

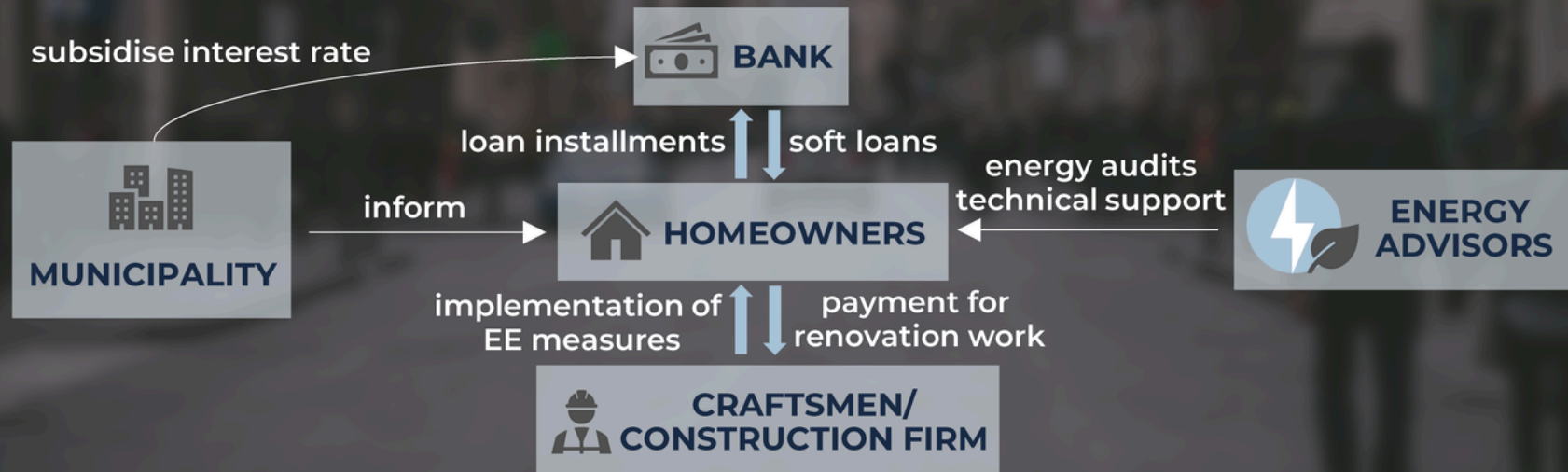
What are **soft loans**?

Soft loans are concessional financing instruments designed to support investments that generate environmental, social, or economic benefits by providing financing under more favourable conditions than conventional commercial lending.

Soft loans rely on repayment mechanisms that allow financial resources to revolve over time and support multiple investment cycles.

They lower financial barriers for public actors, businesses and households undertaking sustainable energy investments.

How do soft loans work?



What are the advantages?

1. Sustainable investment structures capable of multiplying public resources & mobilising additional private capital
2. Co-investment and private market mobilisation

3. Project bankability and structural de-risking
4. Municipal decarbonisation & targeted energy poverty alleviation
5. Strengthen local implementation ecosystems

Charecteristics

- Improved access to finance
- Repaid capital can be reinvested into new projects
- Can be combined with grants, guarantees, technical assistance, or performance-based incentives
- Policy-targeted implementation
- Mobilise private capital and support large-scale deployment of EE and RES investments

Example

[Sustainable Tipp: Accelerating Tipperary's Transition to a Sustainable, Low Carbon Economy](#), County Tipperary, Ireland

Sustainable Tipperary (Sustainable Tipp/TIPP) used the ELENA technical assistance facility to scale a county-wide One Stop Shop (OSS) for deep home retrofits, community and public building upgrades, and energy-efficient public street lighting across County Tipperary. The Tipperary Energy Agency (TEA) provided end-to-end support including audits and feasibility studies, technical design support, contractor engagement, and grant administration for private homeowners, schools, and community organisations. Between August 2017 and January 2021, the programme mobilised €30.2m of investment (about 300 homes, 60 non-residential/community buildings, and ~600 lighting points).