



STRATEGIC RECOMMENDATIONS FOR DECARBONISING THE CONSTRUCTION SECTOR IN *THE CZECH REPUBLIC*

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Introduction

This document was produced as part of an effort to **accelerate the decarbonisation of the construction sector in the Czech Republic and to support the implementation of European policies in the building sector.**

The document is based on a combination of:

- analytical work by the project team,
- expert discussions within CZGBC working groups,
- workshops with key stakeholders (public administration, municipalities, the market),
- and practical experience from project implementation in the Czech Republic and abroad.

The aim of the document is to identify the main systemic barriers hindering the transformation of the construction sector towards a low-carbon and circular model, whilst proposing specific, actionable recommendations for individual stakeholder groups.

The recommendations are structured according to target groups (ministries, municipalities, etc.) and are based on a consistent logic:

- **CHALLENGE** — identification of the problem,
- **RECOMMENDATION** — strategic direction for a solution,
- **TOOL** — specific implementation measures.

The document aims to:

- support the effective implementation of European legislation (in particular EPBD IV, the EU Taxonomy, and the CPR),
- strengthen the coordination of public policies,
- increase the use of data and tools (WLC, LCA, EPD),
- and to support the practical transformation of the market through public procurement and investment.

The proposed measures reflect the current state of the sector in the Czech Republic and are designed to be practically applicable, scalable and further developable in line with legislative developments and practical experience.

The document is also intended as a living tool that will be further developed, supplemented and updated throughout the project based on feedback from key stakeholders, pilot testing of individual measures, and developments in the regulatory and market environment.

At the same time, its ambition is to contribute to the sharing of experience and good practice not only at national but also at international level. The project outputs are therefore designed to be transferable and applicable in other European and non-European contexts, and to support mutual learning between countries and stakeholders in the construction sector.

List of abbreviations

BIM	Building Information Modelling
CPR	Construction Products Regulation
ČKA	Czech Chamber of Architects
ČKAIT	Czech Chamber of Authorised Engineers and Technicians
DEN	Building Energy Performance Database
DNSH	Do No Significant Harm
EPBD	Energy Performance of Buildings Directive
EPD	Environmental Product Declaration
ESG	Environmental, Social and Governance
GIS	Geographic Information System
GWP	Global Warming Potential
LCA	Life Cycle Assessment
LAG	Local Action Group

MMR	Ministry of Regional Development
MF	Ministry of Finance
MIT	Ministry of Industry and Trade
MŽP	Ministry of the Environment
NRB	National Development Bank
NZÚ	New Green Savings
RES	Renewable Energy Sources
OSS	One-Stop Shop
PDB	Performance Design and Build
PENB	Energy Performance Certificate
SFPI	State Investment Support Fund
SFŽP	State Environmental Fund
WLC	Whole Life Carbon

Recommendations for ministries

Strategic Recommendations for Ministries

6 Key Steps for Decarbonising the Czech Construction Sector

01

FRAGMENTED MANAGEMENT AND COORDINATION

CHALLENGE



Fragmented responsibilities and unclear leadership.

RECOMMENDATION



Establish a national coordinator for construction sector decarbonisation.

TOOL



- MoE as lead authority
- interministerial coordination
- capacity building

02

INSUFFICIENT DATA INFRASTRUCTURE AND METHODOLOGIES

CHALLENGE



Non-unified methodologies and data systems.

RECOMMENDATION



Develop a unified national data infrastructure.

TOOL



- WLC + LCA
- EPD database
- BIM interoperability

03

FRAGMENTED RENOVATION FINANCING

CHALLENGE



Short-term and fragmented financing.

RECOMMENDATION



Create a long-term renovation programme.

TOOL



- NZÚ + NRB
- preferential loans
- private capital

04

LOW UPTAKE OF CIRCULARITY IN PUBLIC PROCUREMENT

CHALLENGE



Limited integration of circular economy principles in public procurement.

RECOMMENDATION



Integrate circular economy principles into procurement processes.

TOOL



- pre-demolition audits
- material reuse
- green public procurement

05

FRAGMENTED IMPLEMENTATION OF THE EU TAXONOMY

CHALLENGE



Inconsistent application of EU Taxonomy requirements.

RECOMMENDATION



Establish a unified implementation framework.

TOOL



- DNSH methodologies
- standardisation
- digital reporting

06

INSUFFICIENT FRAMEWORK FOR EPBD IV IMPLEMENTATION

CHALLENGE



Unclear financing, data and technical requirements.

