Report on the Progress of the Proximity and Social Economy Transition Pathway

1. Introduction

This report presents a comprehensive overview of the submitted pledges within the Transition Pathway for the proximity and social economy ecosystem. It analyses the action areas addressed, the range of participants involved, and the geographic scope. By examining these dimensions, the report aims to provide valuable insights on the contributions and synergies of pledges within the broader ecosystem.

A key objective of the report is to contextualise the pledges, linking them to relevant EU, national, and regional public or private initiatives. Additionally, it will inform other ecosystem communities about emerging trends and strategic opportunities, fostering collaboration and shared learning.

This is the final of a series of biannual progress reports. It will be made available on the EU Proximity and Social Economy Platform[1] and includes a detailed section on progress and implementation of the pledges. This segment includes both quantitative and qualitative analyses of pledge implementation, identifying both opportunities and areas to improve the overall performance of the ecosystem in implementing the Transition Pathway. This format offers stakeholders an evolving and accurate representation of the ecosystem's activities and achievements.

In sum, this report not only tracks the progress of individual pledges but also serves as a strategic resource for understanding and enhancing the ecosystem's collective impact, reinforcing its alignment with overarching goals and priorities.

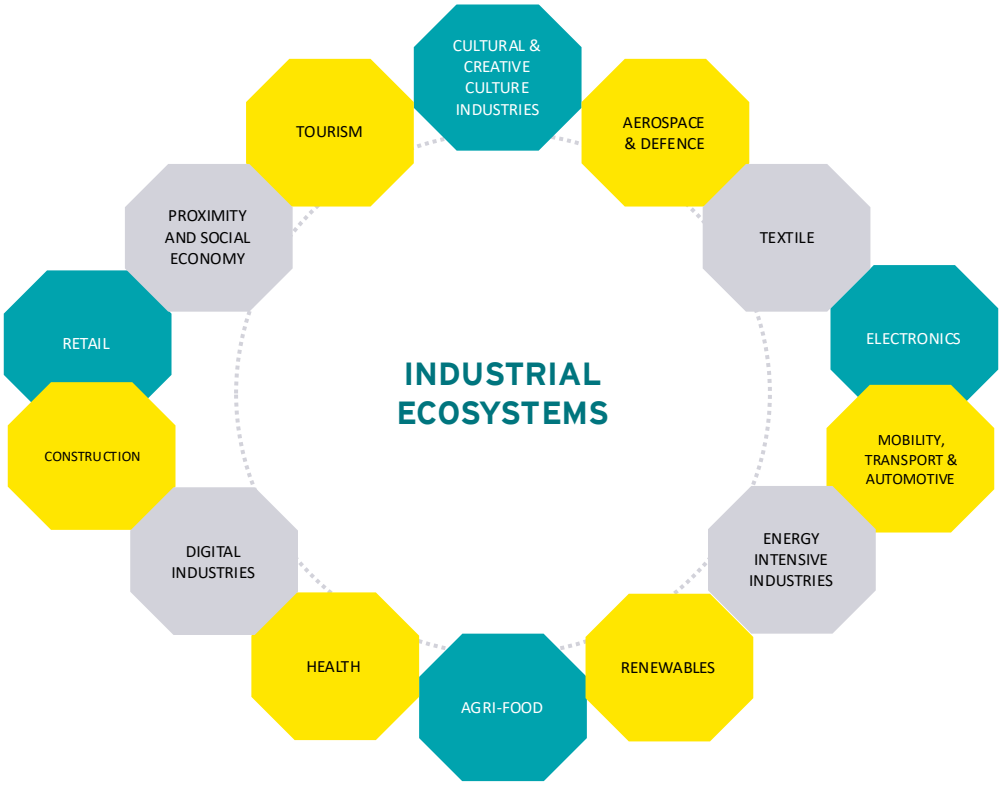
[1] EU Proximity and Social Economy Platform | EU Proximity and Social Economy Platform

2. Background

2.1 The EU Industrial Strategy

In March 2020, the European Commission (EC) presented the European Industrial Strategy, a plan to support the European industry through the transitions towards climate neutrality and digital leadership. On May 2021, the EC released an updated European Union (EU) Industrial Strategy, "to ensure that its industrial ambition takes full account of the new circumstances following the COVID-19 crisis and helps to drive the transformation to a more sustainable, digital, resilient and globally competitive economy"[2]. In order to foster the resilience of the Single Market, the Commission proposed, among several initiatives, to monitor on an annual basis the state of the Single Market across **14 industrial ecosystems**, one of them being the "**Proximity and Social Economy**" as it is shown in Figure 1.

Figure 1. Industrial ecosystems



Source: European Commission (n.d.), "European Industrial Strategy", (own illustration).

[2] European Commission, "EU Industrial Strategy". Available at: https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/europe-fit-digital-age/european-industrial-strategy_en

2.2 The proximity and social economy ecosystem

It is important to mention that the proximity and social economies are distinct concepts, even if interlinked.

On the **social economy**, the European Commission dedicated a comprehensive action plan in December 2021 with which it defined objectives, measures and instruments for the decade[3]. Above all, the SEAP (Social Economy Action Plan) introduced the first European **definition of the social economy**, hinged on three essential elements: the **primacy of people**, as well as of social and/or environmental goals, over profit; **reinvestment of all or most of the profits** and surpluses to pursue of social and/or environmental aims in the interest of their members/users ('collective interest') or society at large ('general interest'); and **democratic or participatory governance**. The Social Economy Action Plan more recently (November 2023) was followed by the Recommendation of the Council of the European Union on developing social economy framework conditions[4]. The social economy plays an important role in facilitating access to the labour market and promoting quality jobs for all, including vulnerable groups and it is recognised for playing an essential role not only in the provision of social services, but also as a driver of social innovation and the twin transition. The social economy ecosystem in the EU is composed by 4.3 million enterprises and organisations and employs 11.5 million people[5].

The **proximity economy** is growing concept in Europe, and it is understood as a human-centric ecosystem which consists of the production, distribution and consumption of goods and services within short value chains, enabled by, and based on locally rooted social interactions within a geographical area of perceived closeness. It is driven by the collective intention of the actors within the ecosystem to increase the liveability, sustainability and resilience of the area.[6] The proximity economy includes three different dimensions of proximity: **geographical proximity**, **relational proximity** and **cognitive proximity**. As the social economy, the proximity economy is present in all sectors of activity. A recent study estimates that its added value across the EU is approximately € 6,000 billion, taking into account that regional value chains represent 65% of the value embodied in the goods and services created in European regions, across all industrial ecosystems.[7]

2.3 The Transition Pathways for the proximity and social economy ecosystem

In November 2022, the European Commission released the "Transition Pathway for Proximity and Social Economy"[8] composed of **14 action areas** (seven linked to the green transition and seven linked to the digital transition), as indicated in Table 1, and **30 concrete actions** to be implemented by the EU, Member States, regions, cities and other stakeholders to achieve the twin transition (green and digital) of the ecosystem.

