technical assistance, mentorship programmes, incubators). Implications: a holistic and integrated approach to resource mobilisation and strategic planning is entailed, ensuring that interventions are demand-driven and make optimal use of available resources and policy levers. By bridging gaps between identified needs and existing resources, it optimises the allocation of investments, minimises waste and maximises the potential for impact, creating a more responsive and effective ecosystem for CSEIs. This also involves proactive mapping of resources and needs to identify potential synergies. This requires proactive mapping of resources and needs to identify potential synergies, while ensuring better alignment between local development priorities and European policy frameworks.
Ensure territorial anchoring	Medium-High	Future actions must be deeply rooted in the specific local realities, cultural contexts and socio-economic conditions of the territory. Their development and implementation should involve the meaningful and continuous participation of local actors and communities, ensuring that solutions are context-specific and locally owned. Implications: local anchoring is key for the acceptance and long-term sustainability of any CSEI initiative. It ensures that solutions are tailored to the unique characteristics of the place, increasing their effectiveness and legitimacy. It empowers local communities by giving them a genuine voice in shaping their own development pathways and fosters a strong sense of ownership and responsibility. Territorial anchoring prevents the imposition of external solutions that may not be suitable for the local context. This also includes building local capacity, respecting and integrating traditional knowledge and practices.
Generate measurable results	Medium	Actions should be designed with clear, quantifiable and qualitative indicators to produce tangible outcomes and practical benefits for rural communities and the environment. The focus is on demonstrating real-world impact and value creation, rather than just reporting on delivered activities or used resources. Implications: measuring results is crucial for learning, accountability and attracting further support and, possibly, investment. By clearly defining and measuring results, CSEIs can demonstrate their value proposition, justify resource allocation and adapt their strategies based on empirical evidence. It shifts the focus from inputs to outcomes, ensuring that efforts translate into meaningful and verifiable improvements for rural populations and environments. Robust measurement also facilitates communication of success stories and builds credibility with funders and the public.
Promote replication and scaling	Medium	Successful initiatives and models developed within one rural territory should be designed with an eye towards their transferability and replicability across different rural territories within the region, nationally or even internationally. This

Criteria	Priority Level	Detailed description and implications
		involves identifying the core elements that make an initiative successful and abstracting them into adaptable models. Implications: while territorial anchoring is vital, this criterion ensures that local successes are not isolated phenomena. It encourages the development of adaptable models that can be shared, disseminated and scaled, amplifying the overall impact of CSEIs beyond their immediate context. This involves systematically documenting best practices and analysing them, in order to identify the underlying model and develop transferable methodologies. Active knowledge exchange between regions is a critical action, to be fostered with the direct engagement of the key actors. This contributes to systemic change across broader rural landscapes and helps to build a collective body of knowledge on effective CSEI development. It also supports the efficient use of resources by avoiding the need to 'reinvent the wheel' in every new location.

These strategic criteria collectively form a robust and comprehensive framework that guides the PARI project's approach to CSEI development. They underscore the importance of balancing local specificity with broader strategic objectives, ensuring that interventions are both effective on the ground and contribute to a wider vision of sustainable rural innovation.

4. Recommendations and strategic actions and for CSEI setup and development

Building upon the local plans developed within the PARI project, the following sections detail the key recommendations and some proposed strategic actions that underpin the operationalisation of the CSEI vision.

Recommendation 1:

Foster strong territorial anchoring and context-specific approaches

Policy interventions must be designed to be deeply rooted in the specific local realities, cultural contexts, and socio-economic conditions of each territory, actively building upon existing structures and addressing unique local needs. This necessitates a flexible and decentralised approach to policy implementation. The inherent diversity of rural territories across Europe means that generic, "one-size-fits-all" solutions are unlikely to be effective, sustainable, or locally accepted.

Strategic actions:

1. **Empower local actors and communities** to define **their own strategic priorities**, co-design their development pathways and implement solutions that are tailored to their specific context. This fosters a strong sense of ownership, increases the relevance and effectiveness of interventions, builds local capacity for self-governance and paves the way for the creation of networking among territories sharing similar values.
2. Encourage the use of **analytical tools** like the "place typology" approach to understand the specific characteristics, assets, and challenges of different rural areas. This allows for more nuanced, evidence-based targeting of interventions and resources, moving beyond broad classifications to highly specific, localised strategies.
3. Prioritise **interventions that build upon and enhance existing local assets**, resources, social capital and traditional knowledge and practices. This includes leveraging local enterprises, established community networks, cultural heritage, and ecological endowments. This approach respects local identity and ensures that new initiatives are integrated into the existing fabric of the community.

