D5.3 – Charter

Charter with common understanding of definition and ethics of CEFS

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Executive Summary

The Access to Capital for Community Energy (ACCE) project has developed this Charter to define the shared ethical and organisational principles of Community Energy Financing Schemes (CEFS). Guided by the seven cooperative principles, the Charter aims to support the establishment and governance of CEFS across Europe, fostering ethical, transparent, and community-driven practices in the clean energy transition.

This document outlines five key dimensions of CEFS: managing institution, target investment, money sources, products offered, and knowledge sharing. It establishes criteria for efficient CEFS design and evaluation, emphasising community ownership, local impact, and independence. The Charter's Code of Conduct provides practical guidance for managing institutions to implement CEFS principles, ensuring inclusivity, a community-first approach, autonomy, transparency, and accountability. Approved and signed by the ACCE partners on June 24th, 2025, this Charter serves as an ethical guide for all CEFS stakeholders.

Introduction

This document aims to establish a common understanding by defining CEFS and outlining ethical principles for their implementation. The definition and the ethical rules of a CEFS are laid down in this EU charter and signed by the participating partners. This work has been based on an assessment of fundamental ethical and organisational principles that the investment schemes will have to meet and key criteria and organisational principles that can be used to rate the effectiveness of such schemes for (different) stakeholders.

This charter was inspired by the **ICA-principles and the charter from REScoop.eu**. Moreover, based on the work performed in WP3, this charter can provide **the guiding principles for future CEFS**, its **fundamental ethical principles as well as the key criteria to judge qualifying CEFS in the future**.

A consensus on core principles and ethical standards within the Charter was created using the following steps:

- Draft charter elaborated with the consultation of external stakeholders (ethical and cooperative banks and environmental movement representatives);
- A validation workshop during the consortium meeting in Bucharest in November 2024
- Charter approval by the consortium and publication.

The Charter will be a guiding document in setting up CEFS all over Europe and its definition will be essential in the regulatory frameworks.

1. Purpose of the Charter

The European Charter of Community Energy Financing Schemes (CEFS) aims to establish a shared understanding and set of principles for financing mechanisms that support the development of energy communities across Europe. It serves as a guiding framework for ensuring that CEFS adhere to ethical, transparent, and community-driven practices while fostering sustainable investments in the clean energy transition.

This Charter will help align diverse national approaches to CEFS, providing a cohesive vision and practical guidelines to support local, citizen-led energy initiatives.

2. Context and background

Energy communities are central to the EU's energy transition agenda. The Renewable Energy Directive mandates Member States to create frameworks enabling citizen and renewable energy communities to generate, manage, and sell energy. Moreover, second generation of EU legislation (revised Renewables Directive, Energy Efficiency Directive, Energy Performance of Buildings Directive, the Social Climate Fund and the revised Electricity Directive and Electricity Regulation) reinforced the model of energy communities, further acknowledging that citizen-led initiatives actively contribute not only to renewables production, but also to other activities, including renovations, the alleviation of energy poverty, energy efficiency, offshore wind and heating and cooling.

According to the European Commission, "Energy communities can take any form of legal entity, for instance that of an association, a cooperative, a partnership, a non- profit organisation or a small/medium-sized enterprise. It makes it easier for its citizens, together with other market players, to team up and jointly invest in energy assets. (...) Energy communities organise collective and citizen-driven energy actions that help pave the way for a clean energy transition, while moving citizens to the fore. They contribute to increasing public acceptance of renewable energy projects and make it easier to attract private investments in the clean energy transition. At the same time, they have the potential to provide direct benefits to citizens by increasing energy efficiency, lowering their electricity bills, and creating local job opportunities".

Despite these regulations, there are variations in how energy communities are defined and implemented and the existing financial support available to energy communities across Member States, reflecting differences in national regulatory environments, investment cultures, and the maturity of the energy community movement.

