

# C **UNLOCKING THE POTENTIAL**

Co-operatives | Community

## **2026 BUDGET PROPOSALS**

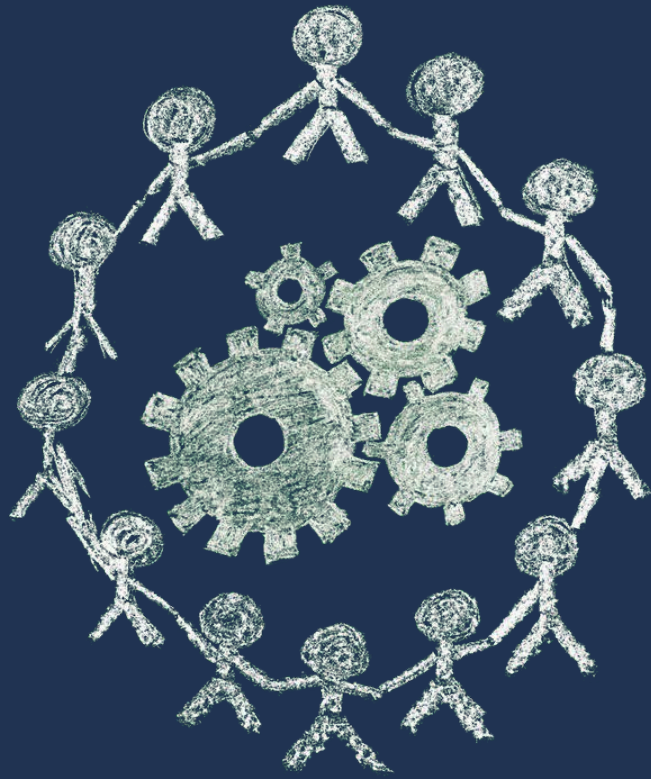


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# MCF's Budget 2026 Proposals

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# MCF's Budget 2026 Proposals

## Executive Summary

These Budget 2026 prepared by the Malta Co-operative Federation set out ten targeted proposals to strengthen Malta's co-operative sector as a driver of inclusive growth, social innovation and community resilience. While Malta's Constitution explicitly recognises the social function of co-operatives and commits the State to encourage their development, the current policy and regulatory framework lags behind EU practice and constrains the sector's potential.

A number of proposals were also developed in consultation with the Local Councils' Association (LCA) and reflect its Residents First: Better Quality of Life pillars. Proposals on mobility hubs, renewable energy, asset reuse, procurement, and elderly care each map directly onto these priorities, turning the LCA vision into concrete, community-driven action.

The proposals are grouped under four thematic priorities:

### **A. Finance, regulation & infrastructure for co-ops**

A diversified and resilient economy requires new financial and enterprise models. Enabling co-operative banking (Proposal 1) would expand SME and household access to credit by introducing member-owned banks, as successfully implemented across the EU. Supporting renewable energy co-operatives (Proposal 2) would allow citizens and communities to actively participate in Malta's energy transition, retaining value locally and broadening public acceptance of renewables. Removing administrative barriers at Malta Enterprise (Proposal 3) and extending audit exemptions to qualifying co-operatives (Proposal 4) ensures a level playing field with companies, reducing compliance burdens and unlocking existing support schemes at minimal fiscal cost.

### **B. Procurement, reuse & public value**

Public assets and procurement can be leveraged to multiply social returns. A structured reuse mechanism for confiscated assets (Proposal 5) would convert state-held properties into sustainable community infrastructure, as pioneered in Italy and Spain. Socially responsible public procurement (Proposal 6) would allow contracting authorities to integrate social value criteria into tenders, opening opportunities for co-operatives and social enterprises while maintaining value for money.

### C. Community assets, local services & care

Co-operatives can transform under-utilised spaces into community-driven services. Piloting community-owned car parks (Proposal 7) would integrate parking, renewable energy and mobility hubs under accountable local governance. Developing community-based elderly-care co-operatives (Proposal 8) would anchor person-centred care within villages and towns, complementing the *Anzjanità Attiva* strategy while creating stable jobs and easing institutional pressures.

Extending this approach to housing, co-operative housing initiatives (Proposal 9) would enable community-led development of affordable homes on public land held under long-term stewardship. Such projects would ensure security of tenure without market speculation, strengthen local social cohesion, and advance the objectives of *Affordable Housing for All* within a framework of participatory governance and equitable access.

### D. Social inclusion, employment & social economy

Social economy tools can directly address employment gaps and labour market challenges. Redirecting non-compliance fines under the disability employment quota into a Social Inclusion Employment Fund (Proposal 9) would turn penalties into tangible job creation for persons with disabilities. Allowing third-country nationals with valid work permits to join worker co-operatives (Proposal 10) would reduce informal work, broaden the tax base and promote lawful inclusion, while maintaining safeguards.

## Conclusion

Taken together, these proposals are pragmatic, proportionate and fiscally responsible. They do not require large-scale public spending but instead rely on regulatory alignment and the strategic use of existing assets and instruments. By adopting them, the government would:

- Deliver on Malta's constitutional commitment to co-operatives.
- Align national practice with the EU Social Economy Action Plan.
- Empower communities to generate solutions in finance, energy, mobility, care and employment.
- Build systemic resilience and broaden social participation in Malta's economic future.

The measures outlined represent a coherent roadmap to unlock the co-operative sector's contribution to Malta's long-term competitiveness, sustainability and social wellbeing.

## Introduction

The Malta Co-operative Federation (MCF) is pleased to present its Budget 2026 proposals, which build on the Federation's mission to strengthen the co-operative sector as a driver of inclusive, sustainable, and community-focused economic development. These proposals are grounded in dialogue with our members and stakeholders, reflecting both sectoral needs and wider societal priorities.

The community-driven initiatives outlined in Sections 2, 5, 6, 7, and 8 were developed in consultation with the leadership of the Local Councils' Association and are aligned with the Association's Residents First pillars: sustainable mobility, urban greening and open spaces, and smart cities. These initiatives are designed to ensure that local communities remain active partners in shaping both policy and practice.

These proposals are also consistent with the national priorities articulated in Malta's Vision 2050, reinforcing the Federation's commitment to advancing co-operative solutions that embed social justice, sustainability, and democratic participation at their core.



## A. Finance, regulation & infrastructure for co-ops

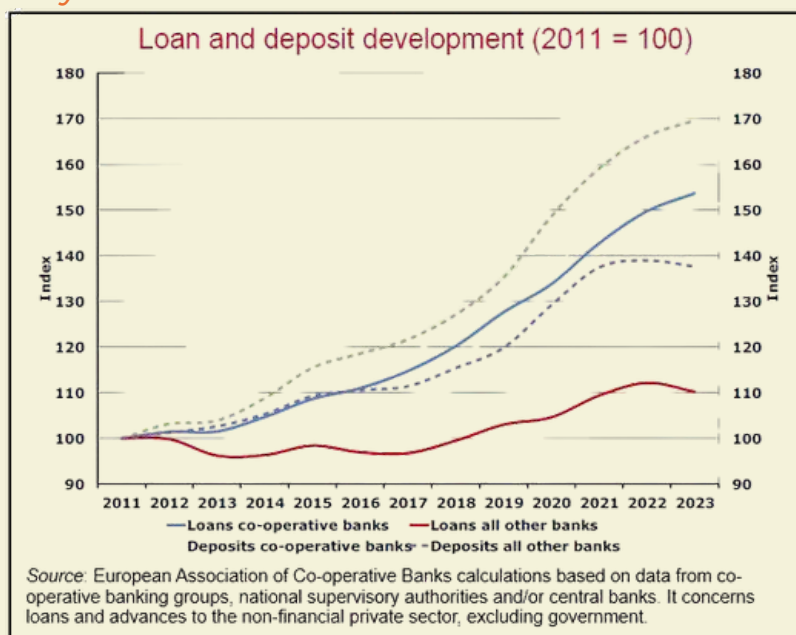
### Proposal 1: Enabling co-operative banking: legislative change and development framework

Malta's banking sector remains concentrated among a small number of large institutions. Across the EU, co-operative banking models (member-owned, democratically governed institutions) play a vital role in supporting SMEs, local finance, and financial inclusion. These banks offer mission-driven alternatives that are locally accountable and resilient. However, Malta's current legislative framework restricts banking licences to limited liability companies, excluding co-operative legal forms.

