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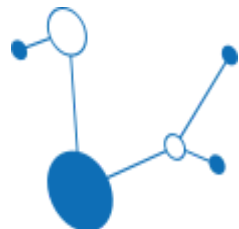


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**3P4SSE**

# TOOLKIT FOR THE ESTABLISHMENT AND CONSOLIDATION OF A SOLIDARITY ECONOMY DISTRICT





## SUMMARY

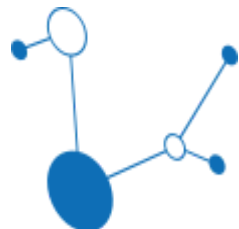
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**Attachment VOLUNTARY AGREEMENT FOR THE ESTABLISHMENT OF THE DISTRICT FOR THE SOLIDARITY ECONOMY already created by the Trentino Centre for the Solidarity Economy**

## PREMISE

The toolkit is composed of three main parts. Part 1 introduces the purpose of the toolkit and the methodology used to develop it. Part 2 focuses on the establishment phase of a Solidarity Economy District, while Part 3 focuses on the subsequent consolidation phase. For each of these last two parts, the objectives, operational tools, and main critical issues are analyzed.

This toolkit is done thanks to the contribution of Euricse, Autonomous Province of Trento - territorial cohesion office, Trentino federation of cooperatives and with help of the Trentino center for solidarity economy and Trentino solidarity economy secretariat.



## PART 1

### TOOLKIT PRESENTATION

#### 1.1. Introduction

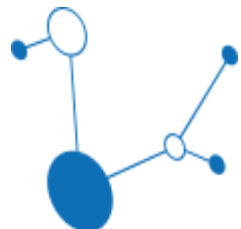
Solidarity Economy Districts (DES) are local solidarity economy networks comprising diverse stakeholders (producers, consumers, financiers and savers, local authorities) who actively participate in the definition, organization, and implementation of cooperative strategies for the production, purchase, sale, and exchange of products, services, and information. The term District refers to the sharing and coordinated use, by each participating actor, of the tangible and intangible resources present in a given territory or within a specific sector of the solidarity economy to achieve a common goal jointly established by all DES members. Specifically, Article 5 of Provincial Law 13/2007 defines a DES as:

*"a local economic network capable of leveraging local resources according to criteria of social equity and socioeconomic and environmental sustainability, for the creation of supply chains for the financing, production, distribution, and consumption of goods and services."*

Deliberazione PAT n. 1949 of 27th November 2020, outlines the essential requirements for establishing a DES through the document "The Districts of the Solidarity and Social Economy in the Province of Trento."

DES can be of two types: territorial (Territorial DES), meaning tied to a specific area in which its members operate, or thematic (Thematic DES), meaning tied to one of the 13 sectors or areas of intervention recognized in Article 3 of Provincial Law 13 of June 17, 2010, on the "Promotion and Development of the Solidarity Economy and Corporate Social Responsibility." In the first case, the DES's objective is primarily to promote a specific area (in the case of Trentino, this tends to be represented through a valley dimension). In the second case, the DES's purpose is to operate and promote a specific sector and involve the greatest possible number of stakeholders operating in it at the provincial level. In both cases, the overall objective is to create public value through interaction and collaboration between different stakeholders, promoting the activation of individuals, organizations, and entities operating in a given territory or sector at different levels, building positive relationships among them and new opportunities for promotion and socio-economic development.

Networks and relationships between organizations are important because they bring numerous benefits to the stakeholders involved: they allow for the aggregation of the various natural and artificial, economic, social, and institutional resources present in a given territory or area of intervention, facilitate process and product innovation, increase the ability to create and share knowledge, and increase competitiveness within one's own areas of intervention or in new sectors. However, for networks and the formal or informal



tools they adopt to be effective in generating new opportunities for promotion, integration, and socioeconomic development in the interests of the stakeholders involved and the territories where they operate, the collective actor that is formed (the DES) must be able to coordinate the various stakeholders. Therefore, to achieve the established objectives, it is necessary to adopt a governance model suited to truly satisfying the interests of the DES members and the users/interlocutors/consumers of the goods or services it generates, as well as the common objective for which it was created, which must in any case be linked to the generation of public savings.

To achieve this goal, and to provide some of the tools necessary to establish a Solidarity Economy District and ensure its effective functioning and long-term sustainability, it was decided to create this toolkit. This document was developed within the Interreg Central Europe 3P4SSE Project (Public-Private Partnership for the Social and Solidarity Economy), whose objective is to promote and strengthen a governance model for public-private partnerships aimed at the social and solidarity economy at the European level. The toolkit is aimed at both public administrations, given the important role they can play in the process of establishing Solidarity Economy Districts in Trentino, and, more generally, at all stakeholders intending to establish a Solidarity Economy District or, already participating, wishing to strengthen it.

## 1.2. Methodology

The toolkit is based on research on the current state of the solidarity economy in Trentino and the mechanisms that ensure the Districts' proper functioning. This research was conducted using various sources and methodological approaches. The first phase of the research focused on analyzing the factors that can both enable and hinder the creation and successful operation of a DES in the Trentino province. The methodology employed is a combination of semi-structured interviews with representatives of District member organizations and desk research on documentation relating to DES and the solidarity economy. The research identified the critical issues faced by Districts over the years and the factors that supported their establishment and consolidation. The research was then enriched through peer review with the European partners of the 3P4SSE project.

