

**LEAP  
SME**

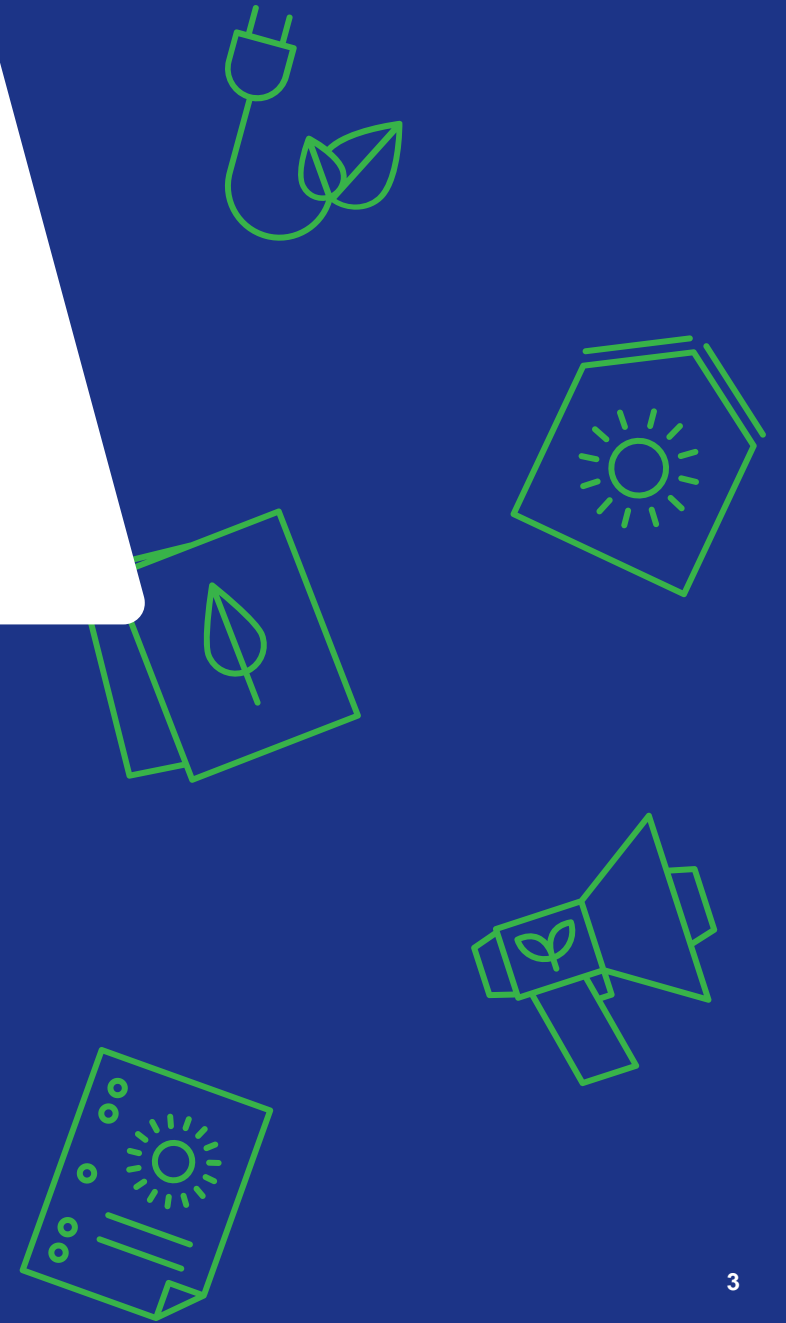


ENERGY AUDIT POLICIES  
TO DRIVE ENERGY  
EFFICIENCY

# Unlocking net zero financing for SMEs



This project has received funding from the EU  
H2020 research and innovation programme  
under grant agreement No 893924



# Energy Saving Trust's work to support SME decarbonisation

## Research examples

- LEAP4SME
- UK policy research “How can policy better support SMEs in the pathway to net zero?”

## Delivery of support for businesses

- Business Energy Scotland
- Measure, plan, act service



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# SMEs and decarbonisation

There are 5.5 million SMEs in the UK, almost all businesses across different sectors are SMEs

British Business Bank estimates SMEs account for between 43% and 53% of UK business emissions (corresponding to 36% of total emissions).

SMEs have often been overlooked in decarbonisation discussions and policy provision.

Their heterogeneity presents a significant challenge in creating an effective strategy and accompanying policies.

# Key policy gaps

- There is no national SME-specific decarbonisation strategy
- Support for SMEs has been more piecemeal in England than other UK nations. More generalised support often coming from regional government.
- Key policy gaps include:
  - Information
  - Advice
  - Access to finance
  - Access to skilled practitioners
- ERDF-funded initiatives offer insights, but can't address gap on national level

# Recommendations

**An enhanced and more joined up policy and support framework is needed.**

- Produce a strategy for SME decarbonisation.
  - Addressing upfront financing, time and knowledge constraints.
- Clear regulatory timetable for decarbonisation milestones.
  - Firm dates for future low carbon standards, set as early as possible, reducing decarbonisation costs and risks.
- A joined-up support framework (a one-stop-shop).
  - Awareness raising, financing support, information on regulations, footprinting and audit services, peer learning networks.

# Recommendations

**Support needs to take better account of the differing needs of SMEs in different sectors.**

- Decarbonisation pathways differ greatly between sectors. Public/private co-creation should be taking place to offer resources and pathways to different sectors.
- Sectoral and place-based peer networks of SMEs and concerned stakeholders will be crucial for the success of an SME decarbonisation strategy.