Within the ACCE project, the different partners have developed an understanding of what constitutes a CEFS by establishing a set of criteria based on their common experience. This methodology allows the partners to gather information from their contacts using the same analytic framework and to create common criteria for the establishment of future financing tools dedicated to energy communities.

This Charter builds on previous work in ACCE (mainly D2.1 database) and other initiatives to unify these approaches, ensuring that CEFS reflect the core principles of community ownership, local benefits, and ethical governance.

3. Scope of the document

The Charter outlines principles, which must be signed by the managing institutions of CEFS, who will be required to abide by them if they claim to be a CEFS. Additionally, it provides operational guidelines, serving as a code of conduct aimed at a wide set of stakeholders, including policymakers, cooperatives, citizen groups, and financial entities. It is designed as a practical tool to foster citizen-led energy projects while ensuring the Charter remains independent from corporate or institutional capture. This document is not a legal definition but a framework for implementation and evaluation.

4. Methodology

4.1. Data collection and analysis

The process of defining a charter for CEFS relied on a combination of:

- **Documentary research**: Review of existing financial mechanisms (report D2.1 database & D2.2 best practices, the ICA principles, and the REScoop.eu charter.)

- **Qualitative interviews**: partners from various countries contributed insights on national contexts and best practices.

4.2. Stakeholder Consultation

External stakeholders, including ethical and cooperative banks, environmental organisations, and energy community representatives, have provided critical input on CEFS principles. Their expertise ensures the Charter reflects practical, real-world considerations.

4.3. Validation Process

The Charter has undergone a three-stage validation process:

- Drafting based on input from stakeholders and project partners.
- Validation workshop held during consortium meeting to refine and achieve consensus.
- Final approval by the consortium before public dissemination.

5. Definition of CEFS

5.1. The Concept of CEFS

Community Energy Financing Schemes (CEFS) are financing mechanisms specifically designed to support the growth and sustainability of energy communities. These schemes address the unique needs of citizen-led energy projects, emphasizing local benefits, ethical governance, and community ownership.

CEFS differ from traditional financing mechanisms by prioritizing:

- Community-driven objectives over profit maximization.
- Transparent and inclusive governance structures.
- Investments that generate positive social, environmental, and economic impacts.

5.2. Key Dimensions of CEFS

The detailed exploration of the five key dimensions of CEFS serves as an introduction to the Charter. It elucidates the foundational principles and the code of conduct that guide the design, implementation, and evaluation of CEFS.

In defining the scope of CEFS, we highlighted five main dimensions differentiating community energy financing from traditional financing mechanisms. These five dimensions are meant to qualify the unique value proposition of CEFS while also highlighting nuances. These nuances allow the ACCE project to maintain flexibility while remaining focused on energy communities and their development.

CEFS DEFINITION: THE FIVE DIMENSIONS

MANAGING **INSTITUTION**	Organizations that manage the CEFS and their ability to support community energy projects.
TARGET INVESTMENT	Type of projects the CEFS invests in and the level of citizen control in those.
MONEY **SOURCE**	The origin of the funds managed by the CEFS and the objective pursued by the investors (public or private interest).
PRODUCT OFFERED	Final product offered by the CEFS, which will oscillate in a range between grants, debt and social capital.
KNOWLEDGE SHARING	Mechanisms involved that allow the financed projects benefit from the existing knowledge both in the CEFS itself and in other financed projects.

Figure 1. The five dimensions of Community Energy financing

The five dimensions identified are:

- **Managing institution**: refers to the organization or partnership managing and governing the CEFS.
- **Target investment**: refers to the type of projects and investments realized by the CEFS.
- **Money sources**: refers to the origin of the funds managed by the CEFS.

- **Products offered**: encompasses the type of financial products offered by the CEFS.
- **Knowledge sharing**: refers to mechanisms that allow financed projects to benefit from the existing knowledge within the CEFS and from other financed projects.