## PART 2

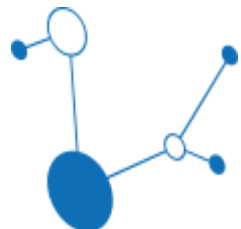
### CONSTITUTION OF THE DISTRICT

#### 2.1. The objectives

The first phase is dedicated to the establishment of the DES and in order for the entity being established to function from the beginning, a series of fundamental actions are necessary:

- **Identify a plurality of actors interested in establishing a DES (minimum of 3 partners involved, possibly with different legal forms, of which at least 1 registered with the solidarity economy regulations).**

A diverse mix of stakeholders from the District's inception is essential to reflect the complexity of the sector or region. The presence of diverse stakeholders (public, private, and nonprofit) helps integrate complementary skills, fostering the construction of a complex and cohesive supply chain.



Heterogeneity contributes to achieving the supply chain objective (creation of a financing, production, distribution, and consumption chain), promoting horizontal integration between organizations operating at different positions in the value chains and the exchange of knowledge and skills between organizations with different roles and specializations. At this stage, it is desirable to involve stakeholders primarily from the solidarity economy, although diversification in their nature, structure, and composition is an added value. If the stakeholders are mostly registered with the regulations, it may be easier to characterize the District as a true solidarity economy network. However, this should not imply the a priori exclusion of entities that do not qualify as Solidarity Economy Actors (SEA) and that express an interest in establishing a District.

That said, bringing together diverse entities can, in some cases, pose an additional challenge to the establishment of a District, and a District can also arise from actors with similar characteristics (e.g., social cooperatives or third sector entities). However, this should be an opportunity to expedite the creation of a District, not the objective of the District itself, which should strive over time to be more diverse and representative of the various interests and needs it aims to meet.

#### □ Definition of clear and shared objectives

When establishing the DES, the stakeholders involved must commit to (i) a clear overview of the project, (II) the DES's mission, and (III) concrete objectives that are shared by all members, clearly formulated, and, if possible, measurable.

□

Identifying and sharing objectives is inherent in the participatory process underlying their definition. It is also necessary to ensure the participation of all members in achieving them.

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The defined objectives must be clear and concrete: what do we want to achieve through the DES?

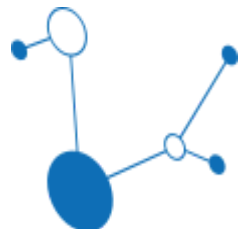
Clarity is essential to prevent members' commitment to achieving the objectives from being hindered by a lack of understanding of the actions to be undertaken. The defined objectives must, therefore, be specific and precise rather than generic declarations of intent. For example, "providing job placement" does not define the tools, actors, and outcomes of the action to be undertaken. A correct formulation should define the tools (e.g., social farming) and the method to be used to achieve the objectives, the role of each actor (e.g., the public body in local activation, two social cooperatives in training, a farm in job placement after training), and the results to be achieved (e.g., creating three jobs for disadvantaged people).

The objectives of the DES and the direction in which the promoters and participants are striving can be grouped together in a document (e.g., statute, charter of principles, internal regulations, business plan) that defines the identity of the DES, the activities it will carry out, the methods through which it will achieve its objectives, the rights and duties of the participating entities, and how the DES is managed.

#### □ Equip yourself with a governance model

While DES in Trentino do not necessarily require the adoption of a legal form, for them to function as effectively as possible, it is necessary to:

- define the instruments and/or bodies through which decisions are made (board of directors, general assemblies, management committees, working groups, etc.);
- appoint a contact person for each organization or entity participating in the DES. Each organization/entity must indicate the name and surname (and email and telephone numbers) of a person who officially represents it within the DES and participates in meetings (it would be advisable to also



provide a second person to participate in DES meetings if the contact person is unable to attend);

- specify the key roles that each DES member must/can perform within the district (coordinator(s), network facilitator(s), person(s) responsible for financial management, accounting, and budget preparation, internal and external communications manager(s), etc.);
- identify tools for monitoring and sharing the activities, results and progress of achieving the DES objectives, as well as the difficulties encountered (and the solutions adopted) to ensure that all participating entities have access to information and can actively contribute (e.g. define a calendar of periodic meetings aimed at all DES participating entities).

#### □ Identification of key figures: coordinator and external contact person

When establishing a District District (DES), it may be essential to immediately identify key figures for its smooth operation.

- Appointment of an internal District District (DES) coordinator/facilitator/animator: identify a person responsible for ensuring the District's internal functioning, promoting participatory and responsible management of the District District (DES), and ensuring that activities are consistent with the objectives established by the participating entities.

The coordinator/facilitator/animator must possess a combination of technical, managerial, and interpersonal skills to effectively manage the District District (DES) and foster its smooth operation.

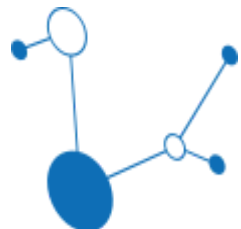
The following we report an example of the required skills:

- Ability to motivate, guide, and coordinate District District (DES) members;
- Optimize the use of financial, human, and material resources;
- Address and resolve daily problems, finding practical and efficient solutions;
- Monitor the progress of activities;
- Ability to listen, understanding the needs and opinions of others, particularly District District (DES) members;
- Clearly convey information within the District District (DES);
- coordinate and supervise the daily operations of the DES.

The coordinator/facilitator/animator should be responsible for:

- fostering dialogue and collaboration among District members;
- convening and facilitating periodic assemblies, at agreed-upon intervals (at least every six months), establishing a calendar that provides continuity and strategic vision;
- supporting the collective development of shared strategies, starting from the projects that emerge from discussions among members;
- monitoring the implementation of actions agreed upon at the assembly, encouraging the active involvement of all participants.

