

Call for Evidence: Aid for community-led energy

Energy Saving Trust written response: 23rd May 2025 (extended deadline)

About Energy Saving Trust

Energy Saving Trust is an independent organisation dedicated to promoting energy efficiency, low carbon transport and sustainable energy use to address the climate emergency.

In the UK, Energy Saving Trust plays a principal role in delivering two leading community energy support programmes:

- Since 2010, we have led community energy programmes in Wales – first through the Ynni'r Fro programme (2010–2017) and since 2018, through the Welsh Government Energy Service, which we deliver in consortium with the Carbon Trust.
- Since 2013, we have led the Local Energy Scotland consortium that deliver the Scottish Government's Community and Renewable Energy Scheme (CARES).

We also have significant experience supporting the delivery of decentralised clean energy systems in an international context:

- Since 2017, we have collaborated with US NGO, CLASP, as co-secretariat of Efficiency for Access, a global coalition dedicated to advancing access to energy and affordable, energy efficient appliances in underserved communities.
- Efficiency for Access' flagship initiative is the Low Energy Inclusive Appliances (LEIA), a research and innovation programme that aims to improve the efficiency and affordability of appliances for communities in low to middle income countries. LEIA is funded by UK aid, from the UK government via the Transforming Energy Access platform and the IKEA Foundation. LEIA's workstreams include strategy and partnerships, research, quality assurance, strategic communications, and research and development.
 - As part of LEIA, Energy Saving Trust manages the Efficiency for Access Research and Development Fund (R&D fund) which supports innovators to develop affordable, energy efficient solutions that can help improve clean energy access in low- to middle-income countries.
 - Our work is also helping to enable the adoption of solar-powered appliances and technologies that can improve lives and livelihoods for smallholder farmers, supporting climate adaptation and resilience.

Key messages

- From our experience delivering the Low Energy Inclusive Appliances (LEIA) programme, we know that decentralised energy solutions are a key part of **improving energy access**.
- Community-led energy has potential to **enable wider social benefits** at a local level, including improving livelihoods, food security and health outcomes.

- **Affordability and financial sustainability** remain the biggest challenges for energy access, including community-led projects. Our international work has shown how innovative businesses models can reduce these financial barriers.
- **Greater clarity and alignment** among key stakeholders (governments, donors, finance institutions) is needed to scale decentralised energy access in low- to middle-income countries.
- **Lessons can be learned from our work delivering CARES and the Welsh Government Energy Service** around the importance of providing end to end support to community energy projects and capacity building.

Our response

Energy Saving Trust welcomes this consultation on aid for community-led energy. As a UK-based organisation working both domestically and internationally to promote sustainable energy, we bring a dual perspective. In the UK, we support community energy directly through the CARES programme in Scotland and the Welsh Government Energy Service. Internationally, we co-manage the Efficiency for Access Coalition, including the flagship Low Energy Inclusive Appliances (LEIA) programme. Through these activities, we help enable community-level energy solutions that are inclusive, sustainable and designed to meet local needs in low-income and off-grid contexts.

Our experience across both contexts highlights the value of long-term, tailored support for communities and the importance of locally driven solutions. In the UK, we've seen how trusted advice, financial support and enabling policy frameworks help communities take ownership of their energy future. Internationally, we apply similar principles through innovation funding, support for local enterprises and workforce development. By connecting UK expertise with the needs of aid-recipient countries, there is an opportunity for UK aid to strengthen community-led energy globally.

1. **What is 'community energy' in the context of aid? What are the environmental, economic and social benefits of community-led energy initiatives? What are the risks and shortcomings?**

Defining community energy in the context of aid

In the context of UK aid, we define 'community energy' broadly to include **energy systems that are developed, owned or managed with meaningful local involvement**. Energy systems include the **generation and supply of energy as well as energy demand**, such as productive uses of energy. The following types of organisations would be included within our definition of community energy, in line with recommendations from the Community Energy and Sustainable Energy Transitions project¹:

- Cooperatives, where members (often local residents) own shares in the project and have a say in its operation;

¹ [Global Perspectives on Community Energy for a Just Transition_Eales.pdf](#)

- Community Interest Companies, which are non-profit organisations designed to benefit the community rather than shareholders;
- Trusts and Foundations, which often focus on long-term sustainability and reinvest profits into community projects; and
- Public-Private Partnerships, where community groups, private companies and public bodies collaborate to develop and manage energy projects.

