POLICY PILOT FRAMEWORK

Community Trusts as Post-Labour Interface Institutions

Governance Architecture, Transition Design, Misinterpretation Analysis, and Pilot Specification for the Engagement Credit Economy

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> *This paper is the operational policy layer of the Engagement Credit Economy (ECE) framework. It translates a complete governance specification into pilot-ready institutional design, addresses documented misinterpretations of the framework, and provides stopgap protocols for system overlaps. It is addressed to policy designers, EU programme administrators, and institutional implementers.*

Contents

Executive Summary

This paper provides the policy pilot framework for Community Trusts operating as interface institutions within the Engagement Credit Economy (ECE). Its purpose is threefold: to translate the governance specification into policy-actionable form; to address and correct documented misinterpretations of the ECE framework; and to specify stopgap protocols for the principal system overlaps.

The ECE addresses a structural coordination failure: as automation and platform economics thin the density of stable employment, the institutions that previously stabilised participation — firms, trade associations, municipal labour systems — degrade. Neither the state nor the market has an incentive to repair this institutional layer. Community Trusts are designed precisely for that gap.

What this paper establishes

- A precise definition of the ECE as a participation recognition system, not a volunteering programme, welfare activation scheme, or job guarantee
- The layered LCB→CIP transition architecture, including non-coercive sequencing
- The Mandatory Market Scanning Protocol ensuring compliance with TFEU Article 107 State aid rules
- A two-tier evaluation framework separating system performance metrics from dignity safeguards
- The ADPC pilot specification identifying urban last-mile logistics as the initial revenue recapture sector
- An implementation pathway compatible with ESF+ and Just Transition Fund operational frameworks
- A Notice of Intent instrument for Scout-to-market interface compliance

> **Core design claim:** Post-labour work systems cannot be governed by employment law, welfare conditionality, or market pricing alone. A new institutional layer is required — one that recognises participation, stabilises capacity, and enables skill transmission without reproducing coercive employment logic.

1. The Policy Problem: Why the Institutional Middle is Missing

The standard account of automation and post-labour transitions focuses on the loss of jobs and the question of income replacement. This framing, while not wrong, is insufficient. The deeper institutional problem is not income scarcity alone — it is the simultaneous erosion of the coordination functions that employment previously performed.

Stable employment did not merely provide wages. It performed at least five institutional functions that are now degrading without replacement:

Function	What is eroding
Participation coordination	Regular structured engagement with productive activity, independent of market signals
Skill transmission	Apprenticeship, mentoring, and tacit knowledge transfer embedded in workplace relationships
Income stabilisation	Predictable income floor allowing consumption planning and social participation
Legitimacy and identity	Social recognition of contribution independent of benefit receipt
Capacity preservation	Maintenance of productive capability during low-demand periods

Episodic contracting, platform work, and structural displacement are eroding all five simultaneously. The conventional policy responses — unemployment insurance, active labour market programmes, retraining subsidies — address only the first partially (income) and the third partially (skills). None addresses legitimacy, participation coordination, or capacity preservation.

Community Trusts are designed to address all five. This is not incremental welfare reform. It is institutional gap-filling.

1.1 The Specific Coordination Failure

Firms increasingly contract specialist capacity episodically. The specialist exists between engagements without institutional support. During gaps: skills degrade without application, income becomes volatile, participation becomes invisible, and legitimacy is undermined. The Trust intervenes precisely during these gaps — not to replace market income, but to maintain the institutional fabric that makes market re-engagement viable.

This is the core design logic. Community Trusts are not welfare institutions. They are capacity maintenance institutions.

2. Framework Clarification: What the ECE Is and Is Not

Documented engagement with the ECE framework has produced a recurring set of mischaracterisations. These are not marginal misreadings — they represent systematic reframings that, if uncorrected, would fundamentally distort implementation. This section addresses each directly.

2.1 Misinterpretation A: The ECE as a Volunteering Programme

> **Mischaracterisation recorded:** "Engagement Credits are issued in exchange for volunteering and community activities."