Supporting the ecosystem on its pathway to the **green transition** is instrumental for aligning the social and green objectives of the EU. On the one hand, unlocking the untapped potential of social economy can drive change and innovation towards a climate-neutral and environment-friendly economy. On the other hand,

[3] European Commission, "Building an economy that works for people: an action plan for the social economy". Available at: https://ec.europa.eu/social/main.jsp?catId=1537&langId=en&

[4] Council of the European Union "Council Recommendation on developing social economy framework conditions". Available at: https://data.consilium.europa.eu/doc/document/ST-14113-2023-INIT/en/pdf

[5] European Commission "Benchmarking the socio-economic performance of the EU social economy". Available at: https://op.europa.eu/en/publication-detail/-/publication/8aa2a5cb-74a7-11ef-a8ba-01aa75ed71a1/language-en

[6] Ibid.

[7] Ibid.

[8] European Commission, "Transition pathway for the proximity and social economy". Available at: https://ec.europa.eu/docsroom/documents/52015

entities within social economy enable grassroots initiatives to emerge and ensure a fair green transition for EU citizens. The **digital transition** of the ecosystem is also key for the ecosystem as social economy businesses generally have a low level of digitalisation, mainly in terms of lack of digital skills and investment in digital infrastructure, and they take limited advantage of the potential offered by the platform economy.[9]

Table 1. Action areas of the Transition Pathways for the proximity and social Economy ecosystem

Green transition	Digital transition
1. Reinforcing Business to Business collaboration for greener and circular value chains.	8. New business models – the platform economy
2. Creating financial incentives and supportive regulation for green and circular social economy business models	9. Data Maturity and data driven business models
3. Certification, labelling and self-regulation	10. Public and private tech partnerships and support
4. Innovation as enabler for green transition and business development in the social economy	11. Data sharing, Data management & Code of Conduct
5. Greening infrastructures and business operations	12. Supporting Digital Social Innovation & Tech for Good entrepreneurship
6. Local Green Deals, green business communities and citizens' initiatives	13. Access to technology
7. Addressing capacity and skills gap	14. Boosting digital skills by - and in the social economy

Source: European Commission, "Transition Pathways for the Proximity and Social Economy ecosystem", (own illustration).

The implementation phase started after the publication of the Transition Pathway with a **call of pledges** from the EC addressed to different stakeholders on the concrete actions that they will take in order to help achieve the shared action areas identified in the Transition Pathway. The main objective of the pledges is to help address gaps, pool resources towards shared milestones and mobilise support at all levels.

The EC has opened the call for pledges submission in different phases since November 2022. This version of the report incorporates and analyses an additional 28 newly submitted pledges[10] following the last call for pledges until 1 June 2025[11]. It also reports on the progress of a sample of pledge-taking organisations, such as Groupe SOS, City of Manheim, Ateliere Fără Frontiere, and CASES.

[9] European Commission, "New technologies and digitisation: opportunities and challenges for the social economy and social enterprises". Available at: https://op.europa.eu/en/publication-detail/-/publication/208a8be9-39d5-11eb-b27b-01aa75ed71a1/language-en

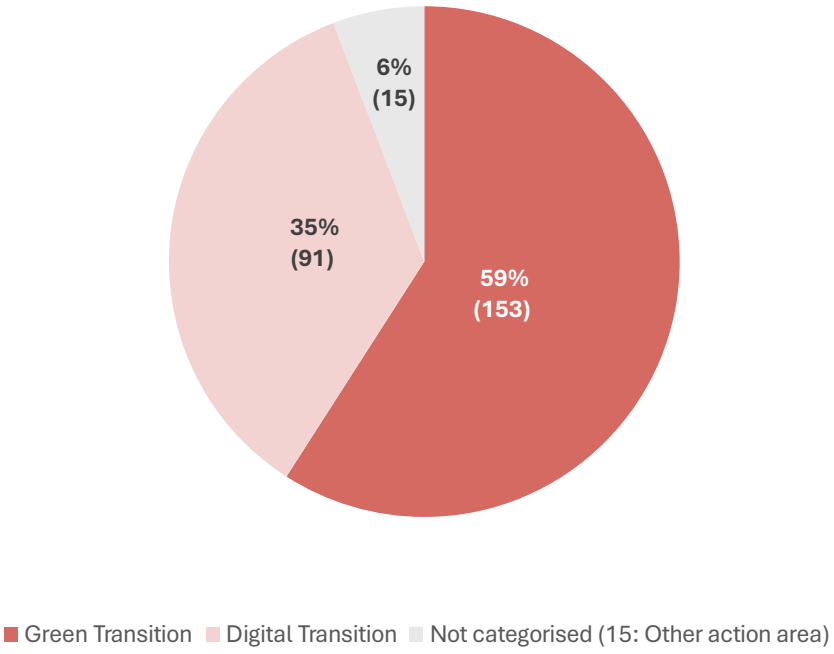
[10] During the last 'Call for pledges', 31 new pledges were submitted. The team reached out to several pledge-takers to request a review of the pledges that did not fully adhere to the guidelines. Despite multiple attempts to contact them, three of the submitted pledges were not updated by their authors and were consequently excluded from the analysis.

[11] https://ec.europa.eu/eusurvey/runner/TP-PSE_pledges_call_2022.

3. Overview of submitted pledges

After the last call for pledges, closed on 1 June 2025, the total number of submitted pledges rose to **259**.[12] It is important to note that **59% of them are linked to the action areas of the Green Transition** and 35% to the action areas of the Digital Transition. The remaining 6% correspond to pledges associated to the category 15: Other action areas, as indicated in Figure 2.

Figure 2. Distribution of pledges according to the transition to which they are addressed



Source: European Commission, "Pledges of the Transition Pathways for the Proximity and Social Economy ecosystem", (own illustration).

3.1 Analysis by action area

The pledges can be submitted as linked to one of the 14 action areas of the Transition Pathways or in the category 15: Other action areas. On the basis of this classification, it is possible to notice in

Figure 3 below that the action area that is associated with the highest number of pledges is number **7: Addressing capacity and skills gap**, with 36 submissions (14% of the total pledges). This is followed by **4: Innovation for the green transition** with 30 pledges, **1: Reinforcing B2B collaboration** with 26 pledges, **14: Boosting digital skills by and in the social economy** with 25 pledges and **12: Supporting digital social innovation** with 22 pledges and **5: Greening infrastructures** with 19 pledges.