RECOMMENDATION



Establish a stable framework for EPBD IV implementation.

TOOL



- renovation financing
- OSS advisory services
- building database

01

Fragmented
management
and coordination

02

Inadequate data
infrastructure
and methodologies

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Fragmented financing
of renovations

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Inadequately defined
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of EPBD IV

Fragmented management and coordination

01

CHALLENGE

Fragmented responsibilities and unclear leadership

Without unified management, there is a lack of a stable timetable and predictability of rules, which impairs the ability of companies, the state and municipalities to plan renovations and secure financing. The result is a slower pace of renovation, weaker mobilisation of private capital and less efficient use of public funds.

In addition to a coordinated lead body, **consistent and clear communication from the public administration to the market** is also essential. Construction firms and investors need a predictable regulatory environment so that they can plan their investments, capacity and workforce well in advance.

RECOMMENDATION

Establishment of a national coordinator for the decarbonisation of the construction sector and strengthening of inter-ministerial cooperation

The effective transposition and implementation of European requirements in the building sector requires clear, strong institutional leadership and the elimination of fragmented responsibilities across different ministries.

The buildings agenda — including energy performance, renovations, decarbonisation and related European requirements — should be concentrated under the **Ministry of Industry and Trade (MIT, Czech Republic) as the lead agency**, which will bear responsibility for coordinating the implementation of key regulations and instruments for the buildings sector.

The establishment of a national coordinator for the decarbonisation of the construction sector within the MIT, with a clearly defined mandate and responsibilities, will ensure coordination across the public administration, enhance the predictability of implementation and ensure transparent reporting on progress.

The measures should also include **strengthening institutional and human resources for the implementation of European requirements** and creating a comprehensive strategic framework for the decarbonisation of the buildings sector.

TOOL

Establishment of a national coordinator (or specialised unit) within the Ministry of Industry and Trade with clearly defined responsibilities for coordinating key agendas:

- transposition and implementation of EPBD IV and CPR
- setting up and implementing a national Whole Life Carbon (WLC) methodology
- methodological guidance on the implementation of the EU Taxonomy in the buildings sector
- inter-ministerial coordination of funding for renovations and circular economy measures
- development of a unified data infrastructure (EPD, LCA database, digital building passport)
- ensuring sufficient staff capacity for the implementation and coordination of the agenda

The coordinator's mandate should be supported by **adequate capacity** and **anchored in an inter-ministerial platform** (Ministry of Industry and Trade, Ministry of the Environment, Ministry of Regional Development, Ministry of Finance and others) to help eliminate overlaps in responsibilities and ensure more predictable implementation of the European framework.

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Inadequate data infrastructure and methodologies

02

CHALLENGE

Non-unified methodologies and data systems

The lack of a unified framework for life-cycle assessment (LCA) and whole-life carbon (WLC) methodologies at the building level leads to fragmented approaches, incomparable calculations and limited usability of data for public procurement, financing and reporting. Individual initiatives and databases, including EPDs, are being developed in isolation and without a binding timetable, which undermines the predictability of implementation and market confidence.

An underdeveloped and non-interoperable data infrastructure also remains a significant barrier. Limited integration between EPDs, LCAs, BIM and other digital tools complicates the digitisation of processes, increases transaction costs and limits the sector's ability to respond to the growing requirements of European legislation, including EPBD IV, CPR and the EU Taxonomy.

In the context of upcoming European obligations — including the introduction of life-cycle GWP and the preparation of national roadmaps for emission limit values — the absence of a unified framework and data infrastructure also poses a risk of delayed implementation and a weakening of the competitiveness of the Czech construction sector.

RECOMMENDATION

Establishment of a national data infrastructure for the buildings sector

Establishing a **national data infrastructure** that integrates WLC methodology, environmental data on construction products, digital tools and reporting mechanisms into a unified, interoperable framework.

The aim is to create **predictable conditions for the implementation of European requirements**, reduce transaction costs, enhance market transparency and enable the gradual introduction of emissions benchmarks and limit values at the building level.

TOOL

Tool A

Introduction of a **binding national framework for WLC and LCA methodology**, including coordination of the following areas:

- the introduction of a binding WLC methodology,
- linking LCA calculations with budgeting tools and BIM,
- creation of a national digital LCA/EPD database with interoperability,
- the gradual introduction of benchmarks and emission limit values.