Recommendation 2:

Enhance and systematise inclusive multi-stakeholder platforms for CSEI co-creation

This action emphasises the critical need to move beyond ad-hoc meetings to establish formal and informal spaces that actively facilitate collaboration, knowledge sharing and the co-design of solutions among all relevant actors. This includes public authorities, social economy enterprises, local communities, academia, and civil society. Such platforms should be designed to be inclusive, ensuring that marginalised voices are heard and integrated into the decision-making process.

This could involve regular forums, dedicated working groups, or digital collaboration tools that foster continuous dialogue and collective problem-solving. The goal is to create a vibrant ecosystem where ideas can be freely exchanged, partnerships forged, and collective intelligence harnessed to address complex challenges. These platforms also serve as crucial mechanisms for building trust and shared understanding among diverse stakeholders, which is a prerequisite for effective collaboration.

Strategic actions:

4. Strengthen **intermediary organisations** such as LAGs, recognising and strategically strengthening their role. They possess deep local knowledge, established networks, and a proven capacity to facilitate participatory processes. These organisations can act as crucial "backbone support" for CSEIs, coordinating activities, brokering partnerships, and fostering trust among diverse stakeholders.
5. Support **co-creation platforms**. Investment in the creation and maintenance of formal and informal platforms (e.g., regular forums, dedicated working groups, digital collaboration tools, community assemblies) can enable continuous dialogue, knowledge exchange, and the co-design of solutions. These platforms must be designed to be inclusive, ensuring that all relevant voices, particularly those of marginalised groups and local communities, are heard and integrated into the decision-making process. This fosters a sense of shared ownership and collective responsibility.
6. Develop **shared vision and metrics**, so to encourage and support the development of a common agenda and measurement systems commonly agreed among all stakeholders, as advocated by the Collective Impact Framework. This would ensure alignment of efforts, transparent tracking of progress and a collective understanding of success.
7. Provide training and support for local actors in effective collaborative governance, conflict resolution and consensus-building techniques, to enhance the functionality of these multi-actor platforms.

Recommendation 3:
Reduce administrative and regulatory complexity and to enhance multi-level, cross-sectoral and interdepartmental coordination

Public administrations at all levels must undertake a concerted and systematic effort to drastically reduce administrative and regulatory complexity and to significantly enhance cross-sectoral and interdepartmental coordination to better support the emergence and functioning of CSEIs.

The intricate web of bureaucratic procedures, complex public funding regulations, restrictive state aid rules and public procurement processes represents a major threat to CSEIs. These complexities often favour larger formalised entities with dedicated administrative capacities, consequently disadvantaging smaller, community-based initiatives that are rich in social capital and innovation but poor in bureaucratic expertise. Furthermore, the inherently cross-sectoral nature of CSEIs demands a coordinated governmental response that transcends traditional departmental silos.

Strategic actions:

8. Create dedicated **one-stop support services or interdepartmental task forces** that can guide CSEIs through administrative procedures, offering integrated advice and a single contact point across government areas. Also, regulatory sandboxes for social and ecological innovation enable controlled experimentation with temporary regulatory flexibility.
9. Break **policy silos** and enhance both **coordination between regional, national and European levels of governance** and **interdepartmental coordination** within public administrations to provide integrated support for cross-sectoral clusters.
10. Simplify **the implementation of public procurement** regulations and mechanisms, orienting them toward social and environmental value, allowing social enterprises to compete more easily. Use of instruments such as innovation partnerships foreseen by art. 31 of dir 2014/24/EU as a means to ease economic relations between social economy and local authorities in rural areas. Exclude the use of public procurement instruments in all procedures under the EU threshold.

11. Explore the possibility provided for by Global Block Exemption Regulation of the EU to provide fast-tracked support under specific circumstances.
12. Strengthen **public servants' capacity** through targeted training fosters an informed, responsive administrative culture. Permanent inter-ministerial working groups at national and regional levels ensure coherent policy development and implementation for cross-sectoral initiatives such as CSEIs.
13. Adopt **formative evaluation** and make sure to focus monitoring and evaluation on **continuous learning and adaptation** rather than purely on "success or failure" metrics.