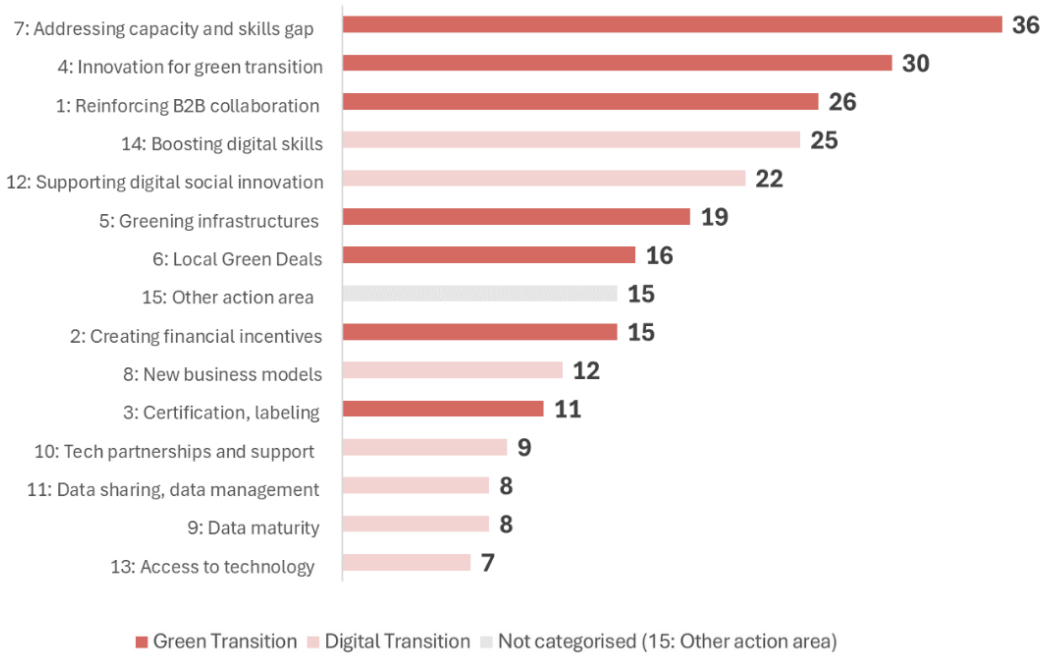
On the other hand, the less popular actions areas are **13: Access to technology** with only 7 pledges, **9: Data maturity** and **11: Data sharing, data management** with 8 pledges each, all of them linked to the digital transition.

[12] The published pledges are available at https://single-market-economy.ec.europa.eu/sectors/proximity-and-social-economy/transition-pathway/pledges_en

This finding emphasises the prevalence of commitments towards the green transition, and therefore the necessity of promoting more initiatives that encourage the digitalisation of the proximity and social economy. Notably, **all action areas are covered by pledges**, and there are no areas associated with zero pledges.

It is important to highlight that **skills** is overall the area in which the stakeholders are more committed to address concrete actions both for the green and digital transitions; In fact, as action area **7: Addressing capacity and skills gap** (green transition) is the first in the ranking by number of submitted pledges, and **14: Boosting digital skills by - and in the social economy** is ranks fourth with 25 pledges (10% of the total).

Figure 3. Number of submitted pledges by action area



Source: European Commission, "Pledges of the Transition Pathways for the Proximity and Social Economy ecosystem", (own illustration).

3.2 Analysis by type of stakeholder

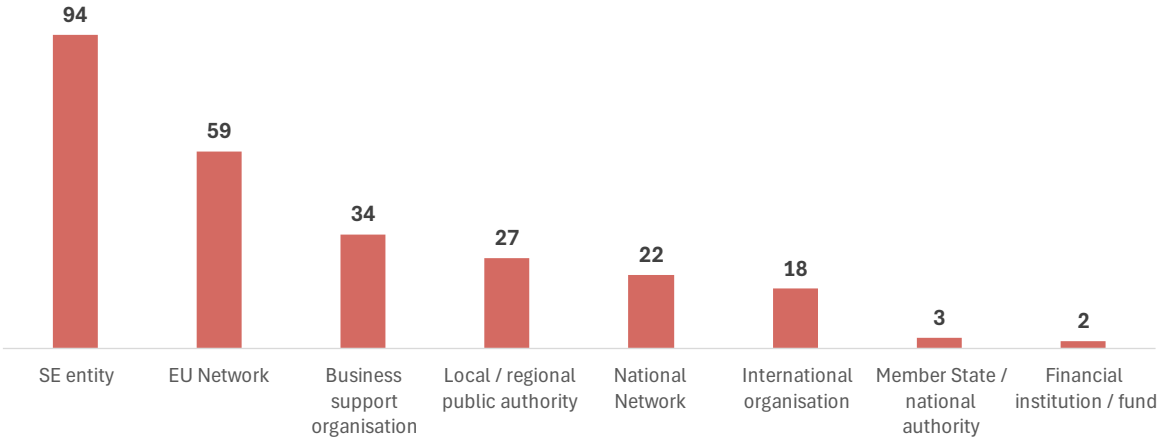
The pledges can be submitted on behalf of public and private organisations, not individuals, in the following stakeholder categories:

- Social economy entity
- International organisation
- National network of organisations/ businesses (with members)
- Business support organisation
- Local/regional public authority
- Member State/national authority
- Financial institution/fund
- EU Network of organisations/ businesses (with members)
- Academia/university/research centre

By type of organisation, Figure 4 shows that **social economy entities** are the stakeholders that have submitted more pledges, with 94 pledges (36% of the total). They are followed by **EU networks of organisations/businesses** with 59 pledges, **business support organisations** with 34 pledges, and **local/regional public authorities** with 27 pledges. It is important to remark that no pledges were submitted

by the academia, universities, or research centres. It is therefore necessary to investigate the causes of this phenomenon, to encourage these stakeholders to commit to the twin transition of the ecosystem.

Figure 4. Number of submitted pledges by type of stakeholders



Source: European Commission, "Pledges of the Transition Pathways for the Proximity and Social Economy ecosystem", (own illustration).

Importantly, **some of the pledges are submitted by the same organisation**. In particular, it is remarkable that 14 organisations submitted six or more pledges, as summarised in Table 2.

Table 2. Organisations that have submitted the highest number of pledges. Name, type of organisation and number of pledges submitted

Organisation	Stakeholder type	Number of pledges
Strasbourg (city and Eurometropole) and their partners	Local/regional public authority	13
Microfinance Centre	EU Network	11
TESS GEIE	EU Network	10
Diesis Network	EU Network	9
MoreThanDigital Insights	International organisation	9
EuroPro	Social economy entity	7
Fundación Barcelona Comerç and KUDA! (Kulture+Urbanism+Design+Architecture)	Business support organisation	7
ENSIE	EU Network	7
ESS France outre-mer	Local / regional public authority	6
Fondazione Piemonte Innova	Business support organisation	6
Social Economy Europe	EU Network	6
Torino Social Impact	Social economy entity	6
Asamblea de Cooperación por la Paz	Social economy entity	6