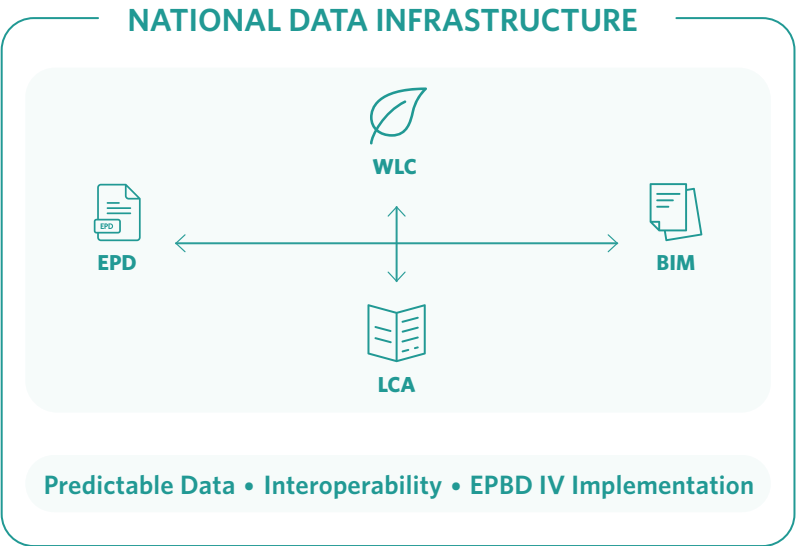
Implementation of the framework should be linked to the timetable for meeting the requirements of EPBD IV and supported by clear institutional leadership.

Tool B

Ensuring a timetable for the availability and digitisation of **environmental data on construction products**, including EPDs, and supporting the development of related data infrastructure through:

- modernising the national EPD database,
- linking this to the implementation of the CPR and the digital product passport,
- ensuring compatibility with BIM, LCA and other digital tools,
- establishing a uniform framework for the electronic recording and use of environmental data.

This tool should help to increase market transparency, improve data availability and facilitate the more effective implementation of whole-life carbon approaches at building level.



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Fragmented financing of renovations

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CHALLENGE

Short-term and fragmented financing

Financing for building renovations in the Czech Republic remains **fragmented, short-term and largely dependent on individual grant schemes**, which means that building owners often plan renovations based on the availability of support rather than on technical need and maximum benefit. Although there has been an improvement in the coordination of some programmes and the development of pilot loan instruments, there is still a lack of a stable multi-year framework that would enable long-term planning and scaling of investments.

A significant barrier remains the **lack of predictability in funding** and the weak link between public support instruments and private capital. This reduces market confidence, increases transaction costs and limits the involvement of banks and other investors. As a result, the system is failing to mobilise private financing on the necessary scale, and the pace of renovations remains below the level required to meet European targets.

RECOMMENDATION

Consolidating renovation financing and mobilising private capital to make renovations attractive

Establish a **long-term, multi-year and coordinated framework for renovation financing** that integrates public grant schemes, preferential loans, technical assistance and private capital into a stable and predictable system.

The aim is to enhance the attractiveness of renovations, boost market confidence, enable the standardisation of financing, and create conditions for **greater mobilisation of private investment** whilst ensuring the effective use of public funds.

TOOL

Introduction of a **long-term unified renovation programme** that will build on the stability of existing instruments whilst strengthening the coordination of funding through:

- linking to the stability and credibility of programmes such as the NZÚ,
- linking grants, preferential loans and advisory tools,
- the use of NRB instruments where they make economic sense,
- mobilising private capital,
- ensuring the predictability of support for the state, municipalities and the market, including pre-defined multi-year financial allocations,
- enabling the combination of individual support instruments (grants, loans, guarantees) without unnecessary administrative barriers.

This framework should also include a **clear definition and coordination of the roles of individual public financial instruments**, including a clear distinction between the mandates of the State Environmental Fund (SFŽP) and the State Fund for Investment and Innovation (SFPI), in order to avoid overlaps, duplication and the inefficient fragmentation of public funds.

At the same time, public funds should be used in such a way as to **mobilise private financing** to the greatest extent possible and contribute to higher investment, greater added value and broader economic benefits.

COORDINATED RENOVATION FINANCING



Public Programmes
NZÚ, SFPI, SFŽP



Preferential Loans
NRB, Financial Instruments



Private Capital
Banks, Investors



**More Building
Renovations**

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CHALLENGE

Limited integration of circular economy principles in public procurement

As a major procurer of construction contracts, the public sector **has not yet systematically used its market power to support the circular economy, reduce embodied carbon and transform the market towards material efficiency.** Environmental and circular criteria are used to a limited extent in public procurement; the emphasis on the lowest price often prevails, and there is a lack of broader methodological anchoring for green public procurement. Pre-demolition audits, the systematic use of re-use elements, urban mining and the use of secondary materials are not yet a standard part of publicly funded construction projects.