Recommendation 4:

Develop and implement coherent public support frameworks and targeted financial mechanisms for socially-inclusive ecological innovation

Acknowledging the limitations of conventional funding models, which often prioritise short-term returns and established sectors, this action calls for the creation of innovative financial instruments specifically tailored to the unique characteristics and needs of CSEIs. These mechanisms should move beyond short-term project grants to support long-term strategic development, risk-taking, and the establishment of self-sustaining business models.

Examples could include blended finance approaches (combining grants, loans and equity), social impact bonds, revolving funds, micro-credit schemes, or preferential access to public procurement contracts for CSEI-led initiatives that deliver social and environmental value.

The goal is to provide the appropriate public policy frameworks supporting stable, patient and predictable funding that enables CSEIs to grow, experiment and deliver sustained impact, recognising that social and ecological returns may not always be immediately quantifiable in purely financial terms.

Strategic actions:

14. Actively explore and implement **blended finance models** that strategically combine public grants with private investment, and promote social impact investing that prioritises measurable social and ecological returns alongside financial ones. This diversifies funding sources and attracts new capital.
15. Support **self-sustaining models** by providing technical assistance, capacity building, and seed funding to help CSEIs integrate into circular local networks (e.g., through circular procurement loops, local currency schemes, community-supported agriculture). This would enable them to establish more diversified, resilient, and self-sustaining funding models, reducing their dependency on external subsidies and fostering economic autonomy.
16. Establish dedicated **revolving funds or guarantee schemes** specifically for CSEIs, providing access to patient capital that aligns with their longer investment horizons and social mission. These funds can be replenished through successful projects, creating a sustainable funding cycle.
17. Simplify **application processes**, provide targeted technical assistance, and develop specific calls for proposals to make it easier for CSEIs to access relevant European Union funding programmes and policy instruments (e.g., cohesion funds, rural development funds, social innovation funds, Horizon Europe). This requires proactive outreach and support from regional and national authorities.
18. Develop **incentives** (e.g., tax breaks, co-funding opportunities) for private sector entities to invest in or partner with CSEIs, recognising the long-term social and environmental value they create.

Recommendation 5:

Invest in continuous capacity building and knowledge exchange for CSEI actors

This action highlights the imperative of continuous investment in human capital across all levels of CSEI development. It advocates for comprehensive programmes of training, lifelong learning and upskilling opportunities designed to enhance the competencies of all local stakeholders involved in CSEIs. This includes not only technical skills related to specific social and ecological innovations (e.g., sustainable agriculture techniques, renewable energy management, digital literacy for social enterprises) but also crucial soft skills such as collaboration, negotiation, leadership, project management and impact measurement.

A key aspect is to actively foster "*encounters between knowledge and practice*" facilitating direct interactions, mentorship programmes and partnerships between academic institutions (universities, research centres) and practitioners on the ground. This ensures that cutting-edge research informs practical application and that real-world challenges inform research agendas, creating a virtuous cycle of learning and innovation.

Strategic action:

19. Policies should make continuous **investment in human capital** a top priority, focusing on comprehensive, accessible and tailored programmes for training, lifelong learning, and upskilling for all stakeholders involved in CSEIs, from grassroots activists to public administrators. Strengthening the competence level of all local actors, including entrepreneurs, community leaders, public administrators, researchers, and citizens, is fundamental for the success, adaptability, and long-term impact of CSEIs. Key initiatives should include: tailored training programmes; knowledge encounters that can inform research agendas and support creating an ecosystem of co-learning and co-creation; peer-learning networks and platforms; accessible digital learning resources; programmes specifically designed to develop leadership skills within the social economy and CSEI sectors, focusing on skills such as vision setting, stakeholder engagement, resource mobilisation, and adaptive leadership.

Recommendation 6:

Strengthen data-driven, participatory monitoring and evaluation for CSEI impact

This action emphasises the necessity of transparent participatory systems for tracking progress and measuring the multifaceted impact of CSEIs. It advocates for the development of both quantitative and qualitative indicators that capture the social, ecological, and economic benefits generated by these clusters. Crucially, the monitoring and evaluation (M&E) process should be participatory, actively involving local communities and stakeholders in defining indicators, collecting data, and interpreting results. The aim is for this to be a "formative measure", meaning it should primarily serve as a tool for continuous learning, adaptation, and improvement, rather than solely for summative assessment of success or failure. This approach fosters a culture of accountability, evidence-based decision-making, and adaptive management, allowing CSEIs to refine their strategies based on real-time feedback and demonstrated impact.

