

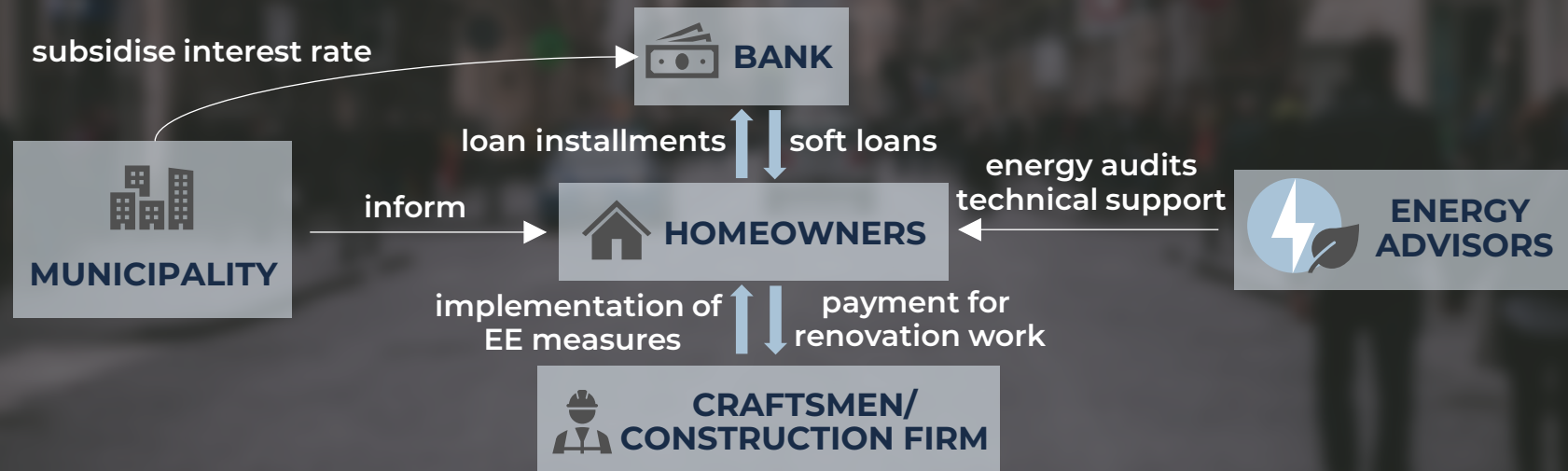
What are **soft loans**?

A **soft loan** is a financing scheme for energy efficiency projects that allows to provide loan interest rates below the market interest rate or even zero-interest rates at the beginning of the loan agreement.

Soft loans are commonly offered by governments, both in the form of tenders and direct negotiations, and may also grant concessions, such as longer repayment periods.

Soft loans contribute therefore to improve access to financing sources that fit the needs, investment capacity and ability to perform debt service of borrowers.

How do soft loans work?



What are the advantages?

1. Schemes can be scalable and funds can revolve
2. Usually longer duration than commercial loans
3. Positive impact on public budgets due to leverage effects

4. Address higher investment costs by reducing interest rates or providing better loan terms
5. Large flexibility and easy to roll out

Targeted Sectors



Public
Buildings



Private
Buildings

Characteristics

- Serves only creditworthy clients
- Versatile in different types of building projects
- Often combined with other financing schemes, such as grants and subsidies

Example

[ECORENO'V Programme](#), Lyon
Métropole, France

In 2015, Greater Lyon, gathering 59 municipalities, launched a comprehensive large-scale energy retrofitting programme aimed at accelerating eco-renovation in private housing. Based on strong and trustful collaboration between complementary public institutions and the commitment of local private actors, the Ecoreno'v service provide advice, tools and financial support.



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