5.2.1. Managing institution

Institutional control refers to the organization or partnership managing and governing the CEFS. This is linked to the process by which investment decisions are made and the actors involved in the decision-making process. Three important components are:

- Stakeholder involvement: the type of actors involved in the governance of the CEFS and how they enhance the institution's capacity to reach and support community energy projects.
- Energy communities and/or their umbrella organisations (secondary structures of energy communities) should be directly involved as stakeholders in the institution's governance to ensure the unique features of energy communities are always respected and optimised
- Policy stability: the predictability of the CEFS's investment policy and its stakeholder dialogue. Due to the unique nature of community energy projects, maintaining a stable investment policy is crucial for ensuring participation.

5.2.2. The target

The target refers to the type of projects and investments realised by the CEFS. This is the heart of the mechanism, as it touches on the investment policy of the fund and its indicators for impact. The experiences of two project partners—Energie Samen and Énergie Partagée, both of whom already participate in established CEFS in their respective countries—show that these schemes target very different types of projects based on their national context and the maturity of the community energy movement and policy.

The framing of the conversation on targets focused on community ownership, community control and community benefits.

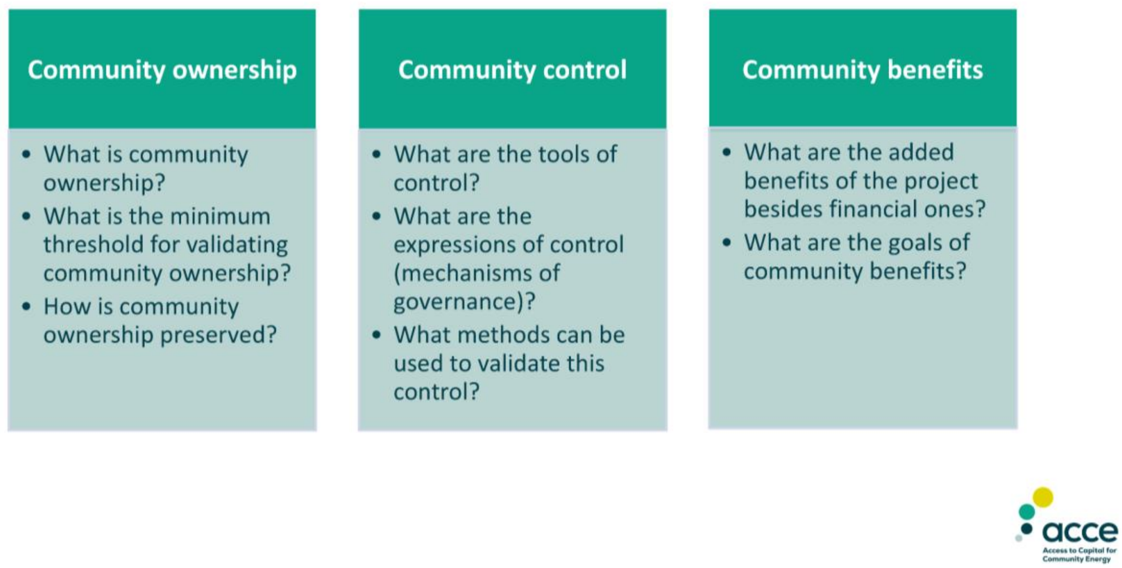

Figure 2. Main concepts to be considered in the target

5.2.3. Sources

The sources of funds managed by CEFS refer to the origin of the financial resources utilized to support community energy projects. The ACCE project reflected on how these sources can impact the investment policy and tools of the fund.

Types of sources:

- Public sources are typically provided by government institutions at various levels and are often aligned with policy goals focused on achieving “common good” outcomes (e.g Energie Samen - Development Fund).
- Private sources can include community-based contributions, such as investments from citizens (e.g., Énergie Partagée), or funding from traditional private investors (e.g. banks).

To ensure the integrity and effectiveness of CEFS, three key principles are emphasized:

- Independence: CEFS must maintain autonomy and avoid undue influence from profit-driven entities.
- Preservation of community ownership: funding mechanisms must safeguard the ownership and governance of supported projects, preventing corporate takeovers or citizen-washing by private investors.
- Transparency around the types and origins of funds is critical, allowing stakeholders to evaluate and align with CEFS goals while ensuring that investments preserve the community-driven nature of projects.

