

Zero-interest green loans in France: Effectiveness and candidate barriers

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Campus du Jardin tropical - à 5 minutes du RER A de Nogent-sur-Marne
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Résumé/Abstract :

Since 2009, France has been running a zero-interest green loan (ZIGL) program to encourage home energy retrofits. The number of ZIGLs issued on a yearly basis, however, is an order of magnitude lower than initially planned. Exploiting a difference-in-difference design, we estimate the causal effect of the program on home energy retrofits. We find a significant, positive effect that vanishes after two years. We discuss candidate barriers for under-participation in the program, including debt aversion and lack of information on the demand side, obfuscation on the supply side and interactions with other subsidy programs on the regulatory side.