#### Proposal:

Amend the Banking Act, specifically Section 5(1), which currently states: "No business of banking shall be transacted in or from Malta except by a company which is in possession of a licence granted under this Act by the competent authority". The amendment should permit co-operative societies, both domestic and foreign, to apply for banking licences and operate in Malta as co-operatives, not as converted companies. Establish a Co-operative Banking Development Framework to support feasibility, capital formation, and regulatory adaptation, including pathways for foreign co-operative banks to open branches or subsidiaries under co-operative governance structures.

#### Why this matters:



Allowing co-operative banks to operate in Malta would diversify the financial ecosystem, enhance access to finance for SMEs and households, and strengthen systemic resilience. Co-operative banking models across the EU demonstrate how member-owned institutions can deliver stable, long-term lending while delivering stable, long-term lending while

remaining locally embedded and democratically governed. Enabling co-operatives to hold banking licences aligns with Malta's constitutional recognition of the social function of co-operatives and supports broader policy goals on inclusive finance and SME competitiveness.

### *Legal / policy basis:*

- Amendment to the Banking Act to expand eligibility beyond limited liability companies to include co-operative legal forms.
- Mandate a cross-agency working group (MFSA, Central Bank, Treasury, MCF) to design proportionate prudential adaptations for co-operative ownership and governance.
- Develop provisions to allow foreign co-operative banks to establish branches or subsidiaries in Malta under co-operative legal structures, subject to regulatory equivalence and supervision protocols.

### *Core measures:*

- Legislative amendment to allow co-operative societies, both domestic and foreign, to hold banking licences.
- Formation of a technical working group to define licensing criteria, prudential adjustments, and supervisory expectations tailored for co-operative banks.
- Establish a Co-operative Banking Development Framework offering feasibility support, guidance on capital and governance models, and facilitation of international mentoring partnerships with established co-operative banks.

### *Resource & implementation considerations:*

The government's role is primarily regulatory and facilitative. Direct fiscal exposure can be minimised through reliance on technical assistance, private capital mobilisation, and EU instruments for feasibility and capacity building. International mentorship by established co-operative banks can accelerate capability development and reduce market entry risk.

### *Implementation & governance:*

- **Lead:** MFSA in coordination with the Central Bank and Treasury.
- **MCF:** To coordinate potential founding co-operative consortia and liaise with foreign co-operative institutions.
- **Steps:** Regulatory adaptation consultation → licensing roadmap → phased licensing where prudential requirements are met.

### *Risks & mitigation:*

- Prudential risk: comprehensive feasibility and stress testing; phased capital build and supervision frameworks.
- Market confidence: full transparency of consumer protections and deposit safeguards; strong governance standards.

## Proposal 2: Renewable energy co-operatives & energy communities

EU energy regulations increasingly recognise citizen and community participation in renewable energy projects. Malta has transposed core directives, but further enabling action is needed to ensure energy communities can flourish, through access to public roofs and land, supportive concession terms, and streamlined administration. Community energy models increase public acceptance, retain local value, and create green jobs.

The recently revised Renewable Energy Directive (2023/2413) introduces Article 9(7a), which explicitly allows Member States to include renewable energy communities in joint offshore renewable energy projects, reinforcing the EU's commitment to community-led energy transition.



### *Proposal:*

Enable and incentivise renewable energy co-operatives and citizen energy communities by:

- incorporating **community ownership options** into concession terms for both onshore and **offshore renewable energy projects**, in line with Article 9(7a) of the revised Renewable Energy Directive (2023/2413), which encourages Member States to include renewable energy communities in joint offshore initiatives.
- Allocating public rooftops, land, and, where feasible, offshore zones for **community energy projects**.
- Providing **regulatory and administrative support** to streamline permitting and governance for energy communities.

- Facilitating access to **co-operative finance**, including enabling **foreign co-operative banks** to establish branches or subsidiaries in Malta under co-operative legal forms, to support energy communities with tailored financial instruments and governance models.

#### *Why this matters:*

Community ownership strengthens social acceptance of projects, retains energy revenues locally, and helps address energy poverty. Enabling frameworks accelerate deployment and ensure the social and economic benefits of the energy transition are widely distributed.

This approach aligns with the LCA's Residents First pillar on Smart Cities and energy resilience, embedding renewable initiatives within communities so that the benefits of cleaner energy remain local and responsive to the priorities of local councils.

#### *Legal / policy basis:*

Operationalising RED II citizen/community energy provisions through national implementation measures, permitting community shares in concessions and simplifying permitting for community entities.

#### *Core measures:*

- Require or incentivise community ownership clauses in major concessions and public procurements, including a designated share of capacity or participation rights for Renewable Energy Communities (RECs), in line with the revised Renewable Energy Directive (EU) 2023/2413.
- Allocate suitable public rooftops, land, and offshore zones for community energy projects, ensuring RECs have access to strategic sites.
- Incorporate provisions from Article 9(7a) to enable REC participation in joint offshore renewable energy projects, enhancing public acceptance and ensuring local benefit-sharing.

#### *Resource & implementation considerations:*

Use public asset allocation, EU energy transition funds and concessional finance as primary enablers. Technical assistance will reduce early-stage transaction costs and improve bankability.

#### *Why government should endorse now:*

This measure aligns Malta's EU Regulation obligations and climate goals with practical tools to broaden local ownership and social benefit from renewables.

#### *Annex references:*

RED II transposition notes; EU energy community case studies.

### Proposal 3: Improve Malta Enterprise access for co-operatives

Malta Enterprise schemes provide vital support for business growth, yet many co-operatives face structural barriers due to company-centric language and documentary requirements in applications. Simple administrative adjustments can immediately remove these obstacles, allowing co-operatives to access existing funds and programmes on an equal footing with other business forms and in consonance with the Malta Constitution, specifically, Article 20 which states: "The State recognises the social function of co-operatives and shall encourage their development". This establishes the constitutional duty of the state to support and foster the growth of the co-operative movement in Malta.

The proposed changes promote inclusion, retain economic value locally, and foster job creation without altering core programme budgets or objectives.

#### *Proposal:*

Redraft Malta Enterprise application materials and guidance to explicitly accommodate co-operative legal forms and launch a Co-operative Access offering a helpdesk, micro-grants and capacity building.

#### *Why this matters:*



Administrative friction: company-centric language, form fields and tax-credit mechanisms, currently impedes co-operatives from accessing existing public supports. Correcting wording and application processes unlocks existing programme capacity for inclusive local enterprises at low cost, helping to create jobs and retain economic value locally.