5.2.4. Products

The financial products offered by CEFS are tailored to meet the specific needs of community energy projects. These products include a range of options such as grants, debt, and equity, as well as blended versions of these financial instruments to provide flexible funding solutions.

Key aspects of CEFS products include:

- **Adaptability**: products must align with the unique requirements and capacities of energy communities at each development phase, ensuring they are practical and accessible.
- **Goal orientation**: Financial products should facilitate the achievement of community benefits, including social, environmental, and economic goals.
- **De-risking investments**: CEFS financial tools are designed to reduce financial barriers for community projects, enabling broader participation and sustainability.
- **Tracking and reporting**: Robust mechanisms must be in place to monitor the performance and impact of the products, ensuring transparency and accountability.

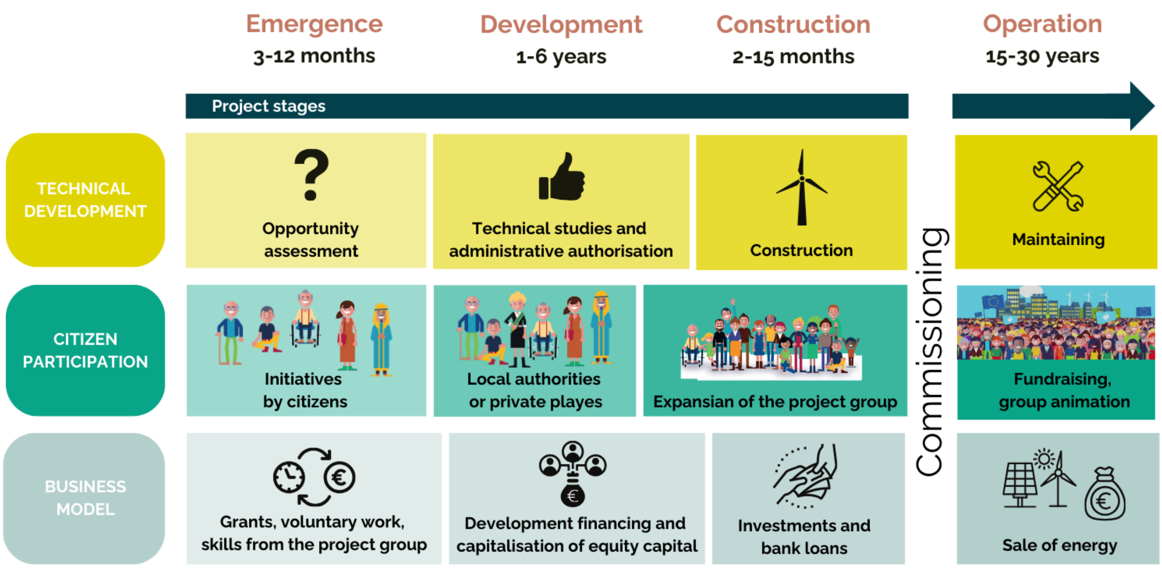

Figure 3: the different phases of community energy development and the related financing products

5.2.5. Knowledge sharing

Knowledge sharing is a vital dimension of CEFS, focusing on mechanisms that enable collaborative learning and the dissemination of best practices.

Key mechanisms:

- Capacity building: Providing training and resources for stakeholders involved in financed projects.
- Peer learning: Facilitating exchanges between funded projects to share insights and innovations.
- Institutional knowledge: Leveraging the expertise within CEFS to guide future projects effectively.

Experience from existing CEFS shows that integrating knowledge sharing as a vital component of a CEFS enhances the quality and success rate of projects by drawing on collective experience, enhances the success rate of projects and the growth of opportunities by producing norms and standards across energy communities, facilitating efficient partnerships with institutions and market players (e.g developers, DSOs, …) and aligns with the cooperative principle of education, training, and information, empowering communities to take active roles in the energy transition.