Without a stronger anchoring of circular principles in public procurement, a significant portion of material potential remains untapped and **the public sector fulfils its role as a driver of market transformation only to a limited extent.** At the same time, barriers persist in the areas of capacity, methodological support, the sharing of good practice and the use of environmental criteria in procurement processes.

RECOMMENDATION

Integrate circular economy principles into public procurement

Public procurement is a key tool for market transformation. The principles of the circular economy should therefore be systematically integrated into public procurement through a combination of regulatory requirements, green public procurement methodologies, capacity building and support for practical tools that will strengthen the use of secondary materials, reuse approaches and environmental criteria in public contracts.

At the same time, the public sector should actively use its role as a major procurer to shape the market and facilitate a gradual transition from voluntary to systematically applied circular standards.

TOOL

Tool A

Introduction of **mandatory pre-demolition audits** for relevant publicly funded buildings, including links to material passports and the identification of potential for reuse and urban mining.

Measured by:

- the legislative enshrinement of the obligation,
- the proportion of relevant public projects where an audit has been carried out.

Tool B

Developing a binding methodology for circular green public procurement, including:

- the use of circular and environmental criteria in tender documentation,
- taking into account recycled content and re-use elements,
- a minimum weighting for environmental criteria in the evaluation of tenders,
- the gradual adoption of a life-cycle approach and evaluation methods based on value-for-money,
- the gradual introduction of these requirements as a standard component of public procurement.

Measured by:

- the proportion of public procurement contracts applying circular economy criteria,
- the proportion of contracts with environmental scoring.

Tool C

Strengthening capacity and supporting implementation through benchmarking, training and the sharing of good practice among public procurers, including support for smaller municipalities.

Measured by:

- the number of public contracting authorities involved in benchmarking/training,
- the rate of use of methodologies and support tools.

Tool D

Supporting the development of material flows from demolition to new construction, including support for urban mining and the gradual increase in the material recovery of construction and demolition waste.

Measured by:

- the rate of material recovery from construction and demolition waste.

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05

CHALLENGE

Inconsistent application of EU Taxonomy requirements

The EU Taxonomy represents a key framework for financing sustainable investments, but its practical application in the Czech building sector remains fragmented. Although important reference documents are being developed (e.g. the TOP 15% methodology), there is a lack of a unified implementation framework that would link technical screening criteria, DNSH requirements, data sources and application practices across the financial, property development and public sectors..

This leads to:

- differing interpretations among banks, investors and project teams,
- higher transaction costs and legal uncertainty,
- limited availability of financing,
- administratively burdensome or formal compliance with no real impact (risk of greenwashing),
- a weakening of the competitiveness of Czech entities in the European context.

Another significant barrier is the **high administrative and financial burden of applying the EU Taxonomy**, particularly for smaller projects, and inconsistencies in interpretation rules (e.g. setting nZEB reference values or the availability of data for meeting DNSH criteria).

RECOMMENDATION

Harmonise the implementation and practical application of the EU Taxonomy for the buildings sector

Create a unified national implementation framework for the practical application of the EU Taxonomy in the buildings sector, linking methodological interpretation, simplification of DNSH application, data interoperability and trustworthy verification of compliance.

The measures should include:

- the harmonisation of a legally binding interpretation of the technical screening criteria,
- simplifying the application of the EU Taxonomy, particularly for smaller projects,
- standardisation of the assessment methodology (e.g. nZEB reference levels),
- limiting the risk of formal compliance without real impact,
- ensuring the availability and usability of data tools for meeting the criteria.

TOOL

Tools A

Building on existing technical interpretations (including the TOP 15% methodology) and extending them into a unified national implementation framework for the EU Taxonomy in the buildings sector, including the harmonisation of legally binding interpretations.

Measured by:

- the existence of an approved implementation framework,
- the level of uptake among financial institutions and investors.

Tool B

Simplification and standardisation of the practical application of DNSH criteria, particularly for climate risks, waste, pollution and chemical criteria, including:

- the early integration of requirements as early as the project design phase,
- adapting requirements to smaller projects (e.g. under 5,000 m²),
- ensuring the availability and usability of tools for their implementation.

Measured by:

- a reduction in administrative burden,
- the proportion of projects using standardised procedures.