#### *Legal / policy basis:*

Administrative redrafting of Malta Enterprise guidelines, digital forms, and eligibility criteria; operationalisation of changes in collaboration with the co-operative movement.

#### *Core measures:*

- Replace company-centric terminology with inclusive wording and explicitly list co-operatives as eligible legal forms.
- Accept co-operative registration/CCF documents as acceptable compliance evidence in appropriate cases.
- Train Malta Enterprise officials to enable them to provide technical assistance to guide co-operatives through existing Malta Enterprise processes.

### *Resource & implementation considerations:*

Primarily administrative. Costs can be absorbed within existing Malta Enterprise budgets, with optional support from CCF for guidance materials. Measures are low cost but deliver systemic, long-term benefits.

### *Implementation & governance:*

- **Lead:** Malta Enterprise, with MCF collaboration.
- **Governance:** Permanent guideline amendments with clear timelines for rollout and internal reporting on co-operative uptake.

### *Risks & Mitigation:*

- Fraud risk: maintain standard due diligence and require CCF declarations.
- Low uptake: proactive outreach and simplified helpdesk support.

### *Monitoring & impact metrics:*

Number of co-ops assisted, successful applications, jobs created and subsequent uptake of Malta Enterprise schemes by co-operatives.

Minimal administrative change yields outsized inclusion and local economic benefits by unlocking existing scheme capacity for co-operatives.

### *Annex references:*

Malta Enterprise Recommended Changes to Malta Enterprise Schemes.

## Proposal 4: Extend audit-exemption rules to qualifying co-operatives (align LN 139 of 2025)

The Government of Malta has enacted the Audit Exemption Rules, 2025 (Legal Notice 139 of 2025), effective for accounting periods starting on or after 1 January 2024. These rules are intended to reduce the audit burden for eligible companies by:

1. Providing a **full audit exemption** for qualifying micro entities through higher thresholds on turnover, total assets, and employees; and
2. Introducing a **temporary audit exemption** for newly registered companies that meet specific criteria (including individual ownership and turnover limits), covering the first two accounting periods.

While these measures represent a significant step forward in supporting enterprise growth and reducing compliance costs, it is important to note that the audit exemption has not been extended to co-operatives.



### *Proposal:*

Amend the Audit Exemption Rules and subordinate legislation so that qualifying co-operatives benefit from the same micro-entity and start-up audit reliefs afforded to comparable company forms, with proportionate safeguards and ensures level playing field between companies and co-operatives.

### *Why this matters:*

Extending parity in administrative relief reduces compliance costs for small and micro co-operatives, lowers barriers to formation and growth, and supports grassroots enterprise development. The change is consistent with the constitutional recognition of co-operatives and promotes economic inclusion without compromising transparency, provided safeguards and audit triggers are retained for larger entities.

### *Legal / policy basis:*

Amend LN 139 and related co-operative legislation to include co-operative societies within eligible definitions and prescribe acceptable reporting formats and transitional rules.

### *Core measures:*

- Amend statutory instruments to add co-operatives to eligible categories for micro-entity and start-up audit relief. Issue sector guidance for accountants and co-operatives on reporting requirements and transitional arrangements.
- Monitor impact and plan periodic review of thresholds to ensure alignment with best practice.

### *Risks & mitigation:*

- Abuse of exemption: preserve proportionate oversight and audit triggers for larger co-operatives.
- Misalignment with accounting standards: issue clear reporting templates and education for practitioners.
- Perception of preferential treatment: emphasise parity with like-sized entities and economic rationale.

### *Monitoring & impact metrics:*

Take-up rate among co-operatives, administrative cost savings, and effects on co-operative registration and growth.

Extending parity reduces administrative burdens for micro co-ops and supports local economic activity and advances inclusive enterprise formation with limited fiscal impact.

### *Annex references:*

LN 139 text; draft amendment language and implementation notes.

## B. Procurement, reuse & public value

### Proposal 5: Social reuse mechanism for confiscated assets

Malta's Asset Recovery Bureau (ARB) manages frozen and confiscated assets under the Proceeds of Crime Act (Cap. 621). Current practice generally channels realised proceeds to the State without a systematic mechanism to allocate properties or proceeds for social purposes. Several EU member states have developed transparent frameworks for converting confiscated assets into community benefit while safeguarding victims' rights. A structured reuse mechanism would create a reliable pipeline for turning state-held assets into targeted social infrastructure and programmes.

#### *Proposal:*

Amend the Proceeds of Crime Act (Cap. 621) to enable ring-fencing and targeted reuse of realised confiscated assets through a Confiscated Assets Social Reuse Fund (CASRF) and a Destination Board to approve multi-year assignments of immovables to social-purpose operators.

#### *Why this matters:*



Directing realised assets to community projects converts enforcement outcomes into tangible public value while safeguarding the legal priority of victims. Beyond its symbolic significance, the measure is fiscally prudent: it mobilises assets already under state control rather than creating

state control rather than creating new, recurring costs for the Treasury. Reused properties can host services such as youth diversion, rehabilitation, and skills training, which reduce future demand for costly interventions in social protection, criminal justice, and local support services. The approach also establishes a transparent and accountable pipeline, enabling the public to see how confiscated resources are reapplied for community benefit. Aligned with the Local Councils' Association's Open Spaces and Urban Greening pillar, this measure provides a clear pathway for transforming underutilised assets into community spaces and local infrastructure.

#### *Legal / policy basis:*

Statutory amendment to Cap. 621 to permit earmarking of realised proceeds, to empower ARB to assign immovables on concession/commodatum for social use, and to codify victims' priority and transparency requirements; drafting guidance draws from Italian and Spanish precedents.

### *Core measures*

- Create CASRF as a ring-fenced instrument to receive realised proceeds and to finance adaptation and operating support for approved social uses.
- Establish a Destination Board (Justice, Finance, Social Policy, Local Government, ARB, civil-society rep) to set reuse priorities, approve concession awards and oversee KPI compliance.
- Publish a live public inventory of confiscated assets and their status; develop standard concession templates that include maintenance, reporting and visibility obligations.
- Launch a targeted pilot to convert a manageable tranche of assets into community uses to test governance, legal safeguards and technical procedures.

### *Implementation & governance:*

This measure could primarily rely on the realised proceeds of confiscated assets, with the option of drawing on one-off receipts, EU funds, or MDB instruments for seed capital. A concession model may help minimise direct public spending by combining in-kind asset use with co-funding from municipalities or NGOs. To safeguard victims' rights and maintain public trust, some legal and communications capacity would be important. In terms of governance, the Ministry for Justice and ARB might lead operational delivery, with Treasury oversight, while local councils could nominate candidate properties and act as interim custodians. A phased approach beginning with statutory amendments, followed by a public inventory, pilot concessions, and later scale-up, may provide a pragmatic pathway.

### *Risks & mitigation:*

- Victim compensation/legal challenge: Mitigated by statute that preserves victims' first priority and a clear legal review pathway.
- Perception risk: Mitigated through transparent inventory, required public signage at repurposed sites, and communications that emphasise victims' protection.
- Local capacity: Attach technical assistance to concession awards and require maintenance plans.

By converting state-held assets into community value, government can deliver demonstrable local benefits while leveraging existing resources in a measured, transparent way.

### *Annex references:*

Annex 1: EU practices on confiscated assets.

