



Soft Loan Scheme for Photovoltaics

Aradippou, Cyprus - 19 228 inhabitants

Governance – financing - photovoltaic



A Soft Loan Scheme with favourable terms for the installation of photovoltaic systems on homes has been co-developed by Aradippou Municipality and the Cyprus Cooperative Bank. The Soft Loan Scheme aims to install photovoltaics on more than 2 000 homes within an investment programme that will exceed 50 million euros.

Project in a Nutshell

Within the context of its “Smart City” strategy, Aradippou Municipality in cooperation with [the Cyprus Cooperative Bank](#) and the [Larnaka Chamber of Commerce and Industry](#), has prepared a pilot programme aiming to provide loans with more favourable terms for the installation of photovoltaic systems on homes. This programme has secured 1 million euros for such loans, allowing for the installation of photovoltaics on 100 homes.

Impact & Next steps

The programme went through a long process of interest rate discussions. Currently, the first batch of applications are being evaluated. Through its efforts the Municipality has managed to connect to European Investment funds linked to Social Welfare and Economic Development and to Environmental Protection.

While the programme is still at its beginning, it is expected to mature within the next 3-5 years. Aradippou aims to apply in order to receive additional funding from European Investment funds that will exceed 50 million euros for its overall investment programme in Clean Energy, including the installation of photovoltaics in more than 2000 homes. One source for these investment funds is the European Fund for Strategic Investments (EFSI). The investment programme “Smart City Aradippou” has been selected by the Ministry of Finance of Cyprus and is being promoted to the EFSI. In addition to protecting the Environment, it is expected that these investments will strengthen the local businesses operating in the photovoltaics industry and create new jobs.



Replicability: Challenges & Success Factors

As talks with banks can take a long time to mature, good practice is to start as early as possible in order to identify the Bank (or Banks) willing to work closely with the Municipality to co-develop a soft loan scheme. Equally important - while not as time consuming - is the structuring of the support of the Local Chamber and its members. Additionally, the project must secure strong political support and understanding by the Mayor and the Municipal Council: this was the case for Aradippou which has taken a leading role in Cyprus.

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EUAffairs@aradippou.org.cy

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