This is incorrect on structural grounds. The ECE is a formal, institutionally governed, remunerated participation system. The distinctions are not marginal:

Dimension	Volunteering	ECE / CIP
Remuneration	Unpaid by definition	Fully remunerated via credits convertible to monetary value
Governance	Informal or charity-managed	Board-governed with legal accountability and enforceable participant rights
Role structure	Ad hoc, self-selected	Formally appointed Key Roles with defined responsibilities and institutional support
Asset relationship	Project-based, resets on grant end	Linked to durable Trust-held physical, institutional, and knowledge assets
Economic status	Charitable contribution	Recognised as economically productive participation replacing degraded market function
Exit	Informal and costless	Governed exit rights with 14-day notice and zero penalty to credit standing

> **Design principle:** The ECE explicitly rejects the charity framing. Engagement Credits are not tokens of appreciation. They are institutional recognition of economically productive activity that markets currently fail to price.

2.2 Misinterpretation B: The ECE as a Job Guarantee

> **Mischaracterisation recorded:** "The ECE guarantees employment or work equivalent to previous jobs."

The ECE does not guarantee employment, simulate employment, or substitute employment. The distinction is fundamental:

- A job guarantee says: we will give you work
- A UBI says: we will give you money
- The ECE says: we will recognise your participation

This distinction has structural consequences. A job guarantee imposes coercive logic: the implicit condition is participation in assigned work. The ECE makes all participation voluntary and refusal-eligible. There is no activation requirement. There is no 'earn your support' conditionality at any layer of the system.

The ECE is more precisely described as a participation recognition system — an institutional infrastructure that renders contribution legible and remunerated without reproducing employment hierarchy.

2.3 Misinterpretation C: The ECE as Welfare Activation

> **Mischaracterisation recorded:** "CIP participation is required to maintain LCB compensation — participants must demonstrate engagement to continue receiving support."

This misreading reverses the design logic. Local Compensatory Body (LCB) compensation is unconditional. It responds to structural displacement — an externally imposed systemic harm — and is therefore not contingent on subsequent behaviour. Community Initiative Programme (CIP) participation is layered on top of, not conditioned against, LCB support. The transition is voluntary, gradual, and non-coercive. See Section 3 for the full transition architecture.

> **Design safeguard:** Any implementation that introduces conditionality between LCB support and CIP participation is in direct violation of the ECE framework principles and must be treated as a design failure, not a variation.

2.4 Misinterpretation D: CIPs as Market Substitutes

> **Mischaracterisation recorded:** "Community Trusts provide services that replace or compete with private sector provision."

The ECE contains a hard market complementarity boundary. Community Initiative Programmes are only valid where three conditions are simultaneously met: the activity is not viably provided by the market; it is systemically necessary for local capacity or continuity; and marketisation would underprovide or distort it. CIPs that fail any of these conditions are prohibited. The Mandatory Market Scanning Protocol (Section 5) operationalises this boundary through legally defensible procedures. CIPs that generate a viable private market must initiate withdrawal under the Crowd-In Trigger.

2.5 Misinterpretation E: Dignity Metrics as Performance Targets

> **Mischaracterisation recorded:** "The Dignity Self-Report is used to rank programmes, allocate funding, or compare performance across regions."

The Dignity Self-Report (DSR) is a safeguard indicator, not a performance metric. Its function is to detect system degradation and legitimacy failure. If DSR scores fall below threshold in a given territory, this triggers a mandatory governance review — not a funding cut. DSR data is aggregated at Trust level, anonymised, and explicitly excluded from all comparative benchmarking. Applying DSR as a performance metric would reintroduce the metric-driven conditionality the framework is designed to prevent.

3. The LCB to CIP Transition Architecture

The transition between Local Compensatory Body stabilisation and Community Initiative Programme participation is one of the most technically demanding elements of the ECE design. The following architecture establishes a non-coercive, layered transition that avoids the welfare-to-work conditionality trap while enabling organic re-engagement.