□ **Appointment of an external contact:** identify a person to act as the DES's external contact, representing it to external parties and building and maintaining a relationship with the Center for the Solidarity Economy.



The external contact, responsible for the general oversight of the DES and, above all, its representation, must possess strategic and interpersonal skills:

- Ability to build and maintain relationships with other organizations, associations, institutions, and external partners.
- Clearly convey information to the outside world, communicating the DES's objectives, values, and strategies to various stakeholders (e.g., beneficiaries, funders, public bodies, for-profit enterprises, social economy organizations, and individual citizens); ability to identify and promote collaboration opportunities that can benefit the DES; ability (if necessary) to negotiate with various external stakeholders (mediation and conflict resolution skills); and ability to build and maintain collaborative networks that can help achieve the DES's social and economic objectives.
- Ability to represent the DES at official events (meetings with public bodies and other organizations, events, etc.).

The absence of these key figures (especially in this initial phase) can compromise the District's ability to develop shared projects and operate effectively and cohesively. Therefore, from the outset, it is essential that DES members appoint these two figures to avoid dispersion, misunderstandings, or delays in the start-up phase. Potentially, the coordinator could also be the external contact (i.e., the person who manages relations with local and institutional stakeholders, as well as with other Districts and the Center), to streamline internal and external communication and ensure strategic coherence. However, this choice will depend on the DES members and their strategic choices and available resources. Ultimately, these roles can be filled by anyone, and the DES members will make the final decisions. That said, if a public entity is present within the DES, it may be advantageous to assign the role of external contact to a member of that entity, given the (potential) greater access to informational, relational, and organizational resources that such person (and entity) may have. In any case, the individuals assigned to the two roles described above must possess adequate skills, time, and resources to effectively support the District's launch and consolidation. To ensure the effectiveness of these two roles, it is essential that all DES members commit to supporting them and actively participating in their proposed activities and/or providing them with the information requested.

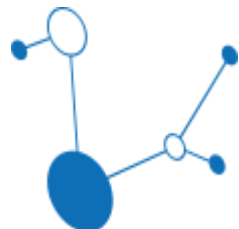
Finally, these two roles must potentially remain the same for at least several years (ideally four) to ensure the DES's consolidation and external recognition.

#### □ Establishment of a financing, production, distribution and consumption chain

The establishment of financing, production, distribution, and consumption chains must be considered one of the main founding objectives of DES.

The term District itself refers to a community of practice in which various actors operate, making up an entire supply chain. A "supply chain objective" is necessary to fully realize the District's impact and ensure its economic sustainability. Actors intending to establish a DES must, therefore, set the implementation of a supply chain project among their objectives. Developing a single activity (such as selling a product or providing a service) risks not being sufficient to establish a District. It is desirable that actors intending to establish a DES define in advance how their collaboration can contribute to the creation of a supply chain, whether territorial or thematic. As previously mentioned, the heterogeneity of the base can facilitate the achievement of this objective thanks to the integration of the different skills that each DES member can contribute.

One example is the agricultural supply chain, with the goal of building relationships between local producers and consumers to promote an integrated vision of the territory, capable of valorizing the human element and having a positive impact on the local economy and the sustainability of the agricultural sector and the environment. Through the DES, it is possible to provide various services for both farmers and consumers: joint distribution of farmers' products through online platforms or market organization; product promotion through ad hoc events (e.g., aperitifs made with farmers' products, creation of recipes to enhance and transform products to combat food waste and promote sustainability from a circular



economy perspective); sharing management, commercial, IT, and communication skills; and implementing information and awareness campaigns on issues related to agriculture and the Social and Solidarity Economy. Promote new participatory guarantee and local exchange systems, allowing DES members to exchange goods and services without resorting to traditional currency (exchange, reuse, time banks, complementary currencies, etc.), but rather through relationships based on reciprocity, cooperation, and trust. Coordinate territorial and economic projects aimed at facilitating the matching of supply and demand for Social and Solidarity Economy goods and services, including those of local entities and businesses.

This "supply chain objective" must be represented in a business plan that describes:

- an overview of the business model (if applicable, include support activities for DES members and the production of goods and services);
- planned or existing alliances/activities among the organizations that make up the DES;
- the DES's target audience: who are the local stakeholders or needs the district intends to address;
- the DES's communication and marketing strategies: how the DES intends to gain recognition in the market and promote its projects and members, as well as attract new members (e.g., events, digital marketing, collaborations with local and non-local stakeholders);
- the sales channels for its goods and services (e.g., local markets, online platforms, events, trade fairs, etc.);
- the strategies to be adopted to promote greater environmental, social, and economic sustainability.

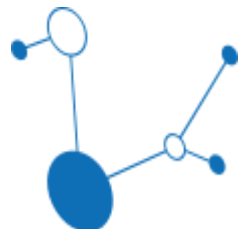
#### □ Creation of a financial plan and a social balance sheet

A key element that DES promoters must devote time to during this initial phase is an analysis of the costs associated with the DES and the potential social impacts of the DES and its activities. This will help understand how much the DES contributes to creating value for its local community or practice and for the Trentino region as a whole. This will then need to be monitored in subsequent phases and over the years.