Tool C

Linking the implementation of the EU Taxonomy to the national data infrastructure, in particular the WLC methodology, EPD data, BIM and digital product passports, with the aim of maximising the digitisation and interoperability of documentation.

Measured by:

- the degree of interoperability of data tools,
- the proportion of digitised compliance documentation.

Tool D

Strengthening the credibility of EU Taxonomy compliance through standardised reporting, independent verification and alignment with the actual operation of buildings.

This may also include:

- standardisation of documentation formats,
- the use of available tools for assessing specific criteria (e.g. national soil assessment systems as an interim solution).

Measured by:

- the proportion of verified projects,
- the extent to which operational data is used in reporting.

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Inadequately defined framework for the implementation of EPBD IV

06

CHALLENGE

Unclear financing, data and technical requirements

The implementation of EPBD IV in the field of building renovations faces several major barriers. The financing of energy renovations remains uncertain due to inadequately defined budgets and weak links between public support and the banking sector, which limits the availability of financing and reduces the incentive to carry out renovations.

At the same time, there is a lack of systematic and well-managed support for project preparation, which complicates decision-making for investors and reduces the success rate of renovation projects.

In the area of technical requirements, uncertainty persists regarding the updating of methodologies (e.g. cost-effectiveness) and the insufficiently defined parameters of building envelopes in legislation.

Another fundamental shortcoming is the absence of a unified system for the collection and management of building data, which would enable systematic planning of renovations and the evaluation of their impacts.

RECOMMENDATION

Establishing a stable and predictable framework for the implementation of EPBD IV

The creation of a stable, predictable and functional framework for the implementation of EPBD IV, which will link financing, technical requirements, advisory support and data infrastructure and enable the effective delivery of renovations in line with European targets.

This approach should include:

- ensuring stable and long-term financing for renovations,
- strengthening and standardising advisory support for investors,
- clearly anchoring technical requirements in legislation,
- creating conditions for the systematic collection and use of building data.

TOOL

Tool A — Financing renovations

- guarantee in advance the volume of funding for co-financed loans and enable their combination with grant schemes
- actively involve private banks and building societies in the financing of renovations
- link financing to tools such as renovation passports

Measured by:

- volume of private capital mobilised
- number of supported projects combining grants and loans

Tool B — Advisory support (OSS)

- establish a centralised management and quality control system for the One-Stop Shop (OSS) network
- utilise existing standards (e.g. EKIS)
- ensure the availability of support during project preparation

Measured by:

- uptake of advisory services
- project success rate (implementation vs. preparation)

Tool C — Technical requirements and regulations

- tighten energy performance requirements (e.g. by approximately 10% compared to nZEB II)
- enshrine key parameters (e.g. heat transfer coefficient U) directly in legislation
- clearly define requirements for systems (measurement and control, renewable energy sources, mobility)

Measured by:

- the energy performance of new and renovated buildings
- degree of application of technical standards

Tool D — Building data and registers

- conduct a comprehensive survey of the building stock and establish a methodology for monitoring indicators
- facilitate expert discussion on the data to determine the mix of measures
- create a Building Energy Performance Database (DEN) as a building logbook, linked to the land registry

The database should collect:

- PENB
- inspections and audits
- renovation certificates
- evidence of energy-saving measures and savings

Measured by:

- existence and use of the database
- degree of data coverage of the building stock

Recommendations for municipalities

Strategic Recommendations for Municipalities

Overview of key measures for building decarbonisation

01

FINANCING AND ECONOMIC INSTRUMENTS

CHALLENGE



Renovations driven by grants, not building needs.

RECOMMENDATION



Shift to long-term renovation planning based on the condition of buildings.

TOOL



Building passport → priorities → financing → implementation.

02

GREEN PUBLIC PROCUREMENT

CHALLENGE



Public procurement is still primarily evaluated based on price.

RECOMMENDATION



Systematically include environmental and qualitative criteria.

TOOL



Municipal green procurement standard (WLC, EPD, circularity, ESG).

03

EXPERT CAPACITY AND MUNICIPAL TRAINING

CHALLENGE



Lack of professional capacity and practical experience.

RECOMMENDATION



Link training, advisory support and the sharing of best practices.

TOOL



Regional technical assistance and project checklist.

04

ESG, EU TAXONOMY AND DNSH IN PUBLIC INVESTMENTS

CHALLENGE



Complex and delayed compliance with DNSH and EU Taxonomy requirements.

RECOMMENDATION



Carry out ESG/DNSH screening during project preparation.

TOOL



Screening framework: EPC → WLC/LCA → EPD → DNSH.