3.1 The Four-Phase Layering Model

The transition is not a switch. It is a layering process in which systems operate simultaneously, with the balance shifting organically rather than through institutional mandate.

Phase	Income source	CIP involvement	Institutional logic
1 — Stabilisation	LCB 100%	None required	Psychological decompression. Structural displacement recognised as systemic, not personal failure.
2 — Optional re-entry	LCB primary	Light and voluntary (mentoring, advisory roles)	Participant-initiated. No pressure, no activation logic. Trust Scouts identify latent capacity.
3 — Mixed mode	LCB declining / CIP rising	Regular Contributory Role engagement	Organic progression. LCB support tapers gradually as CIP income rises. No cliff-edge.
4 — New equilibrium	CIP primary / market return possible	Full Key Role participation or hybrid engagement	Stabilised participation state. Market re-entry remains available but is not mandated.

3.2 Non-Coercion Safeguards

The following design constraints are non-negotiable and must be preserved in any implementation:

- No forced activation: CIP participation cannot be a condition for receiving LCB support at any phase
- No earn-your-benefits logic: Participation increases must originate with the participant, not the institution
- No hard cut-off from LCB: Tapering must be gradual and reversible. Participants experiencing temporary life circumstances retain LCB at full rate under Hold Status provisions
- Refusal remains eligible: Participants who decline CIP participation face no administrative penalty or implied stigma

> **Hold Status:** Participants may freeze credit accumulation and CIP obligations for up to six months without penalty — for medical, caring, personal, or psychological reasons. This is

> not a welfare sanction trigger. It is an institutional acknowledgement that participation cannot be constant.

3.3 The ECE as Participation Income, Not Job Guarantee

The LCB-CIP architecture means the ECE functions as a participation income model rather than a job guarantee. This distinction is deliberate and must be preserved through implementation. The key characteristics of a participation income model, as instantiated in the ECE, are:

- Income recognition tied to contribution, not to labour-market availability
- Voluntary engagement with no conditionality floor
- Multiple valid participation states, none of which is 'employed' in the conventional sense
- System designed for people operating outside the wage-labour nexus, not for re-entry into it

This positioning solves the legitimacy gap that undermines conventional UBI proposals (no recognised contribution) while avoiding the coercive risk of job guarantees (conditioned participation). It is a third design space — not between UBI and job guarantees, but beyond both.

4. Trust Governance Architecture

The governance specification provides the institutional backbone of the ECE. The following is a summary of the principal structural elements required for a functional pilot trust. Full operational detail is available in Ryder (2026) Governance Specification v1.0.

4.1 Board Composition

Each Community Trust is governed by an independent board of 7–11 members operating under a supermajority decision rule for constitutional changes:

- Participant Representatives (3–5): Elected annually by active credit holders. Staggered 2-year terms.
- Specialist Stewards (2–3): Appointed for finance, legal, or governance expertise. 3-year terms. No financial interest in contracting firms.
- Community Observers (1–2): Nominated by local civic bodies. Non-voting advisory capacity.
- National Standards Observer (1): Appointed by national oversight body. Non-voting compliance role.

Constitutional decisions — credit band changes, major asset disposal, dissolution — require a two-thirds supermajority and a 30-day public comment period.

4.2 Key Operational Roles

Day-to-day operations are managed through four Key Roles with formal authority and defined accountability:

Role	Core function	Relevance to pilot
Trust Coordinator	Operational authority; implements board decisions; manages firm contracts	Primary point of contact for ESF+ programme administrators
Scouts (2–4)	Identify latent capacity; map skills; propose CIP initiatives; monitor wellbeing	Execute Mandatory Market Scanning Protocol (Stage 1)
Programme Builders (1–3)	Design CIP structures; prepare budgets; coordinate delivery	Operationalise approved CIPs; document outcomes for evaluation
Liaison Officers (1–2)	Manage firm interface contracts; represent trust in capability pool discussions	Manage ADPC contribution collection; coordinate with regional authorities

4.3 Credit Band Architecture

Credit allocation operates through banded recognition to preserve legitimacy and prevent algorithmic gaming. Four bands apply:

- Band 1 — Baseline Participation: 100–150 credits/month. Registered, available, responsive to outreach.
- Band 2 — Active Contribution: 250–400 credits/month. Regular Contributory Role engagement (min. 6–8 hours/month).
- Band 3 — Mentoring and Skill Transmission: 450–650 credits/month. Formal mentoring appointment with documented outcomes.
- Band 4 — Coordination and Continuity: 700–900 credits/month. Key Role holder sustaining critical institutional functions.