## Proposal 6: Socially Responsible Public Procurement (SRPP) to strengthen the social economy

Public procurement is a major channel of public expenditure. Incorporating social criteria into procurement, in line with EU regulations, enables contracting authorities to purchase more than just price: they can buy demonstrable social outcomes such as inclusive employment and local social value. Carefully implemented SRPP can widen opportunities for social enterprises and co-operatives without compromising competition or value for money.



### *Proposal:*

Issue national SRPP guidance and run targeted procurement pilots that allow contracting authorities to include social value criteria and to reserve selected lots for social economy actors, including co-operatives.

### *Why this matters:*

In line with the priorities of the Local Councils' Association, this SRPP measure provides contracting authorities with tools to prioritise social value. SRPP also aligns public purchasing with broader social objectives such as job creation, inclusion, and local development, thereby multiplying the social impact of public spending. Pilots will demonstrate value for money and provide templates for broader uptake.

### *Legal / policy basis:*

Guidance consistent with EU procurement directives and national procurement regulations; templates for social scoring and permissible reservation mechanisms.

### *Core Measures:*

- Publish SRPP guidance with templates and scoring frameworks.
- Run pilots in selected procurements with reserved lots and simplified tendering for social bidders.
- Provide capacity building and partnership facilitation to enable consortia and smaller social economy bidders to participate.

### *Resource & implementation considerations:*

Pilots projects are primarily administrative and capacity investments; leveraging existing procurement cycles mitigates net new cost. Early pilots can demonstrate longer-term value through improved social outcomes and stronger local supply chains.

### *Implementation & governance:*

Lead: Central procurement authority with pilot contracting authorities and MCF; independent evaluation built in to measure price vs social outcomes and provide scaling guidance.

### *Risks & mitigation:*

- *Legal challenge:* align pilots carefully with EU rules and include clear eligibility criteria.
- *Supplier capacity:* provide pre-tender training and simplified procurement packages.
- *Delivery outcomes:* embed social KPIs in contracts and strengthen contract management.

### *Monitoring & impact metrics:*

Value and number of contracts awarded to social economy entities, employment outcomes, and verified social impact metrics.

### *Annex references:*

EU SRPP guidance; municipal playbooks and sample procurement clauses.

## C. Community assets, local services & care

### Proposal 7: Community-owned car parks as multi-purpose local hubs

Malta's road network experiences substantially higher congestion than the EU average, with commuters losing multiple hours annually, creating measurable economic and social costs. Local research shows increasing traffic contributes to stress and negative impacts on citizens' wellbeing. European Commission studies identify significant gaps in parking provision and recommend targeted policy responses to ensure safe, secure and sufficient parking infrastructure.



Government holds under-utilised plots or constrained surface parking. At the same time, there is a policy need to manage parking demand, incentivise sustainable mobility and maximise local benefit from public land. Community-owned car parks, operated by co-operatives, offer a mechanism to combine

to combine parking, renewable energy, and mobility services while generating local revenue for reinvestment and create sustainable employment.

#### *Proposal:*

Pilot community-owned car parks managed by local co-operatives that integrate parking services, renewable energy generation and mobility functions, using concession models that prioritise local membership and reinvestment of surplus.

#### *Why this matters:*

Informed by the Local Councils' Association and its Residents First pillars, this proposal promotes community-owned car parks that combine parking management, renewable energy, and mobility services under local governance, directly addressing municipal priorities on congestion, air quality, and liveability. This model converts public land into an income stream for communities, supports decarbonisation through on-site PV and EV charging, and helps manage residential parking pressure. Concession arrangements reduce direct recurrent budget needs, while co-operative governance ensures local accountability and reinvestment.

### *Legal / policy basis:*

Local council concession frameworks, planning alignment and integration with national energy and transport strategies.

### *Core Measures:*

- Issue a call for local councils to identify candidate sites and, with MCF's assistance and consultation support, facilitate co-operative formation.
- Adopt concession templates transferring operational rights under one-member/one-vote governance with maintenance and transparency obligations.
- Integrate PV installations, EV charging infrastructure and space for mobility services and community activities to diversify revenue and social value.

### *Resource & implementation considerations:*

Implementation would not depend solely on state expenditure. Government can allocate the use of centrally owned land or facilities for community projects, while co-operatives manage operations under concession agreements. Financing can be supported through a mix of co-operative member contributions, partnerships with local councils, and external sources such as EU energy transition funds. The Malta Development Bank can provide guarantees to make projects more attractive to commercial lenders, improving their overall bankability.

### *Implementation & governance:*

Lead: Local Councils Association in partnership with local councils; cross-ministerial input from Energy and Transport. Piloting across a small set of diverse sites will produce replicable guidance and standard operating manuals.

### *Monitoring & impact metrics:*

Revenue mix, occupancy rates, renewable energy generated, co-operative membership levels, and local indicators of parking pressure reduction or modal shift.

This converts state assets into sustainable community infrastructure, aligning mobility, energy and social outcomes under accountable co-operative governance.

### *Annex references:*

Pilot design notes; EU case studies on combined PV/car-park and co-operative mobility initiatives.

## Proposal 8: Community-based co-operatives for elderly care (integration with Anzjanità Attiva)

Malta's ageing population requires innovative, locally responsive care models. Community-owned co-operatives can provide high-quality, person-centred services while keeping elderly residents rooted in their own villages and towns, preserving social ties and continuity of life. Embedding co-operatives into contractual frameworks ensures that care delivery aligns with community needs, fosters accountability, and leverages co-operative governance for sustainable service provision.

### *Proposal:*

Integrate community-owned elderly-care co-operatives into contractual frameworks to deliver person-centred, locally anchored care services and social support, with the option to phase implementation in selected areas if needed.

### *Why this matters:*



This measure promotes community-based elderly care co-operatives that enable older residents to remain supported within their communities while helping local councils deliver person-centred, integrated care consistent with Residents First objectives as advocated by the Local Councils' Association.

Community care co-operatives can improve service quality, create stable local jobs, and reduce institutional pressures through prevention and community support. They offer an approach that combines social inclusion, workforce development, and practical alignment with the Anzjanità Attiva vision.

### *Legal / policy basis:*

Procurement and partnership frameworks that enable long-term partnership agreements and social criteria; integration with workforce accreditation and health policy.

### *Core measures:*

- Identify underutilised community spaces and pilot small-scale community care co-operatives delivering day services, social activities and domiciliary care.

- Establish partnership agreements with health and social services to ensure continuity and quality.
- Invest in workforce training, digital coordination tools and accreditation pathways specific to co-operative models.

#### *Resource & implementation considerations:*

Primarily uses in-kind community spaces and targeted start-up support; training and workforce investment to be aligned with existing workforce programmes and EU social fund opportunities.

#### *Risks & mitigation:*

- *Quality assurance:* mandatory accreditation, inspection and KPI monitoring.
- *Workforce shortages:* targeted recruitment, training and retention incentives.
- *Fragmentation:* contractual partnership agreements guaranteeing continuity and integration with local health services.

#### *Monitoring & impact metrics:*

Service user outcomes and satisfaction, staff retention and progression, cost per user versus baseline, and contribution to reduced institutional admissions. Piloting care co-operatives supports ageing policy goals and builds local care capacity with strong potential for quality, affordable services and stable employment pathways.

#### *Annex references:*

EU care strategy alignment; pilot programme templates.

## Proposal 9: Co-operative housing for affordable and community-based living

Malta is facing a growing housing affordability crisis. Over the past decade, property prices and rents have increased sharply, far outpacing income growth, with over 13,000 households spending more than 30% of their disposable income on housing. The speculative value of land has emerged as the key barrier to affordability, making traditional homeownership increasingly inaccessible for young and middle-income families.