Community energy is about **more than just infrastructure** and plays a critical role in enhancing access to energy. We know from our international delivery experience in off-grid appliances that access to energy has the potential to enable wider benefits, such as:

- **Improving livelihoods**, through powering small enterprises and productive uses of energy, such as agricultural technology.
- **Enhancing food security**, for example solar irrigation, cold storage and agro-processing.
- Improving **health outcomes**, such as providing refrigeration for medicines and vaccines.
- **Personal wellbeing**, awareness and citizen ship – this could be through access to fans for cooling and radios or phones for communication and access to information.
- Supporting the **clean energy transition** through enabling green development pathways and displacing emissions from fossil fuels.

We recently supported the report *Off-grid Solar: Powering Climate Resilience*.² This report explores the contribution of off-grid solar products to **improving climate resilience and adaptation**, particularly in the provision of critical infrastructure and services, climate resilient livelihoods, climate information and early warning systems and post-disaster response and recovery.

Evidence of environmental, economic and social benefits

From our international and domestic work, we have seen that community energy can:

- **Create local economic benefits:** revenue from community owned energy projects is reinvested into the community to a far greater extent than commercially owned projects. Research in Scotland found that community owned wind farms reinvested 34 times more back into their local community compared to privately owned wind farms.³ Additionally, in 2023, £11.7 million was spent locally by community energy organisations across the UK.⁴
- **Create wider environmental benefits:** surplus revenue from community energy projects is often funnelled into initiatives that support the wider energy transition. Projects we have supported in Wales and Scotland have reinvested profits into climate education, active

² https://gogla.org/wp-content/uploads/2025/03/Gogla_Off-Grid_Solar-Powering-Climate-Resilience_Report_DEF-1.pdf

³ <https://www.pointandsandwick.co.uk/wp-content/uploads/2021/04/Aquatera-Socio-economic-report-Final.pdf>

⁴ [CommunityEnergyStateoftheSectorScrollingInfographic2024.pdf](#)

travel initiatives and energy efficiency work. Community energy organisations can also enable and encourage the behaviour change needed for the energy transition.⁵

- **Increase support for the energy transition:** by giving people a stake in local energy projects and allowing communities to feel the tangible benefits of low carbon development, community energy can help encourage support for the energy transition. For example, recent polling found that in the UK, support for community owned projects was significantly higher compared to a privately owned project.⁶

Risks and shortcomings

Whilst community energy can bring about significant positive impacts, there is a risk of a **lack of diversity** within the community energy sector. From our experience in the UK, we know community energy projects often rely on volunteers who have the time and bandwidth to get involved. This can exclude those who do not have the time or capacity to participate and means that areas with higher deprivation may struggle to develop projects.⁷ The sector has also tended to consist of those who are older, white and male⁸ and participation has been lower amongst women, younger people and ethnic minorities. There is therefore a risk that the benefits of community energy flow to those who can participate and excludes those that do not have the means to.

In the energy access context, there are some similar challenges. For example, there are gender issues relating to the expected roles of men and women, and the amount of power and agency they have in making decisions about energy. People are excluded for a range of reasons such as caste, religion, income and disability.

In both the UK and in the aid context, **capacity building within communities is needed** to mitigate against this risk and encourage participation from a broad range of society.