> **Credit convertibility:** Credits convert to monetary value at locally determined rates (typically €0.80–€1.20 per credit), paid monthly in arrears. Credits are not wages. They are institutional recognition for community-relevant contribution — a distinction that prevents trusts from undercutting the market wage structure.

5. Mandatory Market Scanning Protocol

The MMS Protocol is the legal and operational mechanism that maintains the ECE's hard boundary between Community Initiative Programmes and private market activity. It is designed to satisfy the requirements of TFEU Article 107 on State aid and to survive challenge under the Altmark criteria for Services of General Economic Interest. This is not administrative procedure — it is a structural lock.

5.1 The Three-Condition Filter

A Community Initiative Programme may only be authorised when all three of the following structural conditions are simultaneously met:

Condition	Definition	Test question
1. Market absence	No private entity has offered a comparable service in the target territory for 24+ months	Is there a viable private provider currently, or could one emerge without subsidy?
2. Systemic necessity	The activity preserves local capacity, prevents system degradation, or reduces future public cost	Does non-provision create compounding harm to community infrastructure?
3. Non-extractability	Marketisation would underprovide, exclude, or distort the activity	Would a profit motive structurally degrade or restrict access to this function?

Any CIP application that fails any single condition must be rejected. The Scout submits a Structural Gap Assessment documenting each condition prior to board authorisation. See Annex A for the Notice of Intent instrument.

5.2 Stage 1 — The Non-Competition Filter (Ex-Ante)

Before any CIP is authorised, the Scout submits a Structural Gap Assessment demonstrating:

- Commercial absence for 24 or more months in the target territory
- An affordability threshold demonstrating that private viability would exclude more than 60% of the local population
- Public notification: a mandatory 30-day Notice of Intent published via local commercial registries

> **Right of market first refusal:** If a private firm submits a credible business plan to provide the service within the 30-day notice period, the CIP application is automatically stayed. This creates a procedural right of market first refusal — the single most important protection against State aid challenge.

5.3 Stage 2 — The Sunlight Clause (Annual Review)

Every 12 months, all active CIPs undergo a Market Viability Review. If the Trust's activities have successfully stabilised the local ecosystem to the point where private provision is now viable, the Crowd-In Trigger activates:

- Trust must initiate a formal Transition Plan within 60 days of trigger activation
- Assets may be leased to local SMEs or cooperatives but Trust must cease remunerated participation in that task category
- Market repair is treated as a success metric, not a mission failure

> **Self-limitation principle:** The Sunlight Clause proves the system's institutional character. It is designed to make itself redundant in any domain where markets recover. A Trust that refuses to activate the Crowd-In Trigger is in governance failure.

5.4 Stage 3 — Dispute Resolution Mechanism

A Horizontal Review Panel operates as an ombudsman for market displacement complaints:

- Composed of representatives from the national Chamber of Commerce and the Trust's Specialist Stewards
- Private firms may lodge displacement complaints if they believe a CIP is undercutting market activity
- Burden of proof lies with the Trust to demonstrate compliance with Altmark criteria for Service of General Economic Interest
- Panel decisions are binding and logged in the annual public report

One additional clause completes the legal shield:

> **Non-Price Signalling Clause:** CIPs must not publish price-equivalent benchmarks for services rendered, nor engage in price signalling that could influence market formation in emerging sectors. This closes a subtle but legally exploitable vulnerability: even indirect price anchoring in a nascent market may constitute a State aid distortion.