Co-operative housing offers a proven alternative: community-led, democratically governed housing that combines affordability, stability, and social cohesion. This proposal sets out measures to promote co-operative housing as a complementary solution to traditional homeownership, supporting Malta's broader inclusive housing strategy.

### *Proposal:*

Integrate community-owned elderly-care co-operatives into contractual frameworks to deliver person-centred, locally anchored care services and social support, with the option to phase implementation in selected areas if needed.

### *Why this matters:*



Co-operative housing addresses structural affordability issues by decoupling housing from speculative land markets. They promote community empowerment and democratic governance in housing. Furthermore, they can support Malta's inclusive housing objectives, ensuring long-term affordability for low- and middle-income residents.

The co-operative housing model encourages sustainable, innovative building practices and the integration of shared amenities and renewable technologies.

## *Core Measures*

1. Financial Support and Incentives
  - Grants, subsidies, or seed funding to cover co-operative start-up costs, construction, or land acquisition.
  - Low-interest loans for co-operative housing projects.
  - Guarantee schemes to increase access to financing.
2. Access to Affordable Land
  - Public land grants, long-term leases, or land banking to ensure a sustainable supply for co-operative projects.
3. Partnerships and Collaboration
  - Engagement with NGOs, civil society, and local councils to facilitate project development and community participation.
4. Innovation and Sustainability
  - Incentives for environmentally friendly and energy-efficient building designs.
  - Support for innovative housing models integrating shared spaces and renewable energy solutions.

## *Implementation and Governance*

- The Malta co-operative Federation (MCF), in partnership with government agencies, would provide guidance and technical support for the establishment of co-operatives.
- Governance will follow the one-member-one-vote principle, ensuring residents retain control over decisions affecting their homes.
- Setting of co-operative structures provide oversight, financial management, and coordination of services while preserving local autonomy.

## *Risks and Mitigation*

- Financing Challenges: Mitigated through guarantees and blended financing with co-operative contributions.
- Market Perceptions: Ensured by adherence to robust governance, transparency, and compliance with legal and regulatory standards.

## D. Social inclusion, employment & social economy

### *Proposal 10: Enhancement of the 2% Employment of Persons with Disabilities Quota*

Malta's quota for employing persons with disabilities (2% of workforce for employers of 20+ employees) has enforcement mechanisms that include penalty payments for non-compliance. Historically, such receipts have not been systematically channelled into targeted employment supports for persons with disabilities. Redirecting these funds into a dedicated, transparent mechanism can align enforcement with tangible inclusion outcomes and ensure penalties finance solutions that address the underlying employment gap.

#### *Proposal*

Establish a Social Inclusion Employment Fund (SIEF) to channel penalty receipts into targeted support for social co-operatives and sheltered employment that create sustained jobs and progression pathways for persons with disabilities.

#### *Why this matters:*



Reallocating penalty receipts into targeted employment interventions provides accountability for enforcement income and turns non-compliance into a tangible social dividend. The approach enhances labour market inclusion, supports higher-quality job placements and reduces long-term fiscal exposure by increasing

sustainable employment and reducing reliance on social assistance. It also strengthens the policy logic of the quota regime by creating a transparent feedback mechanism whereby penalties directly finance solutions that expand employment opportunities for the intended beneficiaries.

#### *Legal / policy basis:*

Administrative amendment to collection and allocation rules for penalty receipts under the Persons with Disability (Employment) Act (Cap. 210) to create SIEF administered by Jobsplus in partnership with an independent steering group including social-economy representatives.

### *Core measures:*

- Ring-fence a defined portion of penalty receipts to SIEF and define eligible interventions (operating grants to social co-ops, wage support, workplace adaptations, vocational training, and transition support).
- Establish eligibility criteria prioritising social co-operatives that employ a majority of persons with disabilities and demonstrate credible pathways to mainstreaming.
- Require independent auditing, transparent reporting and an evaluation framework to measure placement quality and progression.

### *Resource & implementation considerations:*

Primary funding derives from penalty receipts, with scope to lever EU social funds, philanthropic co-funding and activation budgets for complementary services. Multi-year funding windows will be favoured to support organisational stability and credible employment pathways.

### *Implementation & governance:*

Administer SIEF through Jobsplus, with a multi-stakeholder steering group (representatives from MCF, disability organisations, Treasury and independent experts) to set priorities and approve larger investments. A two-year pilot will refine eligibility, reporting and anti-segregation safeguards before full roll-out.

### *Risks and Mitigation:*

- *Segregation risk:* embed anti-segregation clauses that require demonstrable mainstreaming pathways and regular review of job quality.
- *Weak accountability:* independent audits, public reporting and performance-linked disbursement.
- *Capacity constraints:* include technical assistance and governance support as part of funding.

### *Monitoring & impact metrics:*

Number of supported placements, 12-month retention rates, progression into mainstream roles, average wages and measures of job quality and participant wellbeing.

SIEF translates enforcement income into visible employment outcomes, improving accountability and delivering better employment pathways for persons with disabilities.

### *Annex references:*

Jobsplus placement data; Eurostat employment trends; EU examples of funded supported-employment schemes.

## *Proposal 11: Enabling worker-co-operative membership for third-country nationals (TCNs) with valid work permits*

Current rules impose capital thresholds that effectively bar many lawful third-country nationals from joining or forming worker co-operatives. Allowing TCNs who already hold valid work permits and meet a qualifying residency period to become co-operative members would enable lawful economic participation and reduce informal or precarious work without opening new immigration pathways.

### *Proposal:*

Amend Jobsplus and immigration / self-employment policies to allow TCNs with valid work permits and a minimum qualifying period to become members of worker co-operatives without being subject to the high self-investment threshold.



### *Why this matters:*

Removing arbitrary capital barriers for lawful workers who seek to formalise collective entrepreneurship reduces exposure to informal employment, broadens the tax base and supports social inclusion. It makes pragmatic use of co-operative structures as a pathway to decent work, while maintaining public-order and anti-abuse safeguards.

### *Legal / policy basis:*

Regulatory amendments to immigration/self-employment rules and Jobsplus administrative protocols to create a co-operative membership route with defined safeguards.

### *Core measures:*

- Create a defined route allowing TCNs with valid work permits and a minimum qualifying period to become co-operative members.
- Institute anti-abuse checks, lawful-fund verification and standard co-operative admission obligations.
- Provide targeted guidance and monitoring mechanisms to protect labour rights.

### *Resource & implementation considerations:*

Mainly procedural amendments with modest administrative capacity needs; potential for EU integration funds to support outreach and TA.

### *Implementation & governance:*

Lead: Jobsplus to provide guidance and monitoring; pilot the route and collect data for evaluation.

### *Risks & mitigation:*

- Abuse potential: strict verification of funds and audit trails.
- Labour rights: ensure labour inspections and co-operative governance obligations apply.
- Public perception: clear communications emphasising existing lawful status and safeguards.

### *Monitoring & impact metrics:*

Number of TCNs admitted to co-operatives, instances of labour complaints, and progression to stable employment.

This targeted reform supports lawful economic participation, reduces informal work risk, and uses co-operatives as credible tools for inclusion while maintaining necessary safeguards.

### *Annex references:*

Comparative EU practice; proposed application protocol and safeguards.