Hacker School gGmbH	Social economy entity	6

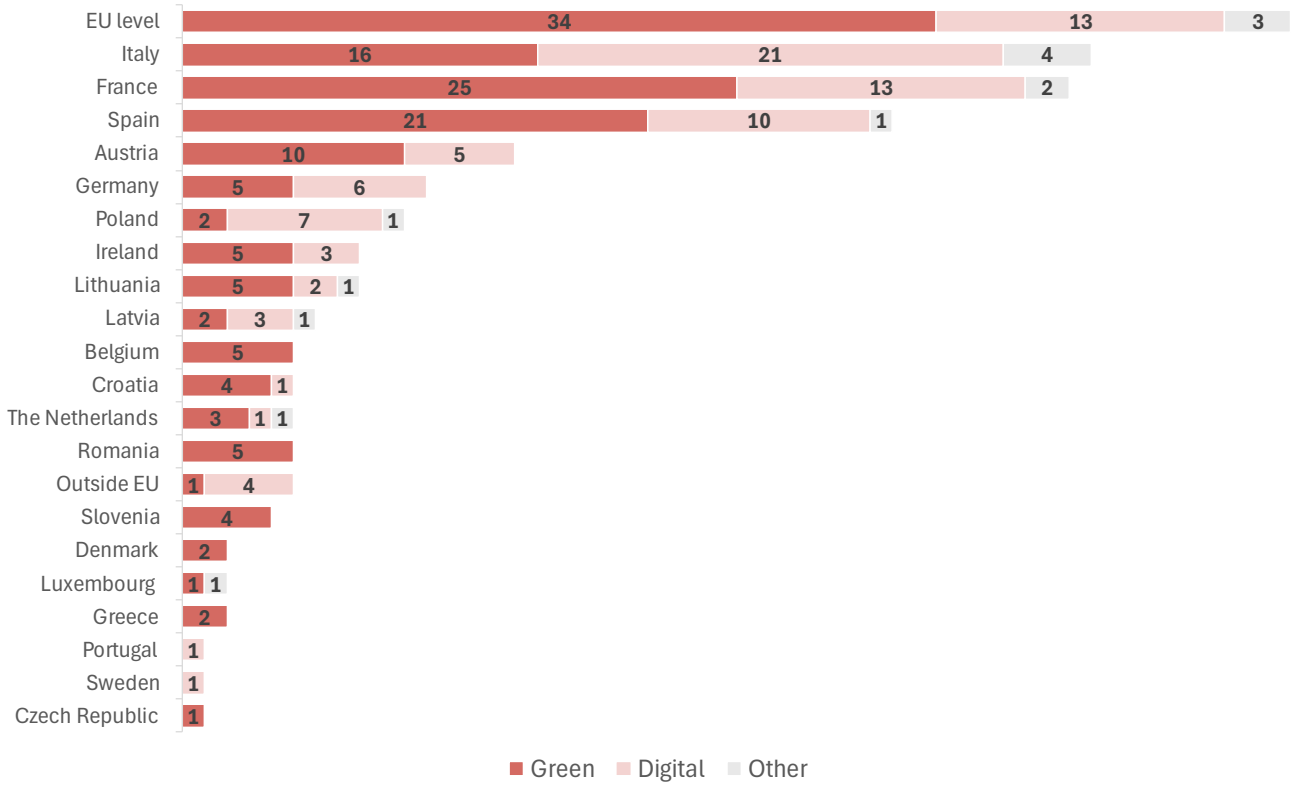
Source: European Commission, "Pledges of the Transition Pathways for the Proximity and Social Economy ecosystem", (own illustration).

3.3 Analysis by country

Regarding the countries of origin of the pledges, most of them have been made at **EU level** (50 pledges, 19% of total)[13]. **Italy** has submitted 41 pledges, followed by **France** with 40 pledges, **Spain** (32 pledges), **Austria** (15 pledges), **Germany** (11 pledges) and **Poland** (10 pledges). There are also five pledges coming from outside the EU, namely from Jordan, the United States, and Switzerland. By analysing the action areas of the pledges, it is possible to notice that, in most countries, the majority of pledges are linked to the green transition except Italy, Poland, Germany, Latvia, countries outside of the EU, Portugal and Sweden, as shown in Figure 5.

Therefore, from this analysis it is possible to conclude that most pledges come from Western European countries, and the geographic areas that could be further encouraged to pledge are Central and Eastern Europe as well as the Nordic countries.

Figure 5. Number of submitted pledges by country



Source: European Commission, "Pledges of the Transition Pathways for the Proximity and Social Economy ecosystem", (own illustration).

3.4 Action areas and stakeholders

By analysing the relationship between action areas and stakeholder types, interesting findings emerge, as indicated in Table 3 below. In particular:

[13] A number of pledges have been manually associated to the category 'EU level', although originally associated to Belgium, in order to avoid the bias generated for the EU Networks based in Belgium that work at EU level.

- Pledges focused on action area **7: Addressing capacity and skills gap** (the most popular in number of pledges) were submitted mostly by **social economy entities, EU Networks and Business Support Organisations (BSOs)**. Social economy entities are often focused on community development and social inclusion, which involves addressing skills and capacity gaps to empower individuals and communities. At the same time, EU Networks and BSOs often have a broad reach and the resources to address systemic issues like capacity and skills gaps across multiple regions and sectors.
- Commitments made for **1: Reinforcing B2B collaboration for greener and circular value chains** are mostly submitted by **social economy entities** and **local and regional public authorities** (with nine and seven pledges respectively, representing 62% of commitments on this action area). This goes to show how public authorities, who are often responsible for implementing environmental policies and supporting local businesses, may be prioritising Business-to-Business collaborations to foster local economic development and sustainability. Instead, social economy entities may focus on sustainable practices and community well-being, making them natural proponents of greener and circular value chains.
- Pledges to action area number **14: Boosting digital skills by - and in the social economy** are more numerous within **social economy entities** (12 pledges, 48% of the submitted on this action area) and **EU networks** (six, 24%). These entities often work directly with underserved populations, where boosting digital skills can significantly enhance employability and social inclusion.
- On the action area **4: Innovation as enabler for the green transition and business development in the social economy**, pledges mainly come from **EU networks** (ten pledges, 33% of submissions on this action area) and **social economy entities** (nine; 30%) indicating that these two actors could be key to promote innovation. In particular, EU networks can leverage their extensive connections and resources to promote innovation on a larger scale. Social economy entities can be drivers of local sustainable development, social cohesion, and resilience while providing new, sustainable types of services and products which directly contribute to the EU's green transition.

Table 3. Cross table: Pledges on each action area by type of organisation that submitted them

Action Area	Business support organisation	EU Network	Financial institution / fund	International organisation	Local / regional public authority	Member State / national authority	National Network	SE entity	Total
1. Reinforcing Business to Business collaboration for greener and circular value chains	3	4	0	1	7	0	2	9	**26**
10. Public and private tech partnerships and support	2	4	0	1	0	0	0	2	**9**
11. Data sharing, Data management & Code of Conduct	1	1	0	2	0	0	0	4	**8**
12. Supporting Digital Social Innovation & Tech for Good entrepreneurship	4	3	0	4	1	0	2	8	**22**
13: Access to technology	1	1	0	2	0	1	0	2	**7**
14. Boosting digital skills by - and in the social economy	2	6	0	1	2	0	2	12	**25**
15: Other action area	3	5	0	0	1	1	0	5	**15**

2. Creating financial incentives and supportive regulation for green and circular social economy business models	2	2	1	0	1	0	1	8	**15**
3: Certification, labeling and self-regulation	0	3	0	1	0	1	2	4	**11**
4. Innovation as enabler for green transition and business development in the social economy	4	10	0	1	5	0	1	9	**30**
5. Greening infrastructures and business operations	2	4	1	0	4	0	4	4	**19**
6. Local Green Deals, green business communities and citizens' initiatives	1	6	0	1	2	0	0	6	**16**
7: Addressing capacity and skills gap	7	8	0	2	4	0	5	10	**36**
8: New business models – the platform economy	0	1	0	1	0	0	2	8	**12**
9. Data Maturity and data driven business models	2	1	0	1	0	0	1	3	**8**
Total	**34**	**59**	**2**	**18**	**27**	**3**	**22**	**94**	**259**

Source: European Commission, "Pledges of the Transition Pathways for the Proximity and Social Economy ecosystem", (own illustration).