5.5 Market Boundary Illustrative Cases

Activity	Market viable?	CIP eligible?	Reason
General house cleaning	Yes	No	Private market functions adequately; no structural gap
Elderly informal social monitoring	No	Yes	Preventative, non-priced, high systemic necessity
Local specialist skill mentoring	Weakly	Yes	Long-term capacity risk; non-extractable knowledge transfer
Construction and maintenance work	Yes	No	Must remain market; CIP would distort pricing
Intergenerational cultural transmission	No	Yes	Market pricing would exclude majority; systemic degradation risk

Last-mile logistics delivery	Yes	No	ADPC contribution mechanism applies; CIP not appropriate

6. Evaluation Framework: Two-Tier Metrics Architecture

A critical implementation risk is the conflation of system performance metrics with dignity safeguards. This conflation would reintroduce metric-driven conditionality into a system explicitly designed to prevent it. The following two-tier architecture maintains the distinction with formal rigour.

6.1 Tier 1: System Performance Metrics

These metrics are appropriate for comparative evaluation, programme reporting, and ESF+ accountability. They are measurable, objective, and suitable for cross-site comparison.

Metric	Definition	Data source
Capacity Retention Rate (CRR)	Retention of certified or demonstrable specialist capability within CIP or adjacent domains, measured against regional baseline	CIP Role Records; periodic Skill Audit by Scouts
Asset Growth Multiplier (AGM)	Ratio of current asset value (physical + institutional + knowledge assets) to cumulative JTF/ESF+ capital input	Independent annual audit of Trust balance sheet
Participation Continuity Index (PCI)	Stability of engagement over 12, 24, and 36-month intervals; inverse of churn rate	LCB and CIP payroll records; band transition logs
Firm Contract Renewal Rate	Proportion of firm interface contracts renewed at end of initial term	Liaison Officer records; board quarterly reporting

Note on CRR framing: the metric should be defined as retention of functionally deployable capacity, not Level 4+ competency in a rigid classification scheme. This phrasing is more robust across different EU qualification frameworks and avoids regulatory challenges from jurisdictions with divergent competency rating systems.

6.2 Tier 2: Dignity Safeguard Indicators

These indicators are not performance metrics. They are safeguard instruments. Their function is to detect system legitimacy failure, signal governance review requirements, and prevent institutional harm. They must never be used for cross-site ranking, funding allocation decisions, or comparative evaluation.

Indicator	Threshold trigger	Response protocol
Dignity Self-Report (DSR)	Mean score below 3.0/5.0 in a territory for two consecutive quarters	Mandatory governance review; National Standards Observer notification; no funding cuts

Voluntary Exit Rate	Participant exits exceeding 25% annually	Board review of programme quality and participation conditions; Scout audit of wellbeing indicators
Grievance Escalation Rate	More than 15% of grievances reaching Tier 2 in a 12-month period	Review of Tier 1 coordinator response quality; board composition audit

> **Privacy requirement:** DSR data must be anonymised and aggregated at Trust level before any reporting. Individual DSR scores must never be visible to Key Role holders or board members in a form that could link the response to a named participant. Breach of this requirement is a participant rights violation.

7. Funding Architecture and the ADPC Pilot Specification

The ECE is designed to shift from grant-dependent programming toward institutional self-sufficiency. The funding architecture has four distinct layers, each with a different structural logic.

7.1 The Four-Layer Funding Stack

Layer	Instrument	Design logic
1. Automation dividend	Automated Delivery and Platform Charges (ADPCs)	Recaptures a portion of system-level efficiency gains from automation; reinvests locally through Trust infrastructure
2. Firm contributions	12–18% infrastructure contribution on all interface contract remuneration	Not taxation; infrastructure maintenance fee. Firms accessing Trust-stabilised capacity pay for the system they benefit from
3. Asset yield	Income from Trust-held land, tools, data, and knowledge assets	Converts Trust from grant-dependent to institutionally self-sustaining; enables intergenerational asset stewardship
4. Public baseline	ESF+, Just Transition Fund, national structural funds	Used to bootstrap institutions and build initial reserves; not designed as ongoing operational funding

The structural logic of this stack is critical: the system progressively reduces its dependence on public programme funding as firm contributions and asset yield mature. ESF+ is a launch mechanism, not a permanence condition.