At this stage, it is therefore necessary to consider the following points:

- Analysis of possible initial investments: costs for starting the district, purchasing equipment, promoting and marketing activities, etc.;
- Identification of funding sources: public and/or private funds, crowdfunding, contributions from DES members, investments from local authorities, partnerships with other businesses;
- Financial forecasts: Estimates of income and expenditure for the first few years of operation, including projections for revenues, operating costs, etc. (long-term projects require various types of investments, such as the creation of local infrastructure—e.g., co-working spaces, local markets—the implementation of awareness-raising activities to promote the solidarity economy and its protagonists, support for small local businesses, etc.);
- Economic sustainability analysis: Identify ways in which the DES will be self-sustaining over time, with balanced financial management and the search for opportunities to reinvest in the project;
- Develop a reporting model to monitor activities, resources, and results achieved. This model must be based on principles of transparency and accountability and therefore open and accessible to all members and stakeholders interested in the DES's activities. This model must be clearly, comprehensively, and understandably structured and can be divided into different sections depending on the specific needs of each DES (establish key performance indicators to monitor progress, financial indicators, social impact indicators, a summary of the main results achieved and any difficulties encountered, indicating strengths, weaknesses, opportunities, and threats, etc.).





All of these elements contribute to building trust and allow everyone to monitor how resources are being used.

#### □ Rooted in the territory

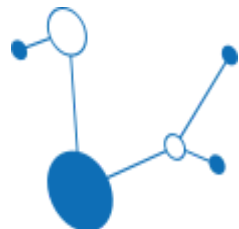
Strong local roots for the promoters of the DES are essential to fulfilling the task of territorial promotion and encouraging the participation of local stakeholders in the District's activities. This objective is not limited to territorial Districts, but also to thematic ones, as it is a necessary condition for ensuring a necessary level of participation in the District. This is especially true for job placement activities. Local involvement is essential for identifying beneficiaries and establishing longer-term training and job placement programs.

For the promoters (and consequently the DES) to be rooted in their local area of operation, it is necessary to:

- build strong relationships within the local area with various stakeholders (other organizations, institutions, and individual citizens);
- actively participate in the social life of the area;
- promote activities with strong local impact on the population, including those not directly involved in the specific activities of the DES.

This type of objective requires a long-term commitment from the proponents, requiring several actions:

- Know the area: analyze the economic, social, and cultural characteristics of the region, the community's needs, and development opportunities, and based on these, define a specific objective to achieve;
- Build relationships: Commit to developing new relationships with local institutions (municipalities, provinces, regions), businesses, trade associations, nonprofit organizations, and citizens, through the creation of new opportunities for social and economic interaction and active participation processes between individuals and groups, where the various local stakeholders can get to know each other, engage in dialogue, develop mutual trust, and aggregate and leverage the diverse tangible and intangible resources present in the region;
- Actively participate in the life of the region: Relationships require ongoing investment (time and resources) from all stakeholders and the creation of opportunities for interaction in which they can share objectives and methods for achieving them. Without this commitment from all sides, many stakeholders who were initially proactive and interested in the DES's work could speak negatively about it in the future if initially involved as active participants, only to be excluded due to a lack of communication and clarity regarding their roles. Therefore, the DES must be visible in the local community through engagement in cultural, sporting, social, and economic activities, using the methods each DES deems most appropriate. These areas of intervention can be a powerful driving force for promoting the activities of the DES and its members;
- promote projects that benefit the community: implement local initiatives that are potentially of interest to the entire local population through their direct involvement, thus raising awareness of the DES's potential and conveying to everyone the importance of its commitment to the community, making its work and actions transparent;
- investing in human capital: supporting the skills and know-how of the territory, investing in training, research and development both internally and externally to the DES for the ongoing training of its members and the community on the social and solidarity economy and on the specific skills linked to the actions of each DES.



## □ Connection between different DES and sharing of good practices

Sharing practices among existing Districts is a key aid in the establishment phase of a new DES. These existing Districts, supported by the Center for the Solidarity Economy, should "guide" new Districts by sharing practices and knowledge and ensure that existing DESs are not unaware of the existence of other DES.

Actions to be implemented:

- Improve communication on the topic of DESs;
- Organize opportunities for discussion (public events, ad hoc meetings on specific topics, etc.) among the various DESs.

### PHASE 1 - OBJECTIVES: SUMMARY OUTLINE:

#### □ Identify a variety of stakeholders interested in establishing a DES

A diverse composition of the promoters and members of the DES is essential to represent the complexity of the sector or region in question. The presence of diverse stakeholders (public, private, and non-profit) helps integrate complementary skills, fostering the construction of a complex and cohesive supply chain.

#### □ Definition of clear and shared objectives

When establishing the DES, the stakeholders involved must commit to building

- a clear overview of the project;
- the DES's mission;
- concrete objectives that are shared by all members and clearly formulated and, if possible, measurable.

#### □ Equip yourself with a governance model

The DES in Trentino do not require the adoption of a legal form, but for it to function as effectively as possible, it is necessary to:

- define how and where decisions are made;
- appoint a contact person for each organization or entity participating in the DES;
- specify the key roles that each DES participant must/can play within the district;
- identify tools for monitoring and sharing activities, results, and the achievement of objectives.

#### □ Identification of key figures: coordinator and external contact

- Appointment of an internal coordinator/facilitator/animater within the DES with the following skills:
- Leadership and management
- Relational and communication skills

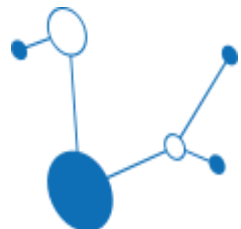
**Appointment of an external contact with the following skills:**

- Strategic and representation;
- Relational and communication skills;
- Mediation and conflict resolution.

#### □ Establishment of a financing, production, distribution and consumption chain

Define how collaboration among the various DES members can contribute to the creation and operation of a supply chain, whether territorial or thematic. The supply chain must be represented in a business plan that describes:

- the economic model and planned alliances/activities;
- the DES's target audience;
- the DES's communication and marketing strategies and sales channels for its goods and services;



- the strategies to be adopted to promote greater environmental, social, and economic sustainability.