05

TIMBER CONSTRUCTION IN PUBLIC BUILDINGS

CHALLENGE



Timber is not commonly assessed as an equivalent alternative.

RECOMMENDATION



Systematically evaluate the use of timber in public buildings.

TOOL



Scenario assessment: cost, emissions, construction, maintenance, fire safety, acoustics.

06

DATA, MONITORING AND DIGITAL TOOLS

CHALLENGE



Lack of high-quality data on buildings and their operation.

RECOMMENDATION



Centralise building management through digital tools.

TOOL



Digital building passport: EPC, energy, inspections, renovations, GIS.

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Timber buildings in public
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and digital tools

Financing and economic instruments

01

CHALLENGE

Renovations driven by grants, not building needs

Municipalities often renovate buildings based on which grant schemes are currently open, rather than on the actual **priority of the buildings** in the municipality's portfolio. There is a lack of systematic inventorying of the municipal building stock, assessment of renovation needs, and a **multi-year investment plan**.

At the same time, municipalities are often unaware of **alternative methods of financing** and project preparation, such as EPC, Performance Design and Build, or the use of preferential co-financed loans.

For smaller municipalities, the problem is further exacerbated by **weak methodological and project support** from higher-level authorities.

RECOMMENDATION

Introduction of multi-year planning for the renovation of municipal buildings

Municipalities should move away from the unsystematic use of grants towards long-term renovation planning based on the condition of buildings and investment priorities.

TOOL

Introduction of a **municipal investment plan for building renovations** based on an inventory of municipal buildings and the categorisation of projects according to suitable financing methods.

In practice, this means:

- establishing an inventory of municipal buildings
- defining renovation priorities for individual buildings
- assigning an appropriate model to each project:
 - grant;
 - preferential co-financed loan;
 - EPC;
 - Performance Design and Build.

At the same time, it is essential to provide **methodological and project support to municipalities** in preparing these steps. This can be provided by regions, ORPs or local action groups, for example through shared project managers at the level of micro-regions or voluntary associations of municipalities.

In some regions, roles already exist that can provide this support — for example, **innovation brokers** (in the South Moravian Region under the JINAG agency) or regional development agencies. It is advisable to make systematic use of these capacities and to develop them further, particularly for the benefit of smaller municipalities.

MUNICIPAL INVESTMENT PLAN FOR BUILDING RENOVATIONS



Building passport

Inventory and condition
assessment



Renovation priorities

Assessment and ranking



Financing model

Options and assignment



Implementation

Delivery with support

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02

CHALLENGE

Public procurement is still primarily evaluated based on price

Public procurement by municipalities still often **fails to take environmental and emissions criteria into account**. In procurement, the awarding of projects (studies, project documentation and contractors) is predominantly based on price. There is a lack of a uniform practical procedure for incorporating quality requirements and environmental criteria such as WLC, EPD, ESG or EU Taxonomy into the documentation.

At the same time, municipalities face practical barriers:

- lack of capacity and time,
- limited budgets,
- the unpreparedness of the market and suppliers,
- the absence of templates and methodologies

Another problem is **uncertainty about what can be specified and how to correctly assess quality against price**.

RECOMMENDATION

Introduction of systematic consideration of environmental and emissions criteria in public procurement

Municipalities should systematically use the MMR methodologies and incorporate environmental and emissions criteria into tender specifications. The new methodologies should clearly describe how to define quality criteria in tender documentation so that they cannot be challenged. This also applies to the method of evaluating submitted bids.

Including quality requirements in the documentation for grant schemes or other forms of financial support for municipalities will help increase demand (similar to the Affordable Housing scheme, where methodologies were also developed).

For construction projects, consideration should gradually be given not only to price, but also to:

- life cycle (WLC),
- material parameters,
- EPD,
- recycled content,
- comparison of design options.

Good practice from municipalities:

› Česká Kamenice:

- 30% price / 70% quality
- evaluation: portfolio, experience, responses, presentation (10%)

› Libeznice:

- approx. 70% price / 30% quality
- emphasis on the implementation team's experience

TOOL

Introduction of a standard for municipal green procurement as a supporting tool for the preparation of tender documentation. The standard should serve as a practical guide, not a rigid template, and should allow for adaptation to specific projects and market conditions.

The standard should include:

- an assessment of the suitability of using WLC
- EPD requirements for relevant materials
- the possibility of LCA comparisons between alternatives
- circularity criteria:
 - minimum % of recycled content
- preference for re-use of components
- use of MMR methodology (ESG, EU Taxonomy)
- recommended weighting of quality vs. price (e.g. 60—70% quality for complex projects)

At the same time, it is important to **take into account the contracting authority's capacity and market readiness**, so that the requirements do not lead to a reduction in the number of bidders or unsuccessful tenders.