7.2 The ADPC Pilot: Urban Last-Mile Logistics

The Automated Delivery and Platform Charge is the most technically novel element of the ECE funding architecture. For the pilot, the most viable sector is urban last-mile logistics for the following reasons:

- High automation density: routing, warehousing, and delivery sequencing are algorithmically optimised
- Platform mediation: value flows through a small number of platform operators with clear legal personality and measurable transaction volumes
- Geographic concentration: urban hub deployment creates an auditable spatial footprint
- Existing regulatory infrastructure: EU Digital Markets Act and national e-commerce regulations provide an available compliance framework
- Political framing: the charge can be presented as a local infrastructure maintenance contribution rather than a novel tax, reducing political resistance

7.3 ADPC Calculation Logic

The ADPC is levied on activity volume, not on profit. This is a deliberate design choice that bypasses the standard corporate tax optimisation problem (profit shifting to low-tax jurisdictions):

ADPC Base Rate = (Automated transaction volume in defined territory) × (Local recapture coefficient)

The local recapture coefficient is set by the Trust board in consultation with municipal authorities and reflects the ratio of automation-driven displacement in the local economy. Initial pilot rates should be modest (suggested 0.5–1.5% of territorial transaction value) to allow measurement before scaling.

- Revenue is ring-fenced to the Trust serving the affected territory
- Calculation methodology is publicly audited annually
- Platforms retain right of appeal to the Horizontal Review Panel on rate-setting

> **What ADPC is not:** The ADPC is not a tax on technology, a penalty for automation, or an anti-platform instrument. It is the internalisation of an externality: platforms benefit from community social infrastructure (roads, public space, local trust networks) without contributing to its maintenance. ADPC corrects this imbalance.

7.4 Reserve Management Principles

Trust financial sustainability depends on disciplined reserve management:

- Minimum operational reserve: 6 months baseline credit allocation for all registered participants
- Target reserve: 12–18 months at average allocation levels
- Maximum reserve: 24 months; excess redirected to asset acquisition or capability pool contributions
- Crisis protocol triggers: reserves below 3 months baseline activate austerity mode — proportional credit reductions, suspended new programme launches, National Standards Observer notification

8. System Overlaps and Stopgap Protocols

The ECE operates alongside, not instead of, existing institutional systems. Three principal overlaps require explicit stopgap protocols to prevent mission drift, category confusion, and governance failure.

8.1 Overlap 1: ECE and Existing Social Protection Systems

In jurisdictions where national social protection provides unemployment insurance, housing benefit, or income support, the ECE's LCB and credit layers may appear to duplicate or conflict with existing entitlements. The stopgap principle is:

> **Non-displacement rule:** ECE credits and LCB compensation do not replace existing social protection entitlements. They operate as an additional institutional layer. Participants retain all statutory rights while engaging with the ECE. No existing entitlement is reduced by ECE participation.

In practice this means: benefit means-testing that counts ECE credits as income may require legislative amendment in some jurisdictions. This should be treated as a regulatory prerequisite before pilot launch, not a post-hoc adjustment. Legal mapping of ECE credit status under national social security law is a Minimum Viable Trust requirement.

8.2 Overlap 2: ECE and the Regeneration Framework

Where both the ECE interface institution and a Regeneration Trust (as specified in Ryder, 2025) operate in the same jurisdiction, care is required to maintain functional separation:

Dimension	Regeneration Trust	ECE Interface Institution
Primary function	Structural displacement compensation through LCB and Community Initiative Programmes	Episodic capacity stabilisation; ongoing participation coordination
Target population	Workers structurally displaced by automation or industrial closure	Workers in episodic, fractional, or platform-mediated work arrangements
Asset relationship	Asset holding and durable community investment	Capacity maintenance and skill transmission infrastructure
Governance	Separate board; separate accounts; separate mandate	Separate board; separate accounts; separate mandate

Participants may simultaneously engage with both institutions. However, governance must remain strictly separate to prevent mission drift. The interface institution must not be drawn into structural displacement compensation — that is the Regeneration Trust's mandate. The Regeneration Trust must not be drawn into episodic capacity coordination — that is the interface institution's mandate.