Strategic actions:

20. Support collaboration among CSEI actors to develop **common impact measurement frameworks and indicators** that capture the multifaceted social, ecological, and economic benefits generated by these clusters. This ensures consistency, comparability, and aggregation of data across different initiatives and regions.

21. Support the development and utilisation of **digital data infrastructures and open-source data portals** that enable the systematic collection, analysis, and visualisation of relevant metrics. This includes supporting the development and deployment of community-led monitoring tools that empower citizens to collect data and track their own progress, fostering citizen science and local ownership.
22. Emphasise that **M&E should primarily have a formative purpose**, as a tool for continuous learning, adaptation and improvement, rather than solely for summative assessment of success or failure. This fosters a culture of iterative development, resilience, and organisational learning within CSEIs.
23. Make **M&E data and reports publicly accessible** (while respecting privacy), fostering transparency and enabling citizens, stakeholders, and researchers to understand the impact of initiatives, hold them accountable, and learn from their experiences.
24. Provide **training and technical assistance to CSEI actors on M&E** methodologies, data collection, analysis, and reporting, ensuring they have the skills to effectively measure and communicate their impact.

Recommendation 7:

Integrate and scale successful pilot initiatives into mainstream policies and programmes

This action addresses the critical challenge of moving beyond isolated successes to achieve broader systemic change. It calls for explicit mechanisms to identify, document and systematically integrate successful local experiments and pilot initiatives into broader, mainstream policy frameworks and public programmes. This involves creating clear pathways for the transferability and replication of proven CSEI models across different rural territories, and potentially at regional or national levels. It requires proactive engagement from regional and national policymakers to recognise the value of local innovations and to adapt existing policies, regulations, and funding streams to accommodate and scale these successes. This could include developing toolkits for replication, establishing knowledge transfer platforms, and providing dedicated support for scaling-up efforts.

Particular attention should be given to ensuring that successful pilot initiatives receive sustained policy support, enabling their long-term integration into territorial development strategies beyond the lifetime of individual projects.

Strategic actions:

25. Create explicit **strategies, guidelines and pathways for scaling successful CSEI models**, including clear criteria for identifying promising pilots, methodologies for replication, and strategies for adaptation to new contexts. This should involve a clear articulation of how local successes can inform regional and national policy development.
26. Invest in robust **knowledge transfer mechanisms**, including detailed documentation of successful case studies, methodologies, operational manuals, and lessons learned. This information should be made easily accessible and digestible to other regions, potential adopters, and policymakers. This could take the form of online repositories, policy briefs, and practical guides.
27. Encourage **policy experimentation** at the regional and national levels, allowing for the adaptation of existing policies and regulations to accommodate and support innovative CSEI models. This includes proactively reviewing and modifying regulations that may inadvertently hinder scaling efforts or create barriers for social innovators.
28. Establish dedicated **funds or support programmes** specifically aimed at helping proven CSEI pilots transition from the incubation phase to larger-scale implementation. This could include

investment readiness programmes, access to growth capital, and technical assistance for organisational development.

29. Develop **mechanisms to integrate social and ecological impact considerations** into mainstream policy development and programme design, ensuring that lessons from CSEIs inform broader public sector innovation. Cohesion Policy offers the natural framework for this: its multi-annual programming, regional operational programmes and thematic concentration on social, green and territorial objectives make it well placed to mainstream CSEI lessons, fund their scale-up, and connect them to broader public-sector innovation agendas, provided that managing authorities build the intermediary structures needed to translate cluster-level evidence into cohesion-funded regional strategies and calls.

SPECIAL FOCUS ON...

The innovative concept of 'project incubation' and its strategic role

A particularly innovative and strategic concept that emerged from the PARI project's local plans is the idea of 'project incubation' or 'innovation incubation'. This concept is vital for fostering a culture of experimentation and risk-taking, which is essential for genuine innovation. It involves creating a dedicated, safe space and allocating guaranteed resources specifically for the purpose of testing new solutions, methodologies or collaborative models within the CSEI framework.

The rationale behind incubation is multifaceted. Innovation, by its very nature, involves uncertainty, trial-and-error and the potential for failure.