#### □ **Develop a financial plan and social report**

Analyze the costs associated with the DES and the potential social impacts of the DES and its activities, taking into account:

- any initial investments (district launch, equipment purchases, promotion and marketing activities, etc.);
- potential funding sources (public and/or private funds, crowdfunding, DES member dues, etc.);
- financial forecasts (income/expenses for the first few years of operation, revenue projections, etc.);
- economic sustainability analysis (how the DES will sustain itself over time);
- develop a reporting model to monitor activities, resources, and results achieved.

#### □ **Local Roots**

Strong local roots of the promoters of the DES facilitate the promotion of the DES and the participation of local stakeholders in its activities. For the proponents (and consequently the DES) to be rooted in their local area of operation, it is necessary to:

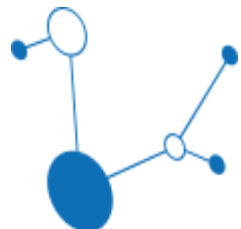
- build strong ties within the territory with various local stakeholders;

- actively participate in the social life of the area;
- promote activities with strong local impact on the population.

#### □ **Connecting different DESs and sharing best practices**

The sharing of best practices by existing Districts is a key aid in the establishment phase of a new DES. Existing DESs (supported by the Center for the Solidarity Economy) should "guide" new Districts through the sharing of best practices and knowledge and ensure that existing DESs are not unaware of the existence of other DESs. Actions to be implemented:

- Improve communication on the topic of DES;
- Organize opportunities for discussion among the various DES.



## 2.2. The essential tools

### □ Territorial animation

Local community outreach is a participatory and relational approach aimed at stimulating, supporting, and consolidating local activation dynamics and building shared paths through meetings, workshops, and spaces for listening and discussion. This activity can have numerous benefits for the District. First, it enhances the District's visibility. Promoting the District as an alternative model for producing goods and services aims to shift consumer preferences toward supporting DES through the purchase of goods from these producers. Local promotion of the DES model allows potentially interested stakeholders to learn about them and evaluate their participation (effectively fostering broader governance). Furthermore, local community outreach is essential to make job placement tools effective. As previously discussed, this is necessary to identify and reach potential beneficiaries and increase the participation of local stakeholders.

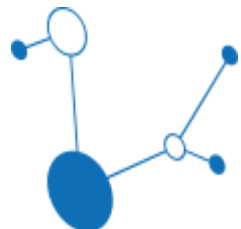
### □ Key figures and contacts for each organization

As indicated in the section dedicated to the objectives, the appointment of two/one key figure of the DES referent is one of the first actions that the promoters must undertake in the constituent phase of the DES, just as all the subjects who decide to join the DES must undertake to appoint their own referent.

For the District to function properly, it is therefore necessary to indicate in an official document (statute, charter of values, internal regulations, etc.):

- 1 internal coordinator of the DES;
- 1 external contact person;
- 1 contact person for each member of the DES.

Given the difficulty encountered by many DESs in finding human resources to dedicate to the various roles, the role of internal and external DES contact person can also be held by the same person.



#### □ Governance model and members' assembly

Having a governance model is essential. Regardless of the model each DES decides to adopt, all must have a members' assembly, as it is the forum for collectively developing the District's projects, defining the roles of each stakeholder, and defining the objectives to be achieved.

The assembly members (the representatives appointed by the organizations/entities that constitute the DES) should establish an annual assembly calendar, consistent with their availability to meet to avoid a dispersion of participation.

The assembly must have the following minimum functions:

- Share and structure the projects and actions of the DES, including through the creation of a program of annual activities to be verified and publicized, as well as an annual report (as also provided for in the document entitled "The Districts of the Solidarity and Social Economy in the Province of Trento," approved by the Provincial Council with Resolution No. 1949 of November 27, 2020)
- Clearly define the roles of each member in implementing the DES's actions;
- Define the objectives to be achieved and the timeframes and methods for achieving them;
- Monitor that members' roles and actions are carried out in the best interests of the DES.

Opening the assembly to citizens and non-member stakeholders can help better understand the needs of the local area and promote the District model and participation.

To ensure the ongoing participation of all DES members, each member could establish mechanisms for exclusion from the DES following a defined number of absences from the meetings or absences from meetings. in carrying out the tasks assigned by the assembly itself.

#### □ Map of the actors of the solidarity economy

Easy access to the mapping of DES and entities/companies potentially eligible for the regulations, conducted by the Center for the Solidarity Economy in collaboration with the Secretariat of the Roundtable for the Solidarity Economy. Access to the map makes it easier for promoters to identify other stakeholders in a given area or operating within a given sector who are potentially interested and have functional characteristics for the District, and to involve them in the establishment phase.

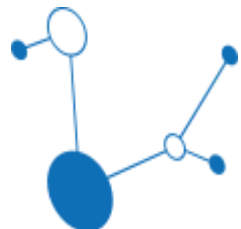
### 2.3. The critical issues to avoid

#### □ Excessive homogeneity of members

A lack of member diversity poses a risk for various processes affecting the District. A first risk is related to the aforementioned "supply chain objective." The creation of a structured and sustainable supply chain presupposes a certain level of heterogeneity among the actors involved, so that the various strategic functions typical of an economic district can be fulfilled. In the absence of such diversification (for example, when only a single type of actor is present, such as social cooperatives), it is difficult to imagine the construction of a complete economic supply chain, as there is a lack of actors capable of performing complementary and necessary tasks. While homogeneity can be a strength in facilitating the establishment of a DES, another critical long-term issue concerns the DES's sustainability, its innovative potential, and its openness to other actors.