2. How does the UK's ODA support decentralised energy initiatives? How effective is this support?

The UK has played a key role in supporting decentralised energy access through programmes like the **Low Energy Inclusive Appliances (LEIA) programme**⁹ and the **Transforming Energy Access (TEA) platform**.¹⁰ The Energy for Access R&D Fund, managed by Energy Saving Trust under the LEIA programme, has supported 38 organisations with £5 million to innovate off-grid appliances and technologies including solar mills, cold storage and clean cooking solutions.¹¹ The effectiveness of this funding has been demonstrated by:

⁵ For example, we have supported [Energise Barnsley](#) through the Energy Redress Fund, which has helped social housing tenants engage with demand side response.

⁶ [The Public is Enthusiastic for Community Energy | Update | Common Wealth](#)

⁷ [Leveraging local and community energy for a just transition in Scotland](#)

⁸ For example, Community energy England reported that in 2022, 95% of members were White, 88% were older than 50 and 67% were men.

⁹ [Low Energy Inclusive Appliances - Efficiency for Access](#)

¹⁰ [Transforming Energy Access \(TEA\) - supporting renewable energy projects, energy access and green technologies in Africa and Asia.](#)

- Over 30,000 people reached, 60% of whom were women.
- Creation of over 1,000 jobs and training of more than 1,700 individuals.
- Increasing support for locally owned companies, from 38% of grantees in the first funding call to 64% in the fourth.¹¹

To improve effectiveness, **appliance access should be mainstreamed** across energy access programmes supported by UK aid. The TEA platform provides a valuable mechanism to scale such support, but **more cross-sectoral coordination** is needed to embed appliances in agriculture, health and education programmes.

3. How are development finance institutions engaging with the potential of community energy?

Development Finance Institutions (DFIs) are increasingly supporting off-grid energy, but engagement with community energy and local companies is limited. One challenge is **small ticket sizes** meaning individual community energy projects often require relatively modest amounts of capital. This can be unattractive to DFIs as they are structured to deploy larger sums of money efficiently. Processing and managing these smaller investments involves a similar level of due diligence and administrative effort as larger projects, resulting in disproportionately **high transaction costs**. This, combined with **perceived risk** due to limited financial track records or informal governance structures in community-led initiatives, makes such projects less appealing to conventional DFI investment models. DFIs also often favour commercial models, yet community-led initiatives and smaller, locally led companies require approaches more tailored to their specific contexts.

There are several ways in which key stakeholders, such as funders, donors and governments, could support the development of decentralised energy. This includes:

- Developing **de-risking tools**, such as foreign exchange protection and guarantees.
- Supporting the **aggregation of smaller projects** to achieve scale and improve financial viability.
- Providing **results based financing and targeted subsidies**.
- Delivering **technical assistance and guidance** to develop projects and build investment readiness of organisations and companies.
- Providing **capacity building** support to involve new communities in decentralised energy and enable them to engage with project development and governance.

4. Can you provide examples of successful programmes or initiatives that have enhanced access to clean, affordable and inclusive energy systems? Or, on the opposite, are there examples of energy programmes where UK aid could have been used better?

Energy Saving Trust is directly involved in several successful programmes that are enhancing access to clean energy systems. Our answer firstly explores the projects we support in a UK

¹¹ Internal analysis of our portfolio.

context and the lessons that can be learned, before discussing the LEIA programme we deliver on behalf of UK aid and the successful approaches taken.

Examples of successful programmes from the UK

Community and renewable energy scheme (CARES)¹²

CARES supports community and other eligible organisations in Scotland looking to explore their renewable energy options, providing advice and access to financial support. CARES has supported a variety of projects, including:

- Community owned renewable energy generation projects.
- Community shared ownership projects, which sees community groups investing in commercially owned renewables.
- The design and delivery of community benefit funds.
- Decarbonisation of community-owned buildings.

