

Trial programme for the promotion of the Social-green economy and advanced forms of social dialogue

Solidarity and Energy S.p.A. is a E.S.Co. - Energy Service Company certified by KHC - UNI CEI 11352:2014 - N. 055.15 that has the objective of carrying out activities related to energy services as allowed by the law and technical possibilities, with a socially responsible approach and socio-environmental sustainability; the economic activity it conducts is aimed at producing a positive social impact in the territory where it operates. The purpose of the company is not to maximize profits, but to develop and create lasting partnerships with social, non-profit and profitable businesses, able to support integrated and widespread management of energy policies and the job placement of people in discomfort, triggering redistributive processes also internal to the company itself.

Solidarity and Energy comes from the collaboration between the Fondazione di Comunità di Messina o.n.l.u.s. and the European Company of Ethical and Alternative Finance (SEFEA s.c.). The two founding institutions of the European E.S.Co. are the main guarantee of the overall quality of the initiative. For years, the Foundation has developed and experimented with paradigms and practices of productive social economy, especially green economy, structurally integrated with evolved forms of community welfare and poverty alleviation. SEFEA s.c. is a cooperative company with the aim of promoting and supporting the development of Ethical Finance and Economics in Europe.

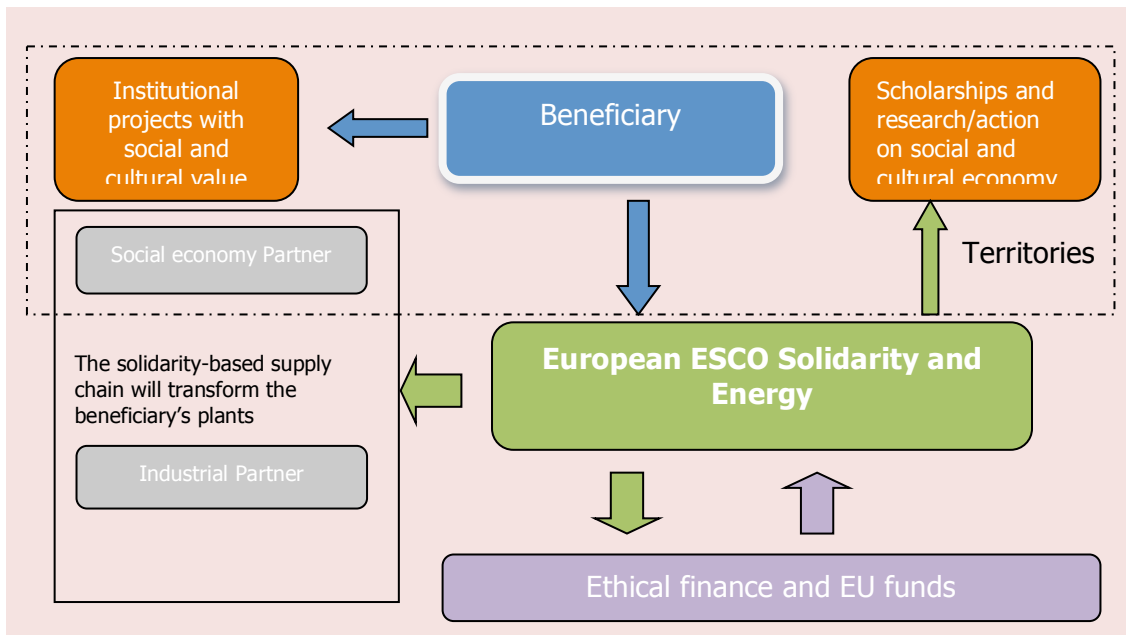
Structure of the initiative

This is a highly innovative idea to finance the reduction of the energy footprint of public and private buildings and/or premises and to support, with part of the savings obtained and in an integrated and long-term way, training and higher education programmes, work-placement processes for vulnerable populations and evolved processes of sustainable environmental economics.