5.3. Criteria for efficient CEFS design and evaluation

There are ways to evaluate the effectiveness of the CEFS by looking at the 5 different dimensions (see 5.2 for detailed explanation and added value for the CEFS of each of those dimensions).

- **Community ownership**: Minimum thresholds for citizen ownership and governance.
- **Local impact**: Demonstrated benefits for local communities.
- **Independence**: Safeguards against corporate influence and citizen-washing.

The ACCE partners have identified key criteria for each of the CEFS dimensions:

Institution

CEFS must include the participation of a community energy network representative. This ensures the fund's ability to provide adequate support to projects while maintaining the stability and relevance of its investment policies. Best practices for this involvement, as identified in the ACCE project (see D2.2 Best Practices Report), offer guidance for implementation.

Target

Target projects must actively involve citizens and deliver positive value at the local level. The primary objective of these projects is to serve local actors and benefit their communities. To ensure community control, target projects must include citizen ownership in a minority blocking share. That minority of blockage can be different depending on the country.

Sources

Transparency regarding the origins and types of funds used by CEFS is essential. This transparency empowers targeted projects to evaluate and, if necessary, reject investment proposals.

CEFS can incorporate funding from various sources, provided the funding mechanisms safeguard community ownership of projects. Ensuring the independence of CEFS is crucial to prevent corporate capture or citizen-washing by private investors

Products

CEFS can offer a broad range of financial products, including grants, debt, and equity, provided they align with the goal of de-risking investments for private consumers. The financial tools must be designed to address the unique needs of community energy projects.

Additionally, financial products must prioritize community benefits—social, environmental, and economic—while avoiding speculative investments. This balance ensures that CEFS contribute meaningfully to the energy transition.

Knowledge sharing

Knowledge sharing is a core dimension of CEFS, integral to fostering a collaborative environment that enhances the effectiveness and sustainability of community energy projects. CEFS should actively support capacity building by providing training, workshops, and tailored educational resources to enhance skills relevant to community energy projects. CEFS must also leverage their institutional knowledge, documenting successes and challenges to guide future initiatives effectively. Transparency, inclusivity, and regular evaluation are vital to ensure knowledge-sharing mechanisms are impactful and accessible, ultimately strengthening the capacity and resilience of community energy initiatives.

6. The CEFS charter

The present charter defines the shared ethical and organisational principles of energy communities operating in accordance with the seven cooperative principles, for guiding the establishment and governance of community energy financing schemes.

CEFS implementation varies across Member States due to differences in regulatory frameworks and financial cultures. The Charter acknowledges these differences and provides flexible principles that can adapt to local contexts while ensuring core principles are upheld.

This charter is meant as a set of guiding principles for future CEFS but does not exclude the establishment of their own principles based on their local values.

6.1. Fundamental ethical and organisational principles

Inspired by the International Cooperative Alliance (ICA) principles, the REScoop.eu charter, and field learnings from the LIFE ACCE project, the CEFS Charter emphasizes:

- Inclusivity: CEFS will ensure equitable access to their financing mechanisms, promoting the participation of diverse stakeholders, particularly underrepresented or marginalized groups. Policies will encourage active involvement from local communities and citizen groups in all decision-making processes.
- Community-first approach and benefits: CEFS will prioritize the needs and benefits of local communities, ensuring that projects align with ethical goals such as sustainability, energy justice, and community empowerment. Financial products and mechanisms must focus on maximizing community benefits over financial returns.
- Autonomy: CEFS will operate autonomously, free from undue influence by profit-driven corporate entities. Mechanisms must be in place to safeguard decision-making processes and investment policies from corporate capture, ensuring that community-led values remain central.
- Transparency: CEFS will maintain clear and open communication about their governance structures, funding sources, investment policies, and project impacts. Regular reporting

and public disclosure of financial and operational data will enable stakeholders to assess alignment with the Charter's objectives.