Support through CARES combines financial support with wrap-around advice and technical assistance to guide community energy organisations through the process of project development, providing guidance on various technical, legal and regulatory barriers. Organisations contacting CARES can receive support in the form of:

- Funding through grants and no/low interest loans to develop projects.
- Free, expert and impartial advice from our local development officers.
- Free online resources including toolkits and project guides to help communities identify what might work for them.
- Technical assistance through CARES' framework contractors. For example, to complete a feasibility study or develop a renewable energy project.
- Access to project managers with the right experience to develop a communities' project.
- Mobilisation support for capital projects, including design review, costs and procurement support.
- Ongoing support with project development and delivery

Since inception, CARES has advised over 1,150 organisations, supporting the installation of 60MW of renewable energy in Scotland.¹³

Welsh Government Energy Service¹⁴

The Welsh Government Energy Service offers support to community energy organisations undertaking community owned renewable projects, as well as supporting the public sector with energy efficiency and low carbon transport projects. Similarly to CARES, financial support

¹² [We are Local Energy Scotland · Local Energy Scotland](#)

¹³ [Energy-Saving-Trust-briefing-note-how-can-the-UK-Government-support-community-energy-to-deliver-clean-power-July-2024.pdf](#)

¹⁴ [Energy Service \(for public sector and community groups\) | GOV.WALES](#)

is delivered alongside expert advice tailored to individual projects. Support to community energy groups through the Welsh Government Energy Service includes:

- A Development Manager to coordinate and deliver tailored advice for individual projects. They can advise on scoping and feasibility studies, as well as technical and financial modelling.
- Various forms of financial support for project development, such as development loans for legal work and specialist surveys or studies and development grants for projects requiring significant pre-construction finance.
- Support to secure capital funding, including guidance on developing financial models as well as access to the Local Energy Loan Fund managed by the Development Bank of Wales.

Since 2018, the Welsh Government Energy Service has supported the installation of 44.5 MW of renewable energy capacity since 2018, the equivalent of the electricity needed to power 18,000 homes.¹⁵

Lessons for an international context

Our experience delivering community energy support in the UK can provide valuable lessons for community energy support programmes delivered through UK aid. This includes the importance of:

- **Providing expert and tailored end to end advice** and technical assistance to community energy projects, which can face several barriers to project completion. It is unrealistic to expect communities to have the time and capacity to build the technical and financial knowledge needed. Advice can also support community energy organisations develop economically viable business models to attract investors. This has become more important in a UK context following the removal of the Feed-in Tariff.¹⁶
- **Supporting projects from an early stage** through grants and low interest loans, which can enable community energy organisations to develop initial ideas into investment ready propositions.
- **Building capacity to enable a diverse range of people** to participate in community energy and encourage new communities into the sector.

There may be an **opportunity to share knowledge** learned from our UK delivery work in relation to providing effective end to end advice and supporting groups to mobilise capital investment as well as learn from the approaches taken in ODA-recipient countries.¹⁷

¹⁵ Ibid.

¹⁶ The FiT provided a long term price guarantee which underpinned many community energy business models in the UK until its removal in 2015.

¹⁷ <https://cesetproject.com/sites/default/files/Global%20Perspectives%20on%20Community%20Energy%20for%20a%20Just%20Transition>

Examples of successful programmes from a UK aid perspective

Low Energy Inclusive Appliances (LEIA) programme

A key focus of Energy Saving Trust's work on LEIA has been the energy-agriculture nexus, which refers to the connections between energy and agricultural sectors. Smallholder agriculture is central to rural livelihoods and food security and energy access can be transformative when it enables income generation or improved productivity, such as through irrigation, milling, cold storage and processing. Our report *Beyond Silos: Powering Food Systems with Off-Grid Solar*¹⁸ highlights how solar technologies can support agricultural value chains and improve income, nutrition and resilience. For instance, approximately one-third of all food produced worldwide is lost or wasted, which accounts for 8–10% of global greenhouse gas emissions, and results in huge economic losses.¹⁹ Most of these losses stem from inadequate cold storage, such as refrigerators. Solar-powered cold rooms can address this, but their high cost limits access. Innovative business models that are well suited to a community energy context, like cooling-as-a-service (CaaS), are emerging.