8.3 Overlap 3: ECE and ESF+ / JTF Programming

The most immediately relevant institutional overlap for a 2026–2028 pilot is with existing ESF+ and Just Transition Fund operational programmes. Three stopgap protocols apply:

- Eligibility alignment: ECE Community Initiative Programmes can be structured as eligible activities under ESF+ employment and social inclusion objectives, provided evaluation criteria are adapted to include Capacity Retention Rate and Participation Continuity Index alongside conventional job-entry metrics
- Additionality requirement: ESF+ funding channelled to Trust reserves must satisfy the additionality principle — it must demonstrably add to, not substitute for, national or regional institutional investment. Trust bootstrap capital should be structured as matched funding to preserve additionality
- Output metric translation: DG EMPL programme evaluation currently uses job-entry rates as primary output metrics. Pilots must negotiate a bespoke evaluation framework using the Tier 1 metrics specified in Section 6. This requires explicit agreement with the Managing Authority before pilot launch — not a post-hoc negotiation

> **Priority action:** Securing agreement on alternative output metrics with the relevant ESF+ Managing Authority is the single most important administrative prerequisite for a viable pilot. Without this agreement, the programme will be evaluated on job-entry rates — a metric that systematically misrepresents ECE performance and will generate false-negative assessments.

9. Pilot Specification: Minimum Viable Trust

A Community Trust pilot is immediately implementable under existing legal forms (nonprofit corporation, cooperative, or public-interest foundation) without requiring bespoke legislation. The following minimum viable configuration is proposed for a 2026–2028 first pilot.

9.1 Pilot Parameters

- Scale: 30–80 participants in Phase 1 (months 1–12); scaling to 100–150 in Phase 2 (months 13–24) subject to reserve adequacy
- Duration: 24-month pilot period with explicit continuation decision at month 18
- Participation: fully voluntary; all firms and individuals retain exit rights throughout
- Documentation: systematic collection of operational data, governance incidents, and participant experience for evaluation
- Evaluation: against Tier 1 metrics in Section 6; DSR collected as safeguard from month 6 onwards

9.2 Minimum Viable Trust Requirements

Requirement	Specification
Board	7 members minimum; specified composition in Section 4.1
Coordinator	May be part-time in early phase; full operational authority
Key Roles	Minimum 1 Scout and 1 Programme Builder at launch
Firm contracts	At least 2 interface contracts generating contribution flow before credit allocation begins
Initial reserve	6 months baseline credit allocation for all registered participants, held before launch
Legal form	Nonprofit corporation or cooperative under applicable national law
Credit mapping	Legal status of credits under national social security law confirmed before participant registration
MMS compliance	Scout trained in Structural Gap Assessment procedure; Notice of Intent template available (see Annex A)
Evaluation agreement	Alternative output metrics agreed with ESF+ Managing Authority before launch

9.3 Suitable Pilot Contexts

The following contexts have the highest probability of successful pilot conditions:

- Fractional specialist markets: professional services, technology, consulting sectors with documented episodic contracting patterns
- Remote or distributed workforces: companies with minimal physical infrastructure and high platform coordination dependency

- Volatility-exposed regions: geographic areas experiencing measurable employment instability following industrial transition or automation adoption
- ESF+ or JTF priority territories: areas already receiving structural fund support where ECE can be layered as an institutional complement

Slovakia and the Czech Republic have been identified as viable pilot jurisdictions given the combination of industrial transition dynamics, ESF+ programme availability, and existing policy interest in post-labour institutional design.