Accompanying measures:

- systematically improve municipalities' knowledge of sustainable procurement and DNSH
- clearly communicate the benefits of these requirements for project quality and long-term costs
- support their integration into lifelong learning (e.g. ČKA, ČKAIT)
- develop practical methodologies and examples of good practice

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CHALLENGE

Lack of professional capacity and practical experience

Municipalities often lack sufficient **technical capacity for planning and managing investments** in the context of decarbonising the construction sector. Practical experience shows that municipalities prefer **concrete solutions and project-specific support** rather than general methodologies.

There is a particular lack of knowledge in the following areas:

- EPD, LCA, pre-demolition audits,
- circular procurement,
- implementation of the EPBD,
- alternative financing (EPC, PDB).

Main barriers:

- lack of time and staff capacity,
- limited financial resources,
- lack of practical advice.

RECOMMENDATION

Strengthening capacity through practical advice

Municipalities should combine:

- targeted training,
- practical project advice,
- sharing of good practice.

TOOL

Introduction and use of regional technical assistance supplemented by:

1. municipal project checklist

- funding,
- WLC,
- EPD,
- circularity,
- Brownfield sites,
- renewable energy,
- procurement.

2. practical advisory module

- EPC and financing,
- DNSH in practice,
- procurement,
- working with EPD/LCA.

REGIONAL TECHNICAL ASSISTANCE

MUNICIPAL PROJECT CHECKLIST



Financing



WLC



EPD



Circularity



Brownfield



RES



Procurement



PRACTICAL ADVISORY MODULE



EPC and
financing



DNSH in
practice



Public
procurement



Working
with EPD/
LCA

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ESG and the EU Taxonomy in public investment + DNSH

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CHALLENGE

Complex and delayed compliance with DNSH and EU Taxonomy requirements

Municipalities do not have a standardised practical approach to implementing ESG and the EU Taxonomy.

In practice, DNSH proves to be extremely challenging:

- requirements arrive late (after the building permit or during construction);
- high administrative burden regarding waste (70% recycling rate, weighing slips);
- requirements for materials are difficult to apply in practice;
- the need for formal workarounds (declarations of compliance).

RECOMMENDATION

Introduction of early ESG/DNSH project screening

Municipalities should address DNSH as early as the study and investment plan phase and incorporate the requirements into tender specifications and contracts.

TOOL

Introduction of ESG/EU Taxonomy screening of municipal projects as early as the investment plan stage.

The form should assess:

- whether an Energy Performance Certificate (EPC) is required;
- whether it is appropriate to include WLC / LCA;
- whether EPDs are required;
- whether DNSH applies;
- whether waste, water and materials need to be addressed;
- whether the project relates to circularity or monitoring.

It is crucial to incorporate DNSH requirements into contracts right at the start of the project.

ESG/DNSH SCREENING ASSESSMENT FORM



EPC

Energy Performance
Certificate



WLC/LCA

Assessment of lifecycle
costs and impacts



EPD

Environmental Product
Declaration



DNSH

Assessment of the „Do No
Significant Harm“ principle



Waste, Water and Materials

Management of waste,
water and materials



Circularity and Monitoring

Link to circularity or
monitoring

The screening results are reflected in procurement, contracts and project management.

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CHALLENGE

Timber is not commonly assessed as an equivalent alternative

Perceptual barriers to timber construction persist:

- myths (fire, durability, acoustics),
- concerns about damp,
- low uptake in public procurement.

These barriers mean that **timber is not systematically considered as an equivalent option for public buildings**, even though it can deliver significant environmental benefits. In practice, it is also becoming clear that **the introduction of whole-life carbon (WLC) requirements**, which allow for a more objective comparison of material options, can contribute significantly to driving change.

RECOMMENDATION

Active evaluation of the potential for using timber in public buildings

Municipalities should systematically evaluate the use of timber as one of the options when preparing public projects, whilst also promoting the sharing of good practice. The sharing of specific experiences by both project commissioners and building users plays an important role, helping to break down persistent barriers and uncertainties.

TOOL

Introduction of alternative material assessments for selected public buildings, enabling a comparison of standard solutions with options utilising timber.

The assessment should include:

- cost,
- emissions (including WLC),
- construction time,
- maintenance requirements,
- fire safety measures,
- acoustics,
- moisture protection.