The R&D Fund is supporting businesses like Solar Cooling Engineering²⁰ and WeTu²¹ in Western Kenya to test CaaS models. Our research and R&D Fund teams collaborated on a low-carbon cold room design and implementation pilot in Kenya. The modular, low-carbon cold room constructed in Western Kenya is the most sustainable solar-powered cold room developed to date. Supported by Siemens Stiftung and the R&D Fund, the locally assembled, solar-powered cold room reduced embedded greenhouse gas emissions by 63% compared to the best-in class cold room.²² In addition to this, the R&D Fund is supporting 11 organisations to develop agricultural technologies that improve post-harvest resilience and productivity of food systems in dairy, fish and horticulture value chains.²³

Community energy in the context of UK aid relates to more than just ownership of infrastructure. It must also refer to how organisations engage with communities to develop projects. We have seen that decentralised energy solutions can deliver greater impact when led by local companies²⁴, social enterprises and innovators who work closely with the communities they aim to support. These organisations are often more responsive to local needs and better positioned to build trust, ensure buy-in and deliver long-term value.

¹⁸ [Beyond Silos: Powering Food Systems with Off-Grid Solar - Efficiency for Access](#)

¹⁹ FAO, 2011, http://www.fao.org/fileadmin/user_upload/ags/publications/GFL_web.pdf

²⁰ <https://solar-cooling-engineering.com/>

²¹ <https://wetu.co.ke/>

²² Data from Efficiency for Access research which will be published in the coming months.

²³ <https://efficiencyforaccess.org/rd-fund/agritech-call/>

²⁴ We use the Transforming Energy Access Learning Partnership definition for local companies: Fully head-quartered in the target countries (and which only operate in these regions/countries) OR At least 51% 'owned'/founded by citizens of these regions/countries.

However, they **face significant challenges accessing finance and competing with larger players**. Through the LEIA programme and platforms like the Global Distributors Collective (GDC),²⁵ we help support these organisations with tailored funding, flexible partnerships and access to technical and commercial networks. UK aid has been instrumental in enabling this shift: for example, in our most recent R&D funding round, 64% of successful applicants were locally owned, thanks to targeted outreach and adaptive funding design.²⁶ Please see our response to question 4 for further details on this fund.

Workforce development is another essential element of scaling community energy systems. The Efficiency for Access Design Challenge helps address this gap by engaging university students globally to solve real-world energy access problems.²⁷ This initiative builds skills and nurtures a generation of engineers and innovators with the motivation and experience to support community-level energy transitions.

These principles are demonstrated in the following examples of two organisations supported by UK aid through the Transforming Energy Access platform through the LEIA programme:

Adili Solar Hubs – Kenya²⁸

Adili Solar Hubs is a social enterprise dedicated **to improving livelihoods** of fisherfolk in Lake Turkana, Kenya. With support from the Efficiency for Access R&D Fund, Adili established a solar-powered cold chain hub that purchases, cleans and packages fish from local fisherfolk. The model was carefully designed around the local context through **ongoing community engagement**. Recognising that most fisherfolk prefer quick sales to cold storage, Adili instead focused on providing cooling services to vendors and restaurants who required storage capacity.

By involving the local area chief in the company's research and development project and holding regular meetings with community members, the social enterprise developed trust and tailored its services to the needs and priorities of local fisherfolk. This community-rooted approach is key to the **long-term sustainability** of decentralised energy initiatives and reflects the core principles of community energy in an aid context.²⁹

Wala – Malawi³⁰

Wala operates in rural Malawi, providing solar-powered water pumps and agro-processing appliances to farming communities. Its **holistic model** goes beyond technology deployment to include financial support, training and assistance connecting farmers to markets. Wala's approach addresses several structural barriers: affordability of equipment, lack of market access and gaps in technical knowledge.

²⁵ <https://www.globaldistributorscollective.org/>

²⁶ From internal evaluation.