# Annexes

## Annex 1: The co-operative Banking Scene in the EU

### 1. Market Share of Co-operative Banks in Europe

- **Austria, Finland, France, Germany, the Netherlands:** co-operative banks hold between 20% to 60% of total lending, and in many cases, at least 30% of SME financing. [eacb.coop](https://eacb.coop)
- According to a European-wide analysis of 2022:
  - Co-operative banks delivered **23.3% of all loans** and held **22.4% of all deposits** across Europe.
  - They provided almost **one-third of SME financing**. [eacb.coop](https://eacb.coop)

These figures illustrate that co-operative banks are not marginal; they are vital players in both retail banking and SME support throughout the EU.

### 2. Performance & Resilience Summary (2023 Data)

- Co-operative banks reached a **record membership of over 90 million**, adding **1.4 million new members** in 2023.
- **Full-time employment** in the sector rose 1.5%, the strongest increase since 2011.
- They achieved **record market share** in key retail markets, with strong loan and deposit growth.
- Reported **Return on Equity** of 10.1%, a **Cost-to-Income ratio** of 52.9%, and a Tier 1 capital ratio of 18.1%. [eacb.coop](https://eacb.coop)

These results show co-operative banks as financially robust, community-anchored, and growth-oriented, especially during uncertain economic times.

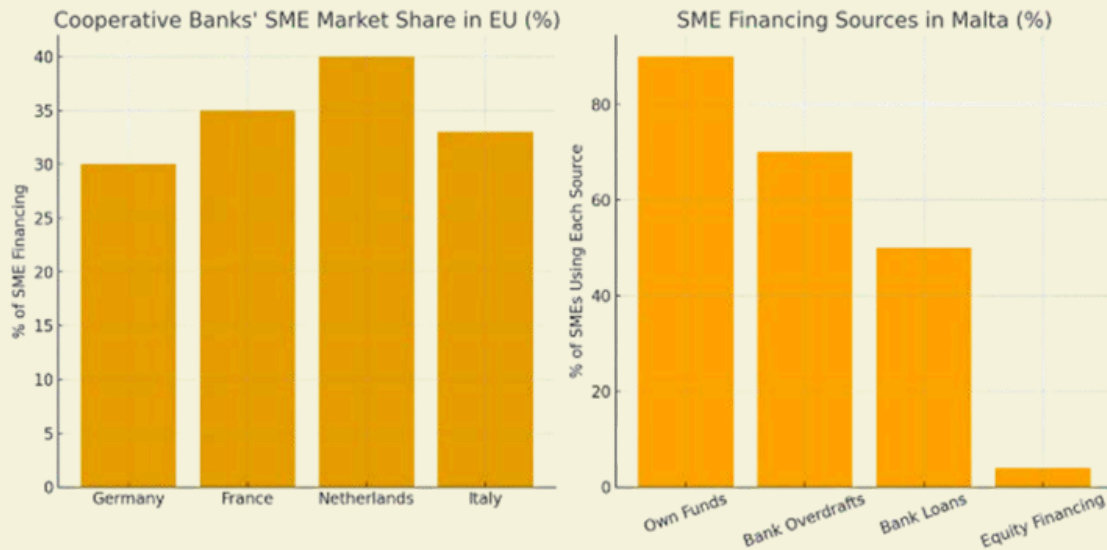
### 3. SME Financing Challenges and Gaps in Malta

A survey of local SMEs revealed:

- **90%** rely on own funds,
- **70%** use bank overdrafts,
- **50%** have bank loans,
- Only **4%** access outside equity financing.
- Smaller and younger businesses find it particularly hard to secure funding.

- **Bank loan reliance** has dropped in recent years: Maltese firms with a loan declined from 16% (2019) to 12% (2020), even as the EU average rose from 15% to 18%. [Central Bank of Malta](#)

These figures signal a clear SME finance gap and show that Malta’s SMEs face more severe access challenges than their EU peers.



### Comparative Data Snapshot

Category	Co-ops	EU / International	Malta Context
Banks Market Share		20–60% lending; ~30% SME financing	N/A
EU Lending/Deposits		23% loans, 22% deposits	N/A
2023 Performance		90m members, .5 jobs, RoE 10.1%, Tier 1 18.1%	N/A
SME Financing Sources		N/A	90% own funds; 70% overdraft; 50% loans; 4% equity
SME Uptake		EU 18%	Malta 12%

## Annex 2: Case Study Examples & Best Practices of Renewable Energy Communities

Name / Location	Summary / Key Features	Relevance / Lessons for Malta
Middelgrunden Wind Turbine Co-operative, Denmark	Offshore wind farm near Copenhagen. It is 50% owned by around 10,000 citizens via the co-operative, and 50% by the municipal utility (HOFOR). Generates ~99,000 MWh/year, delivering clean electricity to over 40,000 households. <a href="http://rescoop.eu">rescoop.eu</a>	Demonstrates how shared ownership with public utilities can work; shows scale, democratic participation, and how public acceptance was achieved via consultation. Could serve as a model for Malta's potential inclusion in offshore wind concession frameworks.
SeaCoop (Belgium)	A co-operative social enterprise formed by local co-operatives across Flanders, Brussels and Wallonia to enable citizens to co-invest in offshore wind energy projects. Seacoop Allows citizens to become owners and users, ensuring energy produced is sold at fair prices; guaranteeing local anchoring. <a href="http://rescoop.eu">rescoop.eu</a> : Belgium leads the way in citizen participation for offshore wind energy	Very relevant: shows how the government can encourage citizen participation in offshore wind. Demonstrates how legislation/policy can create spaces for community coops in large-scale projects.
Bornholms Havvind, Denmark	Ambitious project: a 100 MW offshore wind park off Bornholm, to be 100% owned by local citizens, companies, and organizations. <a href="http://nordregioprojects.org">nordregioprojects.org</a> The community ownership model is central, with shares available to residents, not just investors. <a href="http://nordregioprojects.org">nordregioprojects.org</a>	Provides an example of full local ownership in offshore wind. The governance and financing model could be instructive (how shares are issued, how citizens are engaged).

Name / Location	Summary / Key Features	Relevance / Lessons for Malta
<p>Windpark Noordoostpolder, Netherlands</p>	<p>Combination onshore &amp; nearshore wind power plant. Owned by more than 100 agricultural entrepreneurs (local), together with a major company (Innogy). This hybrid ownership leverages both local stakeholder investment and larger private / utility level entities.</p>	<p>This model could be a useful reference for Malta: combining expertise / capital of larger entities with local ownership and benefit sharing.</p>
<p>Westmill Wind Farm Co-operative, UK</p>	<p>Fully community-owned onshore wind farm (~6.5 MW) near Watchfield, England. Operated by a co-operative with thousands of members. Profits partly reinvested locally, with community benefits.</p>	<p>Even though onshore, it provides a good governance, membership, and financing model. Useful to illustrate how co-operative ownership can work at smaller scale, and how benefits can be directed locally.</p>
<p>Enercoop, France</p>	<p>co-operative energy supplier; offers electricity from 100% renewable sources (wind, solar, biomass, etc.). Half of its generation sites are owned by citizens or local authorities. Member involvement in decisions; aims for social equity and local benefit. EU Transition Pathways</p>	<p>Demonstrates a co-operative model not only for generation but also for supply, citizen participation, and ethical governance. Malta could look at how to integrate citizen / co-operative-owned generation with supply or local distribution.</p>