10. Implementation Roadmap

Phase	Timeline	Key milestones
0 — Pre-launch	Months –6 to 0	Legal form established; ESF+ Managing Authority evaluation agreement; credit legal mapping; board recruited; initial reserve secured; 2 firm contracts signed; Scout trained in MMS Protocol
1 — Pilot launch	Months 1–6	Participant registration (target: 30–50); first CIPs authorised following full MMS Protocol; credit allocation begins; DSR baseline collected from month 3
2 — Operational phase	Months 7–18	Full credit band allocation operational; mentoring programmes launched; first Market Viability Reviews (month 12); ADPC pilot agreement negotiated with municipal authority
3 — Evaluation	Months 18–24	Continuation decision based on Tier 1 metrics; independent governance audit; ESF+ evaluation report using agreed metrics; pilot learnings documented for replication guidance
4 — Replication	Month 24+	New trusts formed by adoption of core governance principles; optional capability pool formation; no central coordinating body unless collectively mandated by trust network

11. Conclusion

The Community Trust framework addresses a coordination failure that existing institutions — employers, the welfare state, and market platforms — are structurally unable to resolve. As wage-based employment thins, the institutional functions it historically performed degrade: participation coordination, skill transmission, income stabilisation, legitimacy, and capacity preservation are all simultaneously at risk.

Community Trusts are not a policy supplement to employment. They are a post-employment institutional architecture. The governance specification is complete, the evaluation framework is defensible, the funding stack is diversified, and the pilot requirements are achievable under existing legal forms.

The documented misinterpretations addressed in this paper — ECE as volunteering, job guarantee, welfare activation, or market substitute — are not minor misreadings. Each would, if implemented, produce a system that violates the framework's core design principles. The stopgap protocols, the MMS architecture, and the two-tier evaluation framework are the principal structural defences against these failure modes.

The fundamental question is not whether Community Trusts are technically coherent. This paper demonstrates that they are. The question is whether the institutional willingness exists to acknowledge that post-labour work systems require post-labour governance structures — and to act before coordination degrades past the point of manageable transition.

> **Closing commitment:** This framework is designed for evolution, not permanence. The Version 1.0 designation is intentional. Pilot findings, participant feedback, governance innovations, and documented failure modes will all be incorporated into subsequent versions. The system is open to empirical revision. Its design principles are not.

Annex A

Notice of Intent — Community Initiative Programme Declaration

This Notice is issued pursuant to the Mandatory Market Scanning Protocol, Stage 1. It is the primary legal instrument establishing the non-competition boundary between a proposed Community Initiative Programme and private market activity.

SECTION 1 — TRUST IDENTIFICATION

Trust name: ____

Trust registration number: ____________________________________

Trust Coordinator: ____

Scout submitting this Notice: __________________________________

Date of submission: ____

SECTION 2 — PROPOSED CIP DESCRIPTION

Programme title: ____

Activity description (max. 200 words):

____

____

____

Target territory (defined boundaries):

____

Estimated participant numbers: _________________________________

Proposed duration: ____

SECTION 3 — THREE-CONDITION STRUCTURAL GAP ASSESSMENT

Condition 1 — Market Absence

Evidence that no private entity has offered a comparable service in this territory for 24+ months:

____

____

Condition 2 — Systemic Necessity

Evidence that the activity is systemically necessary for local capacity, prevents degradation, or reduces future public cost:

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____

Condition 3 — Non-Extractability

Evidence that marketisation would underprovide, exclude, or distort this activity:

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____

SECTION 4 — PUBLIC NOTICE RECORD

This Notice was published on: ____________________________________

Publication channels: ____

30-day challenge period closes: ___________________________________

Private sector expressions of interest received (attach if any): __________

SECTION 5 — BOARD AUTHORISATION

Board authorisation date: ____

Board vote: _______ in favour / _______ against / _______ abstentions

Authorising board member signature: _______________________________

This Notice must be retained in the Trust's public record for a minimum of 5 years and made available on request to the National Standards Observer, the Horizontal Review Panel, or any regulatory body with jurisdiction over State aid compliance.

Annex B

References and Framework Lineage

ECE Framework Lineage

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Post-Labour and Automation

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— END OF POLICY PILOT FRAMEWORK —

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