²⁷ <https://efficiencyforaccess.org/program/efora-design-challenge/>

²⁸ <https://adilisolarhubs.com/>

²⁹ [Adili-Solar-Hubs-report.pdf](#)

³⁰ <https://walacleanenergy.com/>

Wala builds trust through open public meetings and incorporates community feedback into project design and delivery. This not only improves adoption but ensures the project delivers **meaningful benefits**. With funding from the Efficiency for Access R&D Fund, Wala sold 150 water pumps to farmer groups, alongside delivering training on their use and maintenance, agricultural skills and business management. 56% of the 300 smallholder farmers reached were women and an end-of-project survey shows an average **increase in annual income** of over £200 per farmer. Wala's work shows that energy access can be a catalyst for broader social and economic development when delivered in partnership with communities.³¹

5. What are the main challenges facing the deployment of decentralised energy systems in ODA-recipient countries? How could they be overcome?

There are several challenges facing the deployment of decentralised energy systems in ODA-recipient countries, which are discussed in detail below:

Affordability is one of the most persistent barriers. Many households and small enterprises in off-grid areas cannot afford high-quality appliances or energy systems outright. A recent Efficiency for Access publication, *The Road to Zero Interest*,³² explores ways to lower financing costs for end-users and small businesses, including interest-free financing models and Energy-as-a-Service approaches. For example, Agsol's solar-powered mills offer a community-based model where ownership and use are shared, allowing more affordable access and community-wide benefits.³³

Access to finance is another limiting factor for smaller organisations. Currency fluctuation risks, limited collateral and complex application processes hinder investment. Blended finance tools such as results-based financing, concessional debt and local currency support are needed to unlock capital. See our answer to question 3 for further details.

Distribution and marketing also present challenges, especially in hard-to-reach communities. Companies face high costs to reach customers and often lack reliable market data. Efforts such as Efficiency for Access' partnership with GOGLA on solar market insights help address this by making reliable, region-specific sales and impact data publicly available.³⁴

Skills and knowledge gaps can limit local capacity to install, maintain and adapt energy systems. We encourage increased funding to support projects that address these gaps. We recommend working with technical and vocational training providers to develop a strong workforce with relevant skills as well as working with companies to upskill the existing workforce. It's important that this is done with local consultation to understand specific context needs and requirements.

³¹ [LEIA-1 Innovator-Series Wala Final-version 19.12.2023.pdf](#)

³² [The Road to Zero Interest - Efficiency for Access](#)

³³ [Gogla Case-Study-Agsol DEF.pdf](#)

³⁴ [Insights from the January-June 2024 sales and impact data - GOGLA](#)

Policy and regulatory barriers include overlapping responsibilities among government ministries, unclear licensing and inconsistent appliance standards.³⁵ We recommend more integrated energy, agriculture and economic development planning.³⁶

6. How does the FCDO ensure that the voices and rights of women, older people and marginalised communities are heard and protected in funded energy projects?

Inclusion is not only about who benefits, but also about who shapes the design, implementation and evaluation of projects. FCDO-supported programmes must continue investing in local capacity and community-led innovation to **ensure projects reflect real needs and deliver long-term equity**. Our research has shown that **the off-grid sector may not be doing enough to meet the needs of marginalised groups**. For example, less than 40% of solar product users are women and women only make up 23% of the off-grid solar workforce. Around 75% of solar product users live about the international poverty line (\$1.90 per day) demonstrating that interventions have not been reaching the poorest.³⁷ There is a need for **better data collection** to understand the needs of marginalised groups such as those with disabilities, ethnic minorities and refugees.³⁸

Over 90% of displaced people living in refugee camps lack access to electricity.³⁹ Our work in the humanitarian sector has shown that it is important for companies, humanitarian organisations, governments, financial institutions and community groups to collaborate.⁴⁰

We have developed tools and research that help guide inclusive project design. *How Can Energy Access Programmes Address the Needs of People with Disabilities?*⁴¹ outlines interventions to make technologies more accessible and programmes participatory. *Making the Off-Grid Solar Lighting and Appliances Sector More Inclusive*⁴² offers a framework for companies and funders to improve gender and social inclusion. We encourage decision makers to **take a more ambitious approach to inclusivity** – from initial market scoping through to programme design, implementation, monitoring and evaluation.