#### □ Lack of strong networks

The existence of structured networks among stakeholders operating in the same territory or thematic area represents a favorable condition for launching a District Development Plan (DES), as it lays the foundation for the stakeholders to organize themselves to pursue shared projects within a formal organization.



Conversely, establishing a District in a context characterized by weak networks, a low propensity for collaboration, and little social capital risks compromising the effectiveness and sustainability of the promoted actions from the initial stages. This condition does not preclude the possibility of establishing a District Development Plan (DES), but it does require some specific considerations. In these cases, the stakeholders involved must be strongly motivated to strengthen and expand existing networks, paying particular attention to building relationships of trust and sharing common goals. Therefore, it becomes crucial, even more so than in contexts already characterized by a widespread cooperative culture, to activate widespread and structured territorial outreach, especially in the phases preceding the actual establishment. These actions should aim to promote the District model, raise awareness among new stakeholders, and encourage forms of cooperation between actors operating in the same area or territory, overcoming any pre-existing fragmentation.

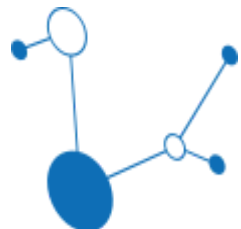
#### □ Lack of coordination

One of the main risks at this stage is related to the proper functioning of the mechanisms that enable internal coordination. The members' assembly must meet regularly, and all members must be required to participate. When this does not happen, problems in sharing objectives and defining roles clearly emerge, resulting in some actors being declared members of the DES but de facto not participating in its activities. The same consideration applies to the role of the coordinator. In their organizational role, the coordinator must be able to coordinate internal activities and network members and external stakeholders. Without these conditions, the risk is that the actors will operate in an uncoordinated manner, undermining the collective approach that should characterize each district. An example is the situation in which some members decide to implement a project in which they do not participate or of which other District members are not even aware. In this case, the coordinator's lack of effectiveness in promoting internal communication and defining the responsibilities of all members is evident.

#### □ Availability of economic resources

The establishment of a District is possible only when there are sufficient financial resources. The availability of financial resources for their establishment cannot depend solely on the public entity, as the amount and methods of transfer of these resources can contribute to determining the Districts' trajectory, as well as risk discouraging cooperation between different actors, placing them in competition for access to these resources. The choice of financial support instruments, however free, must be subordinated to the need to avoid distorting phenomena that encourage competition to the detriment of cooperation. Since the availability of external resources can influence the sustainability of Districts, they should equip themselves with tools to also stimulate funding from private entities, whether legal entities or individuals. To access this type of funding, DESs must:

- present themselves as solid, transparent organizations capable of generating a positive impact, thus building relationships of trust with private funders, motivated primarily by the desire to support social, cultural, environmental, or other causes;
  - have a clear and well-structured business plan that demonstrates the DES's social return, including social impact indicators and the costs of coordinating/managing the economic production chain;
  - learn to use and combine different fundraising tools, such as online crowdfunding platforms, sponsorships, or building partnerships with companies interested in collaborating with the DES to achieve common goals or shared values; create affiliation or membership programs that incentivize private individuals to become members and contribute financially; donating members; Social Impact Bonds; charity and fundraising events; prepare well-structured presentations to attract private investors, etc.
- That said, while a lack of external resources to dedicate to certain activities (e.g., coordination activities) risks undermining the District's proper functioning, excessive dependence on external resources is an



obstacle to the creation of sustainable supply chains. The management of financial resources (internal and external) must therefore be structured within a spending plan shared by all members and aimed at sustainability.

While provincial law does not require the mandatory acquisition of a legal form for the establishment of a DES, one option that each DES could consider, depending on its social, institutional, and economic content and the type of members, is to charge a DES membership fee.

Paying a membership fee to join the DES could have practical benefits (e.g., access to DES services and economic opportunities), but above all, deeper value-based and operational benefits: support for the DES's social and ethical mission and commitment to the collective good with solidarity and responsibility. Becoming a member of a DES means being part of a project that goes beyond simple commercial exchange, actively participating in the social, economic, and cultural change of your local area or area of intervention. Each member therefore assumes the responsibility of contributing to the smooth functioning of the DES, but also of benefiting from its collective success.

Contributing a fee can therefore serve a dual purpose:

- It represents a form of investment in the DES and its objectives.
- It supports the DES in financing the initiative itself and its activities, ensuring that the DES can operate effectively over the long term, continuing to promote its values and objectives.

#### □ Availability of human resources

The availability of human resources is one of the key elements required for establishing a District. Local outreach activities and the establishment of a coordination body require member organizations capable of dedicating staff to these activities. Member diversity (both in terms of size and organizational type) can help ensure this. It's clear that a District composed exclusively of small organizations, often with fewer staff than is necessary for routine activities, risks not having the resources to dedicate to the DES. The inclusion of entities with greater human resources (public bodies and medium-to-large private organizations) represents a strength for Districts. Therefore, it's essential for the promoting organizations to identify in advance which human resources to dedicate to the District's activities.

## PART 3 CONSOLIDATION OF THE DISTRICT

### 3.1. The objectives

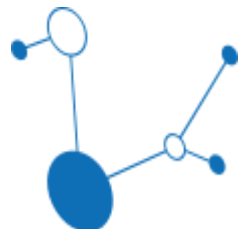
#### □ Consolidation of the supply chain

Once the District is established, the stakeholders involved must contribute to the consolidation of the supply chain. As already highlighted, the consolidation of the supply chain depends on various factors, such as the plurality of stakeholders involved, the definition of clear roles and objectives, the promotion of the model, etc. The consolidation of the supply chain must aim for long-term sustainability and to maximize the District's impact within the local or sectoral context.