Name / Location	Summary / Key Features	Relevance / Lessons for Malta
<p>Eoly Coöperatie (Virya Energy), Belgium</p>	<p>A co-operative structure where, after development, communities and local residents are invited to purchase equity in wind projects. The co-operative becomes turbine owners once projects are built.  <a href="#">Virya Energy</a></p>	<p>Relevant for structures where the government or developers bear initial project risk, but ownership is shared. Useful for policy design: defining initial support, risk sharing, then transferring ownership.</p>
<p>“Viure de l’Aire” wind project, Catalonia (Spain)</p>	<p>A rural town (Pujalt, Catalunya) installed a shared-ownership wind turbine (2.35 MW). Ownership is shared among people interested, including those from urban and rural areas. Emphasis on solidarity and local identity. Compile Project</p>	<p>Shows how smaller or rural communities can take leadership; gives example without subsidies; shows citizen solidarity approach. Useful for smaller scale / local projects in Malta's rural communities.</p>
<p>Belgian government's citizen participation policy for offshore wind</p>	<p>The federal government has affirmed its support for citizen participation / ownership in large offshore wind farms via renewable energy communities (SeaCoop etc.).  <a href="#">rescoop.eu</a></p>	<p>Strong evidence that public policy can explicitly require or permit citizen/community ownership in large-scale offshore wind tenders. Good precedent to cite in policy proposal.</p>

### Annex 3: Recommended Changes to Malta Enterprise Schemes

Scheme	Key hindrance(s) found	Recommended change
Business Re-engineering & Transformation	Eligibility wording sometimes restricted to 'limited liability companies' and CfR compliance required.	Replace "limited liability companies" with "undertakings" and accept CCF declarations where consistent with scheme type.
Business Start / Startup Finance	Forms require memorandum/articles or reference Companies Act numbers.	Amend forms to accept co-op Statute and Co-op registration number; include co-ops explicitly in eligibility wording.
MicroInvest	FAQs and some wording unclear for co-ops; CfR compliance required on forms.	Add co-op examples to FAQs; accept CCF declaration or proof of co-operative registration for cash-grant options.
Invest / R&D / Patent Box / Energy Efficiency / Green grants	Several forms & guidelines assume taxable entities and CfR procedures.	Where scheme offers cash grants, explicitly allow co-ops as beneficiaries; where schemes are tax-credit based, require Malta Enterprise to provide parallel cash-grant eligibility or tailored guidance for co-ops

## Annex 4: EU practices on Confiscated Assets

**Italy – the gold standard (Law 109/1996, ANBSC):** Confiscated assets (esp. from mafias) are transferred to municipalities or granted to third-sector groups for social purposes (co-ops, youth centres, farms). There's a national agency (ANBSC), a public inventory, and calls for proposals; thousands of assets are in community use.

**Spain:** For drug-crime assets there is a **Special Fund** (Act 17/2003) that channels confiscated proceeds to law enforcement, NGOs and local authorities via competitive calls managed by the National Plan on Drugs; ORGA manages assets.

**France (AGRASC):** Central asset agency that manages sales and distributes proceeds, prioritising compensation of victims and public-interest uses (and in some cases returning stolen assets abroad).

**Ireland:** The **Community Safety Fund** re-invests part of CAB-seized proceeds back into local safety projects (grants to communities, €4m in 2025 call).

### A. Legal basis

- AmendCap. 621 to:
  1. Authorise **social reuse** and **earmarking** of proceeds;
  2. Empower ARB to **assign immovable property** to public bodies/NGOs (by concession/commodatum) and to **hypothecate proceeds** to a dedicated fund;
  3. Prioritise victim compensation where relevant, then social projects. (Models: Italy's Law 109/1996; France's AGRASC victim-first rule; Spain's thematic fund.)

## Annex 5: EU Socially Responsible Public Procurement (SRPP) Guidance

The European Commission provides comprehensive guidance on SRPP, emphasising the importance of considering social and ethical factors in public procurement processes. Key resources include:

- **"Buying Social – A Guide to Taking Account of Social Considerations in Public Procurement" (2nd Edition, 2021):** This document outlines how public buyers can incorporate social criteria into procurement decisions, promoting employment opportunities, social inclusion, and compliance with social and labor rights. It offers practical advice on integrating social considerations without exceeding budget constraints.
- **"Making Socially Responsible Public Procurement Work: 71 Good Practice Cases":** This publication presents real-world examples of how SRPP has been successfully implemented across Europe, providing valuable insights and inspiration for local applications.

These resources can guide the development of procurement strategies that align with co-operative principles and social objectives.

### Municipal Procurement Playbooks and Sample Clauses

While local councils in Malta do not own land, they play a crucial role in facilitating co-operative projects through procurement processes. To support this, several resources offer templates and sample clauses:

- **Sustainable Procurement Playbook for Cities:** Developed by the Responsible Purchasing Network and the Urban Sustainability Directors Network, this playbook provides municipalities with tools to integrate sustainability and social responsibility into procurement decisions. It includes sample policies and clauses that can be adapted to local contexts. [responsiblepurchasing.org](https://responsiblepurchasing.org)
- **Maryland Procurement Playbook:** Although specific to Maryland, USA, this playbook offers insights into effective procurement practices, including strategies for engaging local communities and supporting small businesses. Its principles can be adapted to the Maltese context. [Maryland Comptroller](https://marylandcomptroller.com)
- **ISO 20400 – Sustainable Procurement Guidance:** This international standard provides guidance on integrating sustainability into procurement processes. It covers aspects like stakeholder engagement and risk management, which are pertinent when considering co-operative models.

These resources can assist in crafting procurement documents that support co-operative initiatives, ensuring they are inclusive, transparent, and aligned with social objectives.

## Annex 6: Short annotated bibliography on the community parking proposal

- 1. Malta — Impact and Cost of Road Traffic (University of Malta / ICCSD)**  
*Summary:* National analysis quantifying congestion levels, hours lost in traffic and local economic impacts, essential local evidence of the scale of Malta's congestion problem. Use to justify urgency and the need for demand management and park-and-ride solutions.
- 2. Attitudes Toward the Stress Created by Ever Increasing Traffic in the Maltese Islands (University of Malta, 2024)**  
*Summary:* Empirical study linking traffic increases to higher stress and reduced wellbeing among residents, supports the wellbeing argument for reducing local traffic.
- 3. European Environment Agency (EEA) — Transport Noise, Air Pollution & Health Evidence**  
*Summary:* Authoritative EU synthesis on adverse health impacts of traffic noise and pollution (sleep disturbance, cardiovascular risks). Use to reinforce the public-health rationale for reducing vehicle kilometres and greening mobility.
- 4. European Commission / Parliament — Studies on Parking and Urban Mobility (incl. Safe & Secure Parking Areas)**  
*Summary:* EU policy and research identifying parking shortfalls and recommending targeted infrastructure and management responses; supports the policy legitimacy of managed, community-owned parking pilots
- 5. European Court of Auditors — Urban Mobility Congestion / Economic Cost of congestion**  
*Summary:* EU analysis estimating the substantial economic costs of congestion and highlighting benefits from improved traffic flow, supporting the economic case for park-and-ride and demand-management investments.
- 6. EU examples — co-operative mobility & hybrid PV-parking pilots (Belgium, Spain, Netherlands)**  
*Summary:* Case examples of municipal or co-operative projects that combine parking, EV charging and PV canopies; practical precedents for integrated design, governance and revenue diversification. Use as implementation precedents and to reassure procurement/finance teams.