Pledges have mostly been submitted by **social economy entities and EU networks**. Other stakeholder types have contributed significantly as follows:

- **Local and regional public authorities** are predominant amongst the pledges on **1: Reinforcing B2B collaboration for greener and circular value chains.**
- **International organisations, local and regional public authorities** are all equally represented among the pledges for item **5: Greening infrastructures and business operations**. Each category of stakeholders has submitted four pledges.
- **Business Support Organisations** are prominent among the commitments related to **7: Addressing capacity and skills gap**, with seven pledges submitted.

3.5 Action areas and countries

When assessing the submitted pledges in light of their action areas and the countries of origin of the pledge-takers, the following results emerge (see Table 4):

- **Most pledges originate at EU level**, particularly those focused on **4: Innovation as enabler for green transition and business development in the social economy** (9 pledges), **6: Local Green Deals, green business communities and citizens' initiatives** (7 pledges), **3: Certification, labelling and self-regulation** (3 pledges). These pledges are submitted by European networks working at EU level and based in Belgium.
- From **Italy**, most of the pledges are on **12: Supporting digital social innovation & tech for good entrepreneurship** (6 pledges), **7: Addressing capacity and skills gap** (5 pledges), **2: Creating financial incentives and supportive regulation for green and circular social economy business models** (4 pledges), **15: Other action area** (4 pledges), **8: New business models – the platform economy** (3

pledges), **9: Data maturity and data driven business models** (3 pledges), **10: Public and private tech partnerships and support** (3 pledges), and **11: Data sharing, data management & code of conduct** (3 pledges).

- **France** also submitted a high number of pledges, mostly on **1: Reinforcing B2B collaboration for greener and circular value chains** (6 pledges)**, 5: Greening infrastructures and business operations** (6 pledges), **7: Addressing capacity and skills gap** (5 pledges). The high number of pledges on area 1 is explained by the fact that the local and regional public authorities that have submitted a high number of pledges are French.

Table 4. Cross table: Pledges on each action area by country of origin

Action Area	AT	BE	HR	CZ	DK	EU	FR	DE	EL	IE	IT	LV	LT	LU	Non-EU	PL	PT	RO	SI	ES	SE	NL	Total
1. Reinforcing Business to Business collaboration for greener and circular value chains	2	1	1	0	1	4	6	1	0	1	1	0	1	0	0	0	0	2	0	4	0	1	**26**
10. Public and private tech partnerships and support	0	0	0	0	0	2	1	0	0	0	3	0	0	0	1	2	0	0	0	0	0	0	**9**
11. Data sharing, Data management & Code of Conduct	0	0	0	0	0	1	1	0	0	0	3	0	0	0	1	1	0	0	0	1	0	0	**8**
12. Supporting Digital Social Innovation & Tech for Good entrepreneurship	2	0	0	0	0	4	3	2	0	0	6	2	1	0	0	1	0	0	0	1	0	0	**22**
13: Access to technology	1	0	1	0	0	1	0	0	0	0	1	0	0	0	0	1	1	0	0	1	0	0	**7**
14. Boosting digital skills by - and in the social economy	0	0	0	0	0	2	4	2	0	2	2	1	1	0	2	2	0	0	0	5	1	1	**25**
15: Other action area	0	0	0	0	0	3	2	0	0	0	4	1	1	1	0	1	0	0	0	1	0	1	**15**

2. Creating financial incentives and supportive regulation for green and circular social economy business models	1	0	1	0	0	2	1	0	1	0	4	0	0	0	0	0	0	1	1	3	0	0	**15**
3: Certification, labeling and self-regulation	1	1	1	0	0	3	1	0	0	0	1	0	0	1	0	0	0	2	0	0	0	0	**11**
4. Innovation as enabler for green transition and business development in the social economy	1	0	0	0	0	9	3	2	0	2	4	0	0	0	0	1	0	0	1	7	0	0	**30**
5. Greening infrastructures and business operations	1	1	1	0	0	3	6	0	1	1	0	1	1	0	0	0	0	0	1	1	0	1	**19**
6. Local Green Deals, green business communities and citizens' initiatives	1	0	0	0	1	7	3	0	0	1	1	0	0	0	0	0	0	0	0	2	0	0	**16**
7: Addressing capacity and skills gap	3	2	0	1	0	6	5	2	0	0	5	1	3	0	1	1	0	0	1	4	0	1	**36**
8: New business models – the platform economy	1	0	0	0	0	2	2	2	0	0	3	0	0	0	0	0	0	0	0	2	0	0	**12**
9. Data Maturity and data driven business models	1	0	0	0	0	1	2	0	0	1	3	0	0	0	0	0	0	0	0	0	0	0	**8**
Total	**15**	**5**	**5**	**1**	**2**	**50**	**40**	**11**	**2**	**8**	**41**	**6**	**8**	**2**	**5**	**10**	**1**	**5**	**4**	**32**	**1**	**5**	**259**

Source: European Commission, "Pledges of the Transition Pathways for the Proximity and Social Economy ecosystem", (own illustration).

4. Implementation of specific pledges

This section provides a deep dive into four selected pledges submitted in response to the last call for pledges in June 2025. For each of the case studies presented, the pledge-taker is introduced, followed by a description of the specific pledge. The progress of each commitment, including any challenges and opportunities encountered, is then detailed by the respective organisation.

4.1 **Groupe SOS**

Groupe SOS is a non-profit organisation dedicated to promoting social cohesion and entrepreneurship on a global scale. With a presence in over 50 countries and impacting two million beneficiaries annually, it unites associations and social enterprises around shared social and environmental commitments. Its work focuses on two key areas: managing facilities that support youth, healthcare, vulnerable populations, and the elderly, and driving initiatives for a sustainable and inclusive future through ecological transition, regional revitalisation, responsible business practices, and cultural access. Secular and non-partisan, Groupe SOS champions a vision of society rooted in the common good, proving that large-scale positive change is both possible and necessary.

Groupe SOS has submitted **three** pledges for the Transition Pathway of the Proximity and Social Economy ecosystem. This deep dive focuses on the following commitment:

"Our commitment to contribute to the digital transition of the Social Economy ecosystem is to improve social inclusion of homeless people through digital technologies. And to do so, we created a Tech for Good digital tool, which facilitates the social support for homeless people by digitalizing and storing their administrative documents into a digital safe. We commit to making this innovative digital solution accessible to more than 40000 people by 2025."[14]

What progress have you made towards your pledge/s, and where do you currently stand?

The association **Reconnect**, part of Groupe SOS, continues to combat the digital divide that particularly affects vulnerable populations. We develop both technical and human-centred solutions to make digital technology a true tool for social inclusion.