#### □ Annual evaluation and reporting of the District's activities

The District must be able to constantly monitor processes and results to identify critical issues and take action to resolve them. Reporting is also essential to ensure the transparency of the processes adopted by the DES towards its members and external stakeholders (e.g., funders, public bodies, private companies). Furthermore, the activities carried out should be publicized both to enhance the DES's visibility and as a





tool for internal and external monitoring. Publicizing the DES's activities and contributions through various channels (social networks, the DES website, the Center for the Solidarity Economy's website, and/or the Solidarity Economy website) should be considered essential for the long-term consolidation of the DES.

#### □ Rooted in the territory

While establishing roots in the local community can be a starting point, it is undoubtedly a goal of this phase and must be continually strengthened. If the DES is recognized in its local area or sector of intervention, this contributes to expanding its network of relationships and its economic sustainability, thus ensuring a greater impact from the District's actions (for example, pursuing job placement activities).

#### □ Coordination of activities

Continuous coordination of the District's activities is essential to ensure its smooth operation once it is launched. A lack of sufficient attention to this aspect risks dispersing the participation of less active members, resulting in projects being carried out exclusively by a subgroup of dedicated individuals. This, in turn, risks limiting the scope and scope of actions relative to the objectives and capabilities of certain stakeholders. In addition to clearly defining the contribution each DES member can make and identifying a contact person for each member, it is necessary to continuously monitor the roles of the stakeholders involved and their fulfillment of the assigned tasks, and to refine them as necessary over time.

#### □ Promotion of DES activities

Promoting DES-related activities is undoubtedly essential during the establishment phase to ensure initial participation. However, promotional activities should not be limited to this phase. The District must ensure continued promotion of itself, its specific activities, and, more generally, the values underlying its founding.

This promotional effort should be coordinated with the Center for the Solidarity Economy, which specifically focuses on informing, raising awareness, and stimulating knowledge, interest, and engagement in the Solidarity Economy within the Trentino economic fabric. This includes guiding and providing concrete support to organizations interested in exploring the creation of Solidarity Economy Districts.

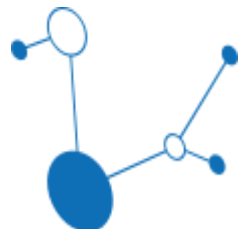
The DES must maintain an inclusive approach and prepare an annual report ("actions undertaken to increase the number of organizations participating in the DES"). Furthermore, this is an intrinsic purpose of the provincial law on the DES and one of the most neglected (mandatory) parameters among those adhering to the guidelines, "Collaborate among members of the solidarity economy to facilitate the achievement of the objectives of the guidelines."

The efforts undertaken by the promoters during the establishment phase must therefore be maintained and implemented in this consolidation phase and beyond. Only in this way will it be possible to encourage the participation of members and external stakeholders, whether they are beneficiaries/consumers of DES goods and services, entities/organizations with which DES collaborates to carry out its activities, or new stakeholders interested in participating in DES activities or becoming members.

In this effort, the DES can decide to increase its recognition through two main strategies:

- adopting its own brand to strengthen members' sense of belonging to the DES and to increase trust among external parties (perceived as reliable), and independently managing all related communications;
- use the existing Solidarity Economy brand, helping to promote it, in collaboration with the Center for the Solidarity Economy, by co-developing (or entrusting the Center with) a communication and promotion strategy for its products through Solidarity Economy channels (thus strengthening relationships between the various solidarity economy actors and other DES);
- adopt both strategies depending on the type of actions implemented or strategies adopted.





### 3.2. The essential tools

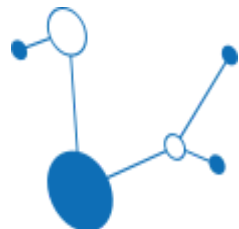
#### □ Evaluation and monitoring mechanisms

District members must collectively, during the assembly, define shared and standardized tools, procedures, and indicators for monitoring and evaluating the impact of ongoing projects. Specifically, the following procedure must be followed:

- define objectives: what to measure and why;
- identify monitoring and evaluation indicators: these can be quantitative or qualitative (or both);
- define the frequency of collection: quarterly, semi-annually, annually;
- collect data: use various tools such as questionnaires, surveys, interviews, focus groups, etc.;
- analysis and comparison: analyze results by comparing them with previous objectives or periods;
- reporting and communication: collect and present results through annual reports or social reporting;
- identify a person responsible for each activity.

A potential basic template (to be adapted to the specificities of each DES) could contain the following fields:

| Evaluation Area             | Indicator                                           | Frequency | Responsible         | Data Source                 |
|-----------------------------|-----------------------------------------------------|-----------|---------------------|-----------------------------|
| Effectiveness of activities | N./% of projects completed with objectives achieved | Quarterly | Project Manager     | Project Report              |
| Beneficiary Satisfaction    | Average score of satisfaction questionnaires        | Annual    | Monitoring Office   | Questionnaires/i interviews |
| Economic Efficiency         | % of structural costs on total expenses             | Annual    | Treasurer / CFO     | Final budget                |
| Fundraising                 | € raised vs. target                                 | Quarterly | Fundraising Manager | Campaign Reports            |
| Transparency and            | % of documents                                      | Annual    | Secretary           | Website / archive           |



|                                     |                                                                    |             |                       |                                                                               |
|-------------------------------------|--------------------------------------------------------------------|-------------|-----------------------|-------------------------------------------------------------------------------|
| <b>Governance</b>                   | published on the website (financial statements, statutes, minutes) |             |                       |                                                                               |
| <b>Volunteer Involvement</b>        | Number of active volunteers and hours donated                      | Half-yearly | Volunteer Coordinator | Attendance register                                                           |
| <b>Partnerships and Network</b>     | No. of active agreements with other entities                       | Annual      | Management            | Convention archive                                                            |
| <b>Environmental Sustainability</b> | % recycled waste / CO <sub>2</sub> saved                           | Annual      | Logistics Manager     | Report fornitori / rilevazioni interne<br>Supplier reports / internal surveys |