*Annex 7: Reports by international organisations showing effectiveness of community elderly care*

Study / Report	Year	Short summary	Suggested short citation
European Commission — Social Economy Action Plan	2021	Shows EU-level policy momentum to finance and scale social-economy actors (including co-operatives) delivering social services. Strong justification for national budget support to community co-ops. Employment, Social Affairs and Inclusion	European Commission, Social Economy Action Plan, COM(2021) 931 final, 2021. Employment, Social Affairs and Inclusion
ILO — Care Work and Care Jobs for the Future of Decent Work	2018	Argues for public investment to professionalise care (better jobs, decent work) and highlights co-operative arrangements as promising models for quality, inclusive care provision. Use for workforce & quality rationale. International Labour Organization	ILO, Care Work and Care Jobs for the Future of Decent Work, ILO, 2018. International Labour Organization
OECD — Who Cares? Attracting and Retaining Care Workers for the Elderly	2020	Evidence on workforce shortages, pay/conditions and policy interventions (training, wage incentives, organisational models). Supports proposals to fund co-operative-led training and good employment practices. OECD	OECD, Who Cares? Attracting and Retaining Care Workers for the Elderly, OECD Publishing, 2020. OECD

Study / Report	Year	Short summary	Suggested short citation
WHO Regional Office for Europe - Mapping community-based care & 'quality management' briefs	2025	Recent technical guidance on community-based long-term care models and quality management for home/community care, supports community co-ops as quality, person-centred providers. World Health Organization	WHO Regional Office for Europe, Mapping community-based care and support for people with care needs, 2025. World Health Organization
EU Joint Research Centre (JRC) - Long-term care needs in the EU	2024	Demographic projections showing rising LTC demand: justifies preventative, community-based supply expansion. <a href="https://joint-research-centre.ec.europa.eu">joint-research-centre.ec.europa.eu</a>	JRC, Long-term care needs in the EU: trends and projections, JRC, 2024. Cecop
CECOP & 'Cooperatives care!' / 'Lasting Impact' (worker & social co-ops)	2021 – 2022	Sectoral analyses and impact measurement for worker & social co-operatives in Italy/Spain, provides direct evidence that co-operatives can deliver social value in eldercare.	CECOP, Cooperatives care! / Lasting Impact: Measuring the Social Impact of Worker and Social Cooperatives in Europe, CECOP, 2021–2022. Cecop
ILO - Providing Care through Cooperatives (case studies)	2016 (report)	Survey and case studies specifically about co-operatives delivering care. Directly supports the feasibility and advantages of co-operative delivery models.	ILO, Providing Care through Cooperatives: Survey and Interview Findings, ILO, 2016. International Labour Organization

Study / Report	Year	Short summary	Suggested short citation
Academic/Policy literature on Italian social co-operatives & LTC	various (2000s – 2024)	Italy's social co-operative experience is the strongest EU precedent for co-operative eldercare. These studies provide operational examples and lessons (governance, public contracting, integration with regional health systems). <a href="http://staging.community-wealth.org">staging.community-wealth.org</a> + <a href="http://library.uniteddiversity.coop">library.uniteddiversity.coop</a>	See: A. Thomas, The Rise of Social Cooperatives in Italy (2004); Social co-operatives in Italy: lessons, and recent regional case studies (2020–2024). <a href="http://staging.community-wealth.org">staging.community-wealth.org</a>
Council of Europe / EUROPEAN POLICY briefs on local authorities & LTC	2023 – 2024	Emphasises the frontline role of local/regional authorities in planning/delivering community care — supports ring-fenced local council funds for co-op incubation. Council of Europe	Council of Europe, Ensuring access to quality social care for older persons, 2024. Council of Europe
CECOP & 'Cooperatives care!' / 'Lasting Impact' (worker & social co-ops)	2021 – 2022	Sectoral analyses and impact measurement for worker & social co-operatives in Italy/Spain provides direct evidence that co-operatives can deliver social value in eldercare. Cecop	CECOP, Cooperatives care! / Lasting Impact: Measuring the Social Impact of Worker and Social Cooperatives in Europe, CECOP, 2021–2022. Cecop
EU thematic reports on LTC / social economy (Eurofound / ESPN etc.)	2016 (report)	Survey and case studies specifically about co-operatives delivering care — directly supports the feasibility and advantages of co-operative delivery models. International Labour Organization	Eurofound / ESPN reports - see Challenges in long-term care (ESPN) and short briefings on the Social Economy European Action Plan. European Commission

## Annex 8: Selected EU practices on fines / compensatory payments for not employing persons with disabilities

Country	Legal quota / threshold (summary)	Penalty / compensatory payment (summary)	Where the payments / funds go (how they support organisations that employ a majority of disabled persons)	Short note / example
France	Employers with $\geq 20$ employees: 6% quota (workers with recognised disability).	Employers who don't meet the quota pay a contribution to AGEFIPH; additional higher contributions apply for repeated non-compliance.	Contributions are administered by AGEFIPH (and FIPHP for public sector). Funds are used to finance inclusion, vocational integration, workplace adaptations, training and support — including projects and organisations that employ or help place people with disabilities.	Classic quota + central fund model: companies pay into AGEFIPH and AGEFIPH finances measures and actors (including sheltered/supported employment projects).
Italy	Law 68/1999 (Collocamento mirato): employers above certain size must hire protected categories; regional placement systems apply.	Non-compliance can trigger administrative fines and/or obligations to pay into regional funds (contributo sostitutivo); daily/periodic rates per missing worker are applied in practice.	Payments and regional "Fondo regionale per l'occupazione dei disabili" are used to fund incentives, placement measures, conventions with social co-operatives and support to entities that hire disabled people (incl. social co-operatives).	Many employers choose to comply via hiring or by using conventions with social co-ops; funds support social enterprises and placement services.

Country	Legal quota / threshold (summary)	Penalty / compensatory payment (summary)	Where the payments / funds go (how they support organisations that employ a majority of disabled persons)	Short note / example
Spain	Companies of 50+ workers must reserve 2% of jobs for persons with disabilities (quota system; alternatives and exceptional measures exist).	Non-compliance can lead to fines and loss of benefits; law foresees alternatives (e.g., contracting with Centros Especiales de Empleo or paying compensatory measures).	The system allows alternatives such as subcontracting to Centros Especiales de Empleo (CEEs) (enterprises where a large % of employees are disabled), and funds/compensation can effectively support CEEs and other social employment structures.	Spain combines sanctions with alternative compliance routes that channel work/contracts/financial support to CEEs (special employment centres).

## Annex 9: TCNs EU and comparative precedents / evidence

- **Italy:** Social and worker co-operatives have long been used as a model to integrate migrants and refugees into formal labour markets (e.g., social co-operatives in Bologna and Ferrara working on migrant integration and social farming). These co-operative models have been used to reduce exploitation while providing structured employment pathways and capacity building.

<https://cecop.coop/works/labour-integration-of-refugees-the-cooperative-formula>

- **Spain:** Migrant-led co-operatives exist (e.g., long-standing immigrant co-operatives in catering/retail), and the Spanish social-economy ecosystem has supported social inclusion through co-operative structures. The EU briefing on Spain's social economy documents their role in inclusion.

<https://cecop.coop/works/subiendo-al-sur-the-emblematic-spanish-cooperative-of-immigrants-that-is-striving-to-overcome-the-crisis>

- Europe-wide evidence: European co-operative networks (CECOP/CICOPA) and research indicate that co-operatives are effective vehicles to integrate vulnerable groups and refugees into formal, dignified employment while promoting social inclusion and local economic development.

<https://oecdcoigito.blog/2023/>



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