As of 2024, Reconnect is active in **ten regions** through **12 local offices**, supporting both **vulnerable individuals** and the **social professionals** who accompany them. Our key digital tools, the **digital safe** and our **case management software**, have been significantly scaled:

- Over **3,000 individuals** participated in workshops covering digital basics, e-government platforms, cybersecurity, e-parenting, and more.
- **5,525 individuals** secured their documents and personal records using our digital safe.
- **More than 500 professionals** have been trained to support beneficiaries in using these safes.
- **45,000 user files** have been created via our case management software by **870 newly onboarded professionals** across **197 new organisations**.

[14] https://transition-pathways.europa.eu/pledges/pledge-formulated-groupe-sos

Reconnect is now mature enough to address new inclusion-related challenges and is continuously expanding its tools and training modules in response to partner needs.

Can you share any results or outcomes that show the impact of your pledge?

Beyond the figures mentioned above, we observe:

- Increased digital autonomy among vulnerable groups, with real-life impacts on access to housing, healthcare, and social benefits.
- Stronger collaboration with frontline professionals who now have efficient tools to manage support pathways.
- A growing interest from public institutions and NGOs to adopt and expand the use of Reconnect's digital solutions across new territories.

Have you faced any challenges while working on your pledge/s? How have you tried to solve them?

Yes, we have encountered two main challenges:

- **Diversity of user needs**: Reconnect serves a wide variety of users, from homeless individuals to professionals in shelters. Addressing such varied needs requires high adaptability and a deep understanding of each context. We overcome this by prioritising co-design and user feedback in our development process.

- **Funding constraints**: While Reconnect is progressing toward financial autonomy, we remain partially reliant on public funding. The decline in subsidies has slowed down some innovation and expansion projects. To address this, we focus on:
  - Developing self-generated revenue streams,
  - Reducing operational costs,
  - Diversifying funding sources through calls for proposals and partnerships.

Can you identify any key methods or strategies that have proven successful in implementing your pledge?

Two key success factors stand out:

- **Close collaboration with the field**: All our tools and workshops are co-developed with social workers and end-users. This proximity ensures that our solutions are relevant, user-friendly, and impactful.

- **Strong team commitment**: The motivation and dedication of Reconnect's team, driven by the desire to create meaningful change, continuously fuel our innovation and service improvement efforts.

4.2 City of Mannheim - Department of Economic Development

The **City of Mannheim – Department of Economic and Structural Development** is dedicated to supporting local businesses and enhancing Mannheim's position as an innovative economic hub. Acting as a guide and partner, the department assists companies, tradespeople, investors, start-ups, and research institutions by fostering business-friendly initiatives and implementing development projects. Its overarching goal is to drive sustainable urban economic growth and contribute to the transformation of the regional economy.

City of Mannheim – Department of Economic and Structural Development has submitted **one** pledge for the Transition Pathway of the Proximity and Social Economy ecosystem, as follows:

"The Social Economy Cluster will organise at least eight events in various formats in 2024 in order to network local social economy stakeholders with each other and with international partners. Networking leads to better problem-solving skills and to innovation. It also raises public awareness of social entrepreneurship. At least 500 people physically take part in all events. In 2024 Mannheim will also host the Social Impact Summit with up to 200 social entrepreneurs from 18 countries."[15]

What progress have you made towards your pledge/s, and where do you currently stand?

The goal of the Social Economy Cluster of the City of Mannheim is to build and operate an ecosystem for local and regional companies that are oriented towards the social economy, to make social innovations visible and to strengthen the social economy as a strategic contribution to sustainable urban development. Building on the 2021 European Social Economy Summit (EUSES), the cluster was founded with a clear European focus. It sees itself as a platform to support social entrepreneurs, start-ups geared towards the common good and social innovations.

As part of the pledge submitted in 2024, the aim was to organise at least eight events and reach 500 physical participants. This target was clearly exceeded.

The central measure was the organisation of the Social Impact Award week with around **200 international participants** on the award days as well as the following accompanying international and local formats:

- Political kick-off evening with around 80 guests from politics, welfare and the social economy - International Social Innovation Bar (counted with approx. 20 participants)
- International film event with discussion of social issues (counted with approx. 60 participants)
- In addition, further series of events were held to support the cluster's objective on a broad basis: - Two Open Social Innovation Forums (counted with approx. 30 participants in total)
- Two Social Innovation Bars (counted with approx. 70 participants in total)
- Ten editions of the 'Breakfast Club Social Entrepreneurship' with around 15 guests each (counted with approx. 150 participants in total)
- One regional roadshow (counted with approx. 20 participants)
- A cross-cluster event to discuss technological and social innovations with participating companies from various clusters (counted with approx. 60 participants)

In total, over **670 participants were reached in physical presence in 2024**. The established event series will be continued in 2025, which will also have an impact beyond 2024.

Have there been noticeable outcomes directly attributable to your pledge implementation?

The implementation of the pledge is already having a clear measurable impact:

- Structurally, the topic of 'social economy' has been given a permanent place in the city's Altes Volksbad start-up centre. In this centre, which was previously primarily relevant for the cultural and creative industries, social enterprises are now also receiving targeted support - this is an important institutional strengthening of the social economy.

[15] https://transition-pathways.europa.eu/pledges/pledge-formulated-city-mannheim-department-economic-development

- In terms of content, social entrepreneurs have been strengthened by specialist input from experts in areas such as financing, non-profit status, scaling and impact orientation - a real added value compared to purely network-oriented formats.
- In terms of networking, the ecosystem has become even stronger: New collaborations have emerged, knowledge has been shared and new projects have been initiated through encounters at the events.
- The visibility of the social economy in the wider society has increased - thanks to larger event formats, targeted public relations work and the presence of political decision-makers. The involvement of international guests has also emphasised the relevance of the topic in a European context

Have you faced any challenges while working on your pledge(s)? How have you tried to solve them?

The implementation of the pledge was not without its challenges - the complexity of the ecosystem placed high demands on communication, addressing target groups and resource management:

- **Diversity of stakeholders:** Many potential partners and participants are already active in other networks or clusters (e.g. culture, technology, environment). Bringing them together in a targeted manner required precise knowledge of their interests and communication cultures. A standardised 'call to action' does not work.
- **Communication and reach:** Different formats required different communication channels - from social media to personal contact. Strategic and early communication was crucial for success, especially for international or politically orientated events.
- **Sustainability vs. one-time effects:** Single events generate short-term attention, but only regular formats build long-term relationships. This is why the decision was made early on to stabilise event series such as the 'Breakfast Club' or the 'Social Innovation Bars'.
- **Funding:** Larger formats, especially those with an international dimension, could not have been realised without financial support from European, state or federal funds. Securing funding required a high degree of planning precision and good partnerships with funding organisations.

Despite these challenges, we not only succeeded in achieving all the targets we set ourselves, but also exceeded them in key areas.

Can you share any results or outcomes that show the impact of your pledge (e.g., reduced emissions, new green projects, etc.?

Absolutely. One of the strengths of the Social Economy Cluster lies in its capacity to **bridge ecosystems** and create **added value at the intersection of sectors**.