#### □ Territorial animation

Within the context of consolidation, local community outreach continues to be a key action aimed at strengthening the dynamics of local activation already underway, supporting the leadership of local stakeholders in the definition, review, and implementation of collective interventions. In this phase, outreach translates into a set of actions that consolidate existing relationships and foster new ones, helping to make the District increasingly rooted and recognized in the local community. Public events and opportunities for citizen engagement remain strategic tools for enhancing the District's visibility, disseminating its values, and increasing support and engagement. These initiatives can contribute to strengthening the DES's identity as an alternative model of production and consumption, encouraging informed purchasing behavior and active participation. Furthermore, local community outreach is instrumental in consolidating employment placement tools, fostering the maintenance of ties with beneficiaries and strengthening the network of local stakeholders involved.

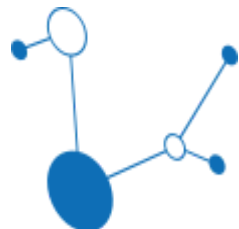
#### □ Members' Assembly

During the consolidation phase, the members' assembly plays a central role in coordinating and ensuring the continuity of the District's activities. It is where results achieved are evaluated, objectives are updated, and future activities are planned. To ensure consistent and structured participation, members should confirm or update the annual meeting schedule, promoting stable and effective participation. The assembly should maintain several key functions:

- monitor and update ongoing projects;
- renegotiate and confirm members' roles in implementing activities;
- verify achievement of objectives and redefine, if necessary, timelines and operating methods.

Opening the assembly to external stakeholders could represent an opportunity to strengthen the DES's local roots, address emerging needs, and broaden the involvement of citizens and stakeholders.

#### □ Coordinator and External Contact Person



During the consolidation process, these two roles (one in case the DES, short of human resources, decides to merge them into a single role) will play a strategic role in the continuity and effectiveness of district action. The coordinator will continue to coordinate activities, facilitating dialogue among members and organizing joint work. Furthermore, he or she is responsible for ensuring the continuity of information within the DES. These activities, along with the communication with external stakeholders entrusted to the external contact, promote transparency and consistency in the work performed. During this phase, the external contact also strengthens the connection between the District and the Center for the Solidarity Economy, encouraging the exchange of practices and learning among the various DES, with a view to continuous improvement.

### 3.3. The critical issues to avoid

#### □ Consolidation of existing networks

Consolidating the District requires the presence of solid and structured networks among the stakeholders involved. The long-term sustainability of district activities depends largely on the ability to maintain and strengthen these relationships. In contexts where networks are weak or have weakened, a renewed commitment from all DES members is necessary to rebuild trust and cooperation. Ongoing local outreach efforts, even during the consolidation phase, are essential to prevent the collective project from losing cohesion or meaning. The promotion of the DES vision and objectives must therefore continue, involving new stakeholders and strengthening the sense of belonging and shared responsibility among the members already involved.

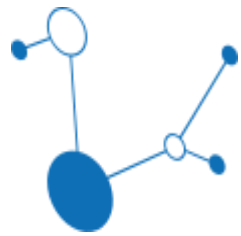
#### □ Management and sustainability of financial resources

As consolidation progresses, the issue of the availability and management of financial resources becomes even more crucial. The District must evolve from an initial phase often dependent on external resources (typically public) to greater economic autonomy. This requires strategic use of funding, shared governance of resources, and particular attention to building sustainable economic chains. The public body continues to play a central role, but it must be an actor that fosters support methods aimed at encouraging collaboration (rather than competition between stakeholders) and not simply a provider of financial resources. At the same time, the District must promote a culture of sustainability, avoiding welfare-based approaches and fostering the ability to attract resources through shared projects and collaborative networks.

To do this, as indicated above, it is important to equip itself with tools capable of monitoring and evaluating all these elements (e.g., business plan, budget, etc.).

#### □ Lack of human resources

The availability of human resources is a necessary condition for District consolidation. To ensure the continuity and effectiveness of District actions, dedicated human resources must be available that can be clearly and effectively deployed within the District. The assignment of roles within the District should therefore reflect the willingness to participate in District activities, while also taking into account the human resources that each organization can and chooses to contribute to District projects. In addition to the requirement that each organization provide a contact person to the District Planning and Development



(DES), some organizations may also decide to share other personnel. Greater diversity in the membership base favors the availability of human resources, both in terms of quantity and specialization. A further enabling factor is the degree of specialization: for example, a social cooperative active in job placement can have qualified professionals, such as educators, to deploy in District Planning and Development (DES) projects. Therefore, a key aspect of the consolidation phase is the proper allocation of available human resources.

#### □ Dispersion of participation

Failure to continuously monitor member engagement can lead to a dispersion of internal participation in District activities. This phenomenon can arise from an unclear definition of roles, which causes some stakeholders, unsure of what actions to take, to exclude themselves from District activities.

Attachment: VOLUNTARY AGREEMENT FOR THE ESTABLISHMENT OF THE DISTRICT FOR THE SOLIDARITY ECONOMY produced by the Trentino Centre for the Solidarity Economy