The proposed mechanism implements and enhances the logic of the civil economy. Through social green economy actions, it allows to re-orient resources, originally intended to support unproductive costs (electricity bills), towards policies for human development, funding social and educational programmes intertwined with welfare models and evolved forms of economic-social dialogue between public institutions, industrial partners and actors of the inclusive social economy of vulnerable populations.

The proposed model is built on the logic of mutual benefit, co-responsibility and therefore of circular subsidiarity, clearly consistent with the solidarity spirit of the European Union. It goes *beyond* the dichotomous view that the public has to deal with solidarity and communal goods through redistribution, while the private, i.e. the market, has to worry only about efficiency, that is, to maximize profit.

The following figure summarizes the logic of the action:



The first project initiated is the conversion of public, private buildings and warehouses' lighting systems to LEDs. The scheme is simple: municipalities or companies identify the structures/territories with highly energy-consuming facilities that need to be modernized; Solidarity and Energy SpA finances the investment needed to implement the energy saving plan shared between the parties, and promotes short supply chains activating the collaboration with the social cooperatives of the territories, trained for the installation and maintenance of the plants.

The social cooperatives, which will be selected according to their honesty and ethics, undertake to promote the employment of disadvantaged people living on the territories in which the interventions are developed. The selection of the E.S.Co. will be carried out according to the criteria set by the concerned organisation (e.g. direct assignment, public notice, etc.). For public administrations in Italy a special route has been identified pursuant to art. Article 65 of the Code of Tenders: "Contracting authorities and contracting entities may resort to partnerships for innovation if the need to develop innovative products, services or works and subsequently to acquire related supplies, services or works, cannot be satisfied, on a justified basis, by using solutions already available on the market [...]". In our case, the innovation consists primarily in systematically integrating the effect of the increased efficiency with the distribution of resources by activating the use of social workforce, renouncing to the use of profit margins for private purposes.

Investments on the structures identified by beneficiary municipalities or businesses for the efficiency interventions, funded by E.S.Co. and implemented by local social economy partners, will generate energy savings of around 60-70% and will thus free up economic resources that are currently used for the payment of energy consumptions. After completing the technical analysis of the plants, the level of estimated savings will be guaranteed by Solidarity and Energy S.p.A throughout the period of the initiative. Therefore, the percentage of resources made available by the energy saving mechanism is not a risk for the success of the programme.

Sharing these savings will allow the partners-beneficiaries to pay for the transformation and management of the plants for a limited period of time, more or less 5-8 years, after which

the institutions and businesses will remain the only beneficiaries of the huge savings for at least an equally long time.

In the first 5-8 years, the percentage of savings attributed to the E.S.Co., as a reimbursement for the investments made and the facilities management and maintenance services, will be about 80%. This means that from the very beginning, since the conversion of the plants, the public and private partners-beneficiaries will be able to (partially) re-allocate about 20% of the total savings to their own institutional tasks or to corporate social responsibility (CSR) activities. The resources in the full availability of the beneficiaries will be the 100% of the savings after the first 5-8 years.

Given the social and ethical nature of the initiative, both the partners-beneficiaries and the E.S.Co. commit themselves to allocate part of the savings (public institutions), and a the share of the profits (companies) to fund long-term shared programmes.

In particular:

- Solidarity and Energy is committed to allocating some of the benefits to fund scholarships on partners-beneficiaries territories to train local human resources at the International School of Ethical Economics. More specifically, young entrepreneurs will be trained, who can be later funded by MECC s.c. (Microcredit for Civil Economy and Communion). Regarding possible interventions in one of the countries of the European Union, the local commitment of Solidarity and Energy will be verified and programmed through REVES AISBL - European Network of Cities and Regions for Social Economy;
- Beneficiaries/public partners can commit to re-allocating up to 20% of their savings over the entire period of efficient plant life (estimated in 15 years), supporting human development programs;
- Partner-beneficiary companies can commit themselves to donate some of their increased savings to support initiatives related to their CSR activities. For example in Italy, this is done via the use of the 2% of their net profit up to a maximum ceiling of € 30.000,00, a fully deductible amount.

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