Here are our 5 key recommendations:

³⁵ <https://verasol.org/partners/>

³⁶ [Beyond-Silos Strengthening-Nexus-Collaboration-to-Power-Food-Systems-with-Off-Grid-Solar-1.pdf](#)

³⁷ [Policy Brief: Making the Off-Grid Solar Lighting and Appliances Sector More Inclusive - Efficiency for Access](#)

³⁸ Ibid.

³⁹ GPA (2022). The State of the Humanitarian Energy Sector: Challenges, Progress, and Issues in 2022. Geneva, Switzerland: UNITAR Publishing.

<https://www.humanitarianenergy.org/assets/resources/SOHES.pdf>

⁴⁰ <https://efficiencyforaccess.org/wp-content/uploads/Empowerment-through-appliances-Insights-from-the-Humanitarian-Energy-Sector-1.pdf>

⁴¹ [How Can Energy Access Programmes Address the Needs of People with Disabilities? - Efficiency for Access](#)

⁴² [Policy Brief: Making the Off-Grid Solar Lighting and Appliances Sector More Inclusive - Efficiency for Access](#)

- **Leave no-one behind.** It is important that funding interventions, such as subsidies or concessional financing, are better targeted at marginalised groups so that they have the same opportunities to gain access to energy.
- **Set targets and manage progress.** To ensure inclusivity, more data should be collected on gender, disability, income and other factors, and to ensure consistency, progress measured in standardised ways.
- **Address affordability.** As well as funding interventions, sector actors should identify ways to reduce financial barriers to off-grid energy, such as through technology and business model innovation.
- **Listen to marginalised groups.** Companies and implementors should work with these communities when designing policies, technologies and projects to ensure they are appropriate to their needs.
- **Make inclusivity a core value.** Across the sector, actors should demonstrate that they have a vested interest in addressing and dismantling barriers for marginalised groups. For example, companies should have a diverse workforce and initiatives that improve inclusivity should be recognised and celebrated in the sector.

7. How can the value for money of community-led energy projects be evaluated to account for their full environment and social benefits?

Conventional value-for-money frameworks often fail to capture the full impact of decentralised energy initiatives, especially when social, environmental, and long-term benefits are not easily monetised. Energy Saving Trust uses a more holistic approach in the Efficiency for Access R&D Fund, building on the DFID Four E's framework: economy, efficiency, effectiveness, and equity.⁴³ Our approach includes:

- **Capacity building:** Grantees are provided with training and support to develop and complete their own monitoring and evaluation (M&E) plans
- **Flexible monitoring and evaluation:** M&E plans align with mandatory indicators (such as jobs created or beneficiaries reached) while allowing companies to track project-specific outcomes, such as time saved, productivity gains, or gender impacts.
- **Community-centric data collection:** Companies conduct their own end-user surveys, providing more contextualised insights and building local capacity in impact assessment.

There remain several challenges for evaluating community-led and decentralised energy projects, including:

- **Recognition of longer-term impacts:** many social and economic benefits, such as improved food security or local enterprise development, take time to materialise. Short-term evaluation windows may miss these outcomes, so we encourage longer timeframes and adaptive evaluation methods.

⁴³ [DFID's approach to value for money in programme and portfolio management - ICAI](#)

- **Narrow KPIs:** the impact of energy projects should not just be measured by generation capacity, connections made, or number of appliances sold, as this is inadequate to capture the broad range of benefits that projects can create.
- **Partnership and ecosystem value:** community energy projects often rely on an ecosystem of support, such as local governments, civil society, and informal networks. Evaluating value must account for this collaborative context, not just direct outputs.