The impact of the Social Economy Cluster is not isolated - on the contrary: the implementation of the pledge has actively contributed to cross-sector networking and strengthened interfaces with other innovation ecosystems:

- **Startup ecosystem**: many social startups are part of the city's general startup network. A bridge was built between social and traditional start-up structures through targeted outreach beyond the cluster and events at the Altes Volksbad start-up centre.
- **Green Economy**: Socio-ecological companies in particular are located at the intersection of social and ecological impact. They are active in both the Social Economy Cluster and the city's Green Industry Cluster. Joint events and overlapping content - for example in the area of sustainable investment - result in clear synergies.
- **Cultural and creative industries**: The Alte Volksbad was previously a central location for the cultural and creative scene. The integration of the cluster has opened up a new field of tension between

cultural expression, social innovation and entrepreneurial impact - to the mutual benefit of all those involved.

These cross-sectoral impulses are an important lever for embedding social innovations in broader social contexts -and a key success factor for the future success of the social economy in Mannheim and beyond.

4.3 Ateliere Fără Frontiere

Ateliere Fără Frontiere (AFF) is a Romanian non-profit organisation dedicated to the social, professional, and civic integration of people from vulnerable and marginalised backgrounds. Through four circular economy workshops - educlick, remesh, ferma bio&co, and logietic - AFF provides employment opportunities while promoting environmental sustainability. Their mission is to support individuals facing difficulties in accessing the labor market by offering personalised social support, job counseling, and skills training. AFF also addresses digital inequality by donating refurbished IT equipment to schools in disadvantaged areas and supports refugee integration through tailored employment programs.

Ateliere Fără Frontiere (AFF) has submitted **one** pledge for the Transition Pathway of the Proximity and Social Economy ecosystem, as follows:

"By 2025 we pledge to collect e-waste (Waste from Electrical and Electronic Equipment) to 100 companies more than in 2023. We are the only collector of e-waste in Romania authorised to recondition (all the other collectors recycle), reconditioning is a key component of circular economy. We provide the companies where we collect with a reporting calculating the carbon footprint saving of reconditioning vs recycling for the e-waste we collected from them."[16]

What progress have you made towards your pledge/s, and where do you currently stand?

When we submitted our pledge in 2023 - to collect e-waste from **100 more companies** than the year before - we knew we were setting an ambitious goal. Not because it was impossible, but because growing a circular economy model based on reconditioning (not just recycling) in Romania means changing both mindset and market practice.

We are proud to share that we have reached this target, **recording a 29% overall increase** in the number of companies we have worked with since then. It is a milestone that reflects steady progress and growing trust in our reconditioning-based model.

Each new partner is not just a number but a shared commitment to a different way of dealing with electronic waste: one that creates both environmental and social value.

Can you share, if any, quantitative or qualitative data evidencing the impacts or the outcomes of your pledge?

Every device that goes through our workshop avoids unnecessary emissions - and tells a story. On average, reconditioning a single computer, rather than recycling it, **avoids 144 kg of CO_2 emissions**. In 2024 alone, we estimate that **we helped prevent 720 tonnes CO_2 eq.,** thanks to the volumes reconditioned.

[16] Pledge formulated by Asociatia Ateliere Fara Frontiere | EU Proximity and Social Economy Platform

But the numbers only tell part of the story. Each computer collected and reconditioned supports jobs for people in vulnerable situations, part of our insertion programme. Each partner company receives a custom environmental impact report that demonstrates their own role in cutting emissions and supporting inclusion. The positive feedback we have received from these reports has been instrumental in reinforcing long-term collaboration.

In parallel, our broader reconditioning efforts evolved. What started as the educlick programme, born in 2008, rebranded in 2025 as reDEEE, Romania's national platform for refurbished devices and digital inclusion. Through reDEEE, **we have given a second life to over 30,000 computers and helped more than 2,600 schools and NGOs across the country.**

A flagship example is the programme "Dăm Click pe România", launched in partnership with private donors and public institutions. This programme **brought 4,000 refurbished computers** in 2024 to underfunded schools and trained teachers and students on circular economy principles, digital skills, and sustainability.

Have you faced any challenges while working on your pledge/s? How have you tried to solve them?

Building a network of companies willing to embrace reconditioning has not been without its challenges. First, many companies already have contracts in place with recyclers, and the difference between recycling and reconditioning isn't always clear to them. We responded by educating, not selling, through workshops, events, tailored reports, and face-to-face conversations. We showed how reconditioning offers not only greater environmental value, but also contributes to social equity.

Second, as one of the few authorised reconditioner of WEEE in Romania, the legal landscape has been tricky. Regulations are mostly written with recycling in mind, not reconditioning. We have worked closely with legal advisors and have begun conversations with policymakers to create space in the law for reuse and reconditioning, a critical step if Romania is to embrace a truly circular model.

And finally, reconditioning takes time and skill. To address capacity challenges, we have invested in training our staff, many of whom are in professional reintegration, so that every collected device is handled with care and expertise.

Can you identify any key methods or strategies that have proven successful in implementing your pledge?

One of the most powerful tools in our journey has been transparency. The companies that we work with receive a detailed report outlining the CO_2 emissions avoided through their collaboration with us. This kind of clear, personalised feedback has opened doors to many long-term partnerships.

We also shifted our messaging. Instead of presenting ourselves simply as a waste collector, we position ourselves as a sustainability partner, a social enterprise that helps companies meet their ESG goals in a concrete and measurable way. And we strengthened our story. Not only through data, but through people. Our insertion programme participants - those who disassemble, clean, test and rebuild the devices - are the human face of circular economy. Their stories have helped companies connect emotionally with our mission.

4.4 CASES (Cooperativa António Sérgio para a Economia Social)

CASES (Cooperativa António Sérgio para a Economia Social) is a Portuguese public interest cooperative committed to strengthening and promoting the social economy sector. Established through a partnership

between the State and representative organisations, CASES works to foster cooperation, innovation, and modernisation within the sector, while also advancing volunteering policies. Its mission is structured around four strategic pillars: elevating the social economy on both national and international agendas, reinforcing collaboration between the State and civil society, supporting social entrepreneurship, and enhancing volunteer initiatives. Through these efforts, CASES aims to contribute to a more cohesive, equitable, and socially responsible society.

CASES has submitted **one** pledge for the Transition Pathway of the Proximity and Social Economy ecosystem, as follows:

"Developing 'Programa de Apoio às Cooperativas' (Supporting Programme for Cooperatives). The programme is composed of two Measures, the second of each is Innovation & Digitalization: Sharing of expenses arising from digital innovation processes in cooperatives. In 2022 94 cooperatives were benefited. We believe that until 2025 at least 300 cooperatives will have been reached - about 15% of the cooperative universe in Portugal."[17]

What progress have you made towards your pledge/s, and where do you currently stand?