ASSESSMENT OF PUBLIC BUILDING DESIGN OPTIONS



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CHALLENGE

Municipalities often lack systematic data on their assets:

- there is no building maintenance log,
- there is no systematic monitoring of energy consumption and emissions,
- the level of digitalisation in asset management is low.

Without high-quality and accessible data, it is difficult to plan renovations effectively, assess their benefits and optimise the operation of buildings.

Another barrier is the limited capacity of smaller municipalities to implement and manage digital tools in the long term — external solutions often fail to provide sufficient transfer of know-how, and internal management is only feasible if simple and user-friendly tools are available.

RECOMMENDATION

Development of a digital building passport

Municipalities should systematically introduce digital tools for building management and centralise data on their technical condition and operation.

TOOL

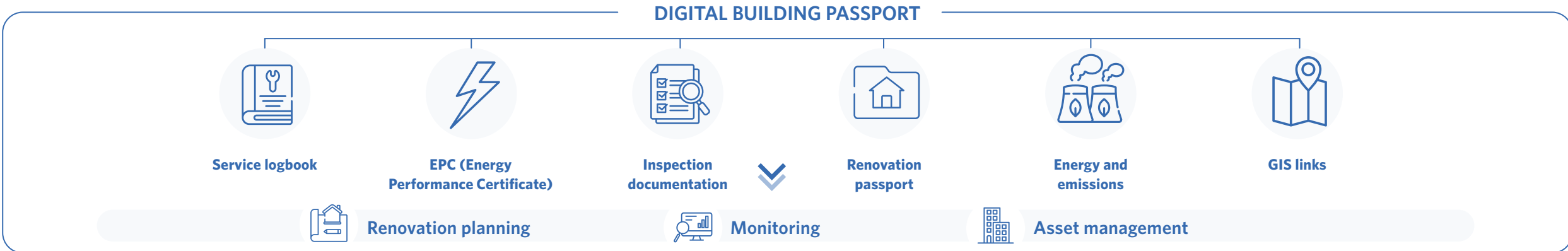
Introduction of a digital building passport as a unified tool for data recording and management.

The digital passport should contain:

- a building maintenance log (DEN),
- energy performance certificate (PENB),
- renovation passports,
- inspection and maintenance documentation,
- data on energy consumption and emissions,
- including linkage to GIS (particularly for larger portfolios or brownfield sites).

At the same time, it is essential to provide **methodological and technical support during the implementation of these tools**, particularly for smaller municipalities. This support can be provided by counties, ORPs or other regional bodies.

It is crucial that the chosen solutions are sufficiently simple and understandable for users, enable **the transfer of knowledge to the municipality**, and are not solely dependent on external suppliers.



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Data, monitoring
a digitální nástroje

Illustrative examples from municipal practice

The following examples illustrate the practical impacts of the above-mentioned barriers and municipal decision-making processes:

Česká Kamenice: The town needed to repair the cinema, but for funding reasons they had to expand the project and ‘repurpose’ it as a ‘cultural and creative centre’ in order to secure funding. It turned out that a comprehensive renovation of the cultural centre was unrealistic, so they focused on the most pressing issue — energy efficiency. They purchased a new gas boiler room and pipework from their own budget, as gas-based solutions are not eligible for subsidies, but the town will recoup the investment through savings within 6—7 years.

Líbeznice: Here, the situation is driven by the dilapidated state of a historic 19th-century apartment block with 10 flats, where windows were insensitively replaced with plastic ones in the 1990s without any insulation. The current comprehensive renovation will not only repair the building but also create 5 new flats in the attic space. However, their plans have been complicated by an unexpected shortfall in the subsidy for affordable rental housing (the allocation has been exhausted), so the municipality must finance the construction mainly from its own resources. Furthermore, the mayor of Líbeznice confirmed that they are primarily trying to rely on their own budget, as subsidies tend to be unreliable.



Kino Česká Kamenice. Návrh přestavby kina na multifunkční kulturní centrum.
Source: <https://archilab.cz/kino-ceska-kamenice>

These strategic recommendations build on CZGBC's previous work in the field of construction sector decarbonisation, particularly the Zero Carbon Roadmap and Zero Carbon Roadmap 2.0 documents. Together, they form a set of recommendations and tools supporting the transformation of the Czech construction sector towards a low-carbon future.



Related Resources and Further Information

Zero Carbon Roadmap



Zero Carbon Roadmap 2.0



Update of Goals, Measures and Priorities

Czech Green Building Council



ClimArchiBase