By providing a protected environment, incubation allows CSEIs to:

- Experiment without immediate pressure. Actors can test novel ideas, refine processes, and adapt strategies based on early feedback without the immediate pressure of achieving large-scale results or securing long-term funding. This reduces the perceived risk for innovators and encourages bolder experimentation.
- Learn and adapt iteratively. The incubation phase is explicitly designed for iterative learning. It encourages continuous monitoring, evaluation, and adjustment of the innovation based on real-world application and emerging insights. This approach allows for rapid course correction and optimisation of solutions.
- Gather robust evidence. Crucially, the incubation phase emphasises the systematic collection of data, including both qualitative observations (e.g., stakeholder feedback, process improvements) and quantitative metrics (e.g., cost-effectiveness, social impact indicators, environmental benefits). This evidence is vital for demonstrating the viability and potential impact of the innovation, thereby justifying further investments and supporting future scaling efforts. It transforms nascent ideas into proven models.
- Build capacity and expertise. During the incubation period, participating actors gain invaluable practical experience in collaborative innovation, problem-solving, project management, and impact assessment. This hands-on learning significantly enhances their overall capacity and expertise, not only for the specific incubated project but also for future CSEI initiatives, fostering a culture of continuous improvement and professional development.

By strategically investing in project incubation, policymakers can effectively de-risk innovation, encourage creative solutions to complex problems, and build a robust pipeline of proven models that are ready for broader implementation and scaling. This approach recognises that successful innovation is often a result of iterative learning and adaptation, rather than a single, flawless execution, and provides the necessary support for this process.

Recommendation 8:

Amplify public awareness and education on the interlinkages between social equity and ecological sustainability

This action underscores the fundamental importance of public engagement and education in building a supportive environment for CSEIs. It advocates for concerted efforts to raise public awareness about the critical interconnections between social equity and ecological sustainability, and to showcase how CSEIs offer integrated solutions to these complex challenges. This can involve

targeted public campaigns, educational programmes in schools and community centres, media outreach, and community events that highlight the benefits of social and ecological innovation. By fostering a deeper understanding and appreciation among citizens and local communities, this action aims to build broader social and political support for multidimensional innovation and ensure its long-term social and political sustainability.

Strategic actions:

30. Clearly **explain what CSEIs are**, how they operate and the tangible benefits they bring to local communities (e.g., job creation, improved public services, cleaner environment, stronger social bonds) and the wider environment. Use simple, relatable language and avoid jargon.
31. Highlight **successful CSEI initiatives** through engaging narratives, stories, visual media (videos, infographics), case studies, and media coverage. This demonstrates their real-world impact, inspires replication, and creates local role models for social and ecological entrepreneurship.
32. Raise awareness about how social problems (e.g., poverty, exclusion, health disparities) and ecological problems (e.g., climate change, biodiversity loss, resource depletion) are deeply interconnected, and how **integrated solutions, like those offered by CSEIs, are necessary for genuine, holistic progress**.
33. Encourage **active citizen participation in CSEI initiatives**, ranging from volunteering and co-creation workshops to supporting social economy businesses and advocating for supportive policies. This can include citizen science projects, community gardens, local energy cooperatives, and participatory budgeting processes.
34. Explore opportunities to integrate concepts of social and ecological innovation, circular economy and social entrepreneurship into **formal and informal educational curricula**, from primary schools to vocational training, to cultivate a future generation of innovators and engaged citizens.

Recommendation 9:

Recognise CSEIs as strategic instruments for territorial cohesion within future European policies

The ongoing discussions on the future Multiannual Financial Framework (MFF) provide an important opportunity to recognise Clusters of Social and Ecological Innovation (CSEIs) as strategic instruments for territorial cohesion. Their contribution goes beyond rural development, fostering social inclusion, innovation, resilience and sustainable territorial development through integrated, place-based approaches.

Future European policies should therefore ensure that CSEIs are adequately supported through coherent policy frameworks, particularly under Cohesion Policy, while promoting synergies with other relevant EU instruments, including those addressing rural development, social innovation and the green transition.

Strategic actions:

35. Promote the recognition of CSEIs within the future Cohesion Policy architecture.
36. Encourage stronger synergies between Cohesion Policy, Rural Policy and other EU programmes.
37. Ensure that the future MFF provides coherent support frameworks for place-based social and ecological innovation.
38. Promote dialogue with EU institutions, including the European Parliament, on the role of CSEIs in achieving territorial cohesion.