Having identified the need to create incentives for the establishment of new cooperatives, as well as incentives aimed at maintaining and modernising already existing and active cooperatives, in both circumstances supported by reliable, auditable, yet simplified programmes, in 2022 CASES created the **Cooperative Support Programme (PAC).**

The PAC is a specific financial support programme for cooperatives, designed both to facilitate and encourage the creation of new cooperatives and ensure the legal compliance of existing ones (Measure 1), and to modernise work processes and tools through the co-funding of digitalisation processes (Measure 2). The pilot edition had a budget of 275,200€, granting around **264,000€ to 112 cooperatives** across both measures, with a **financial execution rate of 95%.** This demonstrated the programme's relevance, particularly due to the high demand for support under the Innovation and Digitalisation component. Following this success, the PAC was successively launched in three more editions - 2023, 2024, and the current 2025 edition.

Aligned with the **International Year of Cooperatives**, the 2025 edition saw an increase in the overall available budget and introduced a new temporary funding line aimed at supporting initiatives that promote and raise awareness of the cooperative model.

Currently, Measure 2 - Innovation & Digitalisation provides non-repayable grants for digitalisation and IT initiatives, **covering 70% of eligible costs, up to a maximum of 4,000€.** Eligible expenses under this measure include acquisitions related to the creation/renewal of websites; standard or customised software for the entity's activities, whether purchased or through digital platform subscriptions; design and registration associated with new brands or collections; IT equipment (hardware), including necessary software, installation, and transportation; as well as studies, diagnostics, audits, and marketing plans essential for digitalisation and IT projects.

Can you share, if any, quantitative or qualitative data evidencing the impacts or the outcomes of your pledge?

[17] Pledge formulated by CASES - Cooperativa António Sérgio para a Economia Social | EU Proximity and Social Economy Platform

Across the three completed editions, and considering both measures, **435 applications were supported**, involving the analysis of **over 600 projects**, each with its own administrative, technical, and financial procedures. These projects were submitted by 277 cooperatives, with 21 cooperatives having received support in all three editions. The total amount executed exceeded 880,000€.

Focusing exclusively on Measure 2 - Innovation & Digitalisation, aimed at cofounding costs related to digital innovation processes, **the first three editions supported 318 applications from 239 cooperatives** (of which 79 were supported in two or more editions), with a total executed amount of 844,000€. This figure corresponds to 60% of the total investment made by cooperatives, considering only eligible expenses (excluding VAT and other non-eligible fiscal charges). Applications under this measure have mainly targeted investments in hardware, website creation/maintenance, and software, with IT equipment acquisitions being the most prominent.

To date, the programme has supported **11% of the Portuguese cooperative sector**, according to the latest official statistics, including 27% of cooperatives in the Social Solidarity Branch, 24% in the Culture Branch, and 12% in the Agriculture Branch.

For 2025, within the framework of the International Year of Cooperatives, 500,000€ has been allocated to finance the sector through this programme, representing a 57% increase compared to the average amounts made available in previous editions.

The application period for the 2025 edition closed on 20 June, and the financial data for this year is still being finalised. However, more than 300 applications were submitted by **over 200 cooperatives**, with more than half relating to Measure 2 - Innovation & Digitalisation. Therefore, given the ongoing 2025 edition and the number of cooperatives supported in previous editions, it is expected that CASES will not only meet but also exceed its pledge by the end of the current cycle.

Have there been any challenges or unintended impacts since the implementation of your pledge?

Although the objective of Measure 2 - Innovation & Digitalisation under the PAC was not to directly ensure the legal compliance of active cooperatives, the programme requires applicants to present a Cooperative Credential - proof of their legal constitution and proper functioning - as a prerequisite for application. The high demand for this measure ultimately had a positive inductive effect on the credentiation process, promoting greater and more timely regularisation within the sector.

Furthermore, the financial support provided through the programme, particularly for digital transition processes, demonstrated a **strong leverage effect**, contributing to cooperative sector investments that, from 2022 to date, have exceeded **1.4 million Euros** (excluding VAT), with 60% of this amount co-financed by CASES.
The main challenge arose from the very high demand for the programme by cooperatives, which validated both the relevance and the need for this funding line, but also required adjustments to budgetary allocations and internal process workflows. This aspect continues to be monitored and adapted, as the success of the programme itself demands the continuous adjustment of its response capacity.

Can you identify any key methods or strategies that have proven successful in implementing your pledge?

The programme was launched as a pilot edition to assess its relevance and once confirmed, to allow for adjustments in subsequent years - whether in rules and procedures, scope, or types of support offered - thus

ensuring a response better tailored to the sector's real needs. This phased introduction enabled more efficient programme management while allowing for modifications whenever deemed necessary.

A clear example was the change made to Measure 2 - Innovation & Digitalisation, which initially included support for expenses related to digital training. However, as only three applications were received for this category, it was discontinued and the measure restructured to better meet the actual priorities of beneficiaries.

Launching the programme as a pilot, followed by regular evaluation cycles, proved essential to ensure the relevance, efficiency, and impact of the actions promoted. Each edition benefits from the lessons learned and adapts to the evolving context. The simplicity of the application and funding process, combined with the flexibility of the regulation - allowing for necessary adjustments in each edition - and the clear identification of a real need for specific support for the sector, have been key factors behind the programme's strong uptake.

The operationalisation of the PAC - with continuous effort, attention to detail, and high availability of the technical team - has made cooperatives feel genuinely supported. This relationship of proximity and trust created a sense of recognition among beneficiary entities, which found in CASES' response a reliable and consistent support.

This is why many cooperatives return in subsequent editions: because they felt the support was effective. Without the solid and committed work of the team - and its leadership - the demand for the programme would likely not have shown the steady growth observed across the different editions.

5. Conclusions

The submission of pledges closed on 1 June 2025. This report provides an analysis of all the pledges submitted to the Transition Pathway for the proximity and social economy ecosystem. All pledges are available on the EU Proximity and Social Economy Platform[18] managed by the EC, along with the previous report on the progress of the Proximity and Social Economy Transition Pathway[19].

The analysis above allows to draw several conclusions, that need to be taken into consideration:

- Only 35% of the total pledges are linked to the digital transition. There is room for the proximity and social economy to invest more in this transformation. The analysis identified the need to strengthen this area and encourage the stakeholders to submit more pledges related to the digital transition. In particular, there is an important margin of improvement in the following action areas linked to the digital transition: 13: Access to technology, 9: Data maturity and data driven business models, 11: Data sharing, data management & code of conduct, and 10: Public and private tech partnerships and support. The recently published Code of Conduct for Data Sharing in the Social Economy[20] can inspire and encourage stakeholders to implement more actions in this area.
- It is crucial to reinforce the links with the academic sector, as no pledge has been submitted to date by the academia, universities or research organisations.
- In terms of geographical spread, it is important to promote further the Transition Pathway for the proximity and social economy in several countries whose organisations have not submitted any pledge, namely Bulgaria, Finland, Slovakia, Estonia, Hungary, Cyprus and Malta.

[18] EU Proximity and Social Economy Platform | EU Proximity and Social Economy Platform

[19] https://transition-pathways.europa.eu/pse/articles/progress-report-proximity-and-social-economy-transition-pathway-key-insights

[20] https://social-economy-gateway.ec.europa.eu/document/download/7df46bca-aa41-4e40-a11c-1c0a1485b988_en?filename=EU%20Code%20of%20Conduct%20for%20Data%20Sharing%20in%20the%20Social%20Economy.pdf