- Accountability: CEFS will establish monitoring and evaluation frameworks to track the social, environmental, and economic impacts of their investments. Mechanisms for addressing grievances and ensuring stakeholder feedback will enhance responsiveness and accountability.
- Knowledge sharing: CEFS will actively promote the dissemination of best practices, lessons learned, and innovative approaches within and beyond their networks. This commitment to education and collaboration will strengthen the overall capacity and impact of energy communities across Europe.
- Democratic control: CEFS will uphold democratic governance as a fundamental principle, ensuring that community stakeholders have meaningful influence over decision-making processes. This includes safeguarding community ownership rights, promoting participatory governance structures, and ensuring decision-making is transparent, inclusive, and accountable to the communities they serve.

6.2. Code of conduct

A code of conduct will accompany the Charter to provide detailed guidance on how managing institutions can implement the principles of CEFS. Depending on the national context, this code of conduct may be tailored, simplified or more detailed to acknowledge differences in legal frameworks and financial cultures.

The Code of Conduct establishes operational guidelines essential for the integrity and relevance of CEFS. It ensures adherence to the Charter's principles while fostering trust, accountability, and transparency.

Managing institutions of CEFS should demonstrate a genuine commitment to the principles without requiring all checkbox criteria to be fully met.

Actionable practices to guide CEFS in daily operations and decision-making can be found below:

Inclusivity:

- Develop a clear process to include community stakeholders in decision-making, such as seats on governance boards or advisory committees.
- Whenever a CEFS targets small-scale projects like solar PV, ensure simplified application processes and tailored financial products to make the funds accessible to underrepresented and small communities.
- Commit to a flexible and customised approach by design, providing options such as smaller loans or tailored solutions to promote inclusivity.
- Ensure funding mechanisms are accessible to small-scale and underrepresented community projects through simplified application processes and tailored financial products.
- Offer translated materials, accessible formats, and outreach efforts to include marginalized or less-represented groups.

Community-first approach and benefits:

- Require that at least 50% of governance rights in financed projects remain under citizen or community control.
- Prioritize projects that demonstrate measurable local benefits, such as energy cost reductions, job creation, or renewable energy capacity increases.
- Avoid funding projects where speculative or profit-driven objectives overshadow community benefits.
- The financed projects realised are meant to be exploited and not to be resold.

Autonomy:

- CEFS governance bodies must include a community energy network representative.
- Decisions on fund allocation must be documented and accessible to ensure they align with the interests of community energy projects, not external profit motives.
- Contracts with private investors must include clauses preventing undue influence on CEFS operations or community ownership structures.

Transparency:

- Publish an annual report detailing all financial flows, governance decisions, and project impacts.
- Clearly label the origin of funds (e.g., public, private, or community-based) and disclose any conditions attached to these funds.
- Maintain an accessible database of funded projects, including their community ownership and benefits.

Accountability:

- Establish an independent oversight body or committee to review CEFS operations and adherence to ethical standards.
- Set up a grievance mechanism where stakeholders can report concerns, with a timeline for response and resolution.
- Implement key performance indicators (KPIs) to measure social, environmental, and economic impacts, with regular progress reviews.

Knowledge sharing:

- Organise workshops or webinars to share lessons learned, standards, and innovations among CEFS-funded projects.
- Develop a digital library with open-access case studies, tools, and guidelines for community energy stakeholders.
- Facilitate peer exchanges between successful and emerging energy projects to build capacity and enhance replication.

Democratic control: *will be enforced by the alignment of guidelines on inclusivity, autonomy and transparency.*

The Code of Conduct serves as an ethical guide for all entities participating in CEFS, ensuring that these schemes remain true to their mission of fostering a fair, inclusive, and community-driven energy transition.

Access to Capital for Community Energy

This Charter has been approved and signed by the ACCE partners on 1st of July 2025.

Sara Tachelet, coordinator REScoop.eu

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Signed by ***2657** SANTIAGO OCHOA DE ERIBE (R: ****7487*) representing GOIENER S.COOP. on 25/06/2025 with a certificate issued by AC Representación