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GD4B Roadmaps

Czech Stakeholders' Roundtable

Implementation and Replication Policy Guidelines to Czech Roadmaps

Prague, Czechia

2024

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Content

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Explanations for the deliverables covered in this document

This document contains the results of the Czech Stakeholder Roundtable on the implementation of the objectives of the European Green Deal and the REPowerEU Action Plan, as well as the relevant implementing regulations in the field of buildings and city infrastructure.

The structure of this consolidated document was chosen with emphasis on clarity and explanatory strength. Throughout the roundtables meetings, 53 specific measures were drafted and subsequently grouped in 9 clusters. Clusters, therefore, represent an aggregated information about a coherent topic that is further divided into specific measures.

This document therefore firstly presents the summary of clusters as were included in a series of implementation and replication policy guidelines (D5.7 to D5.10). A reader thus gets an overview of topics. What follows is a list of all specific measures described in detail. The list covers all four Czech final roadmaps (D4.7 to D4.10) but for the sake of clarity only measures are presented (corresponding with updated D2.4).

This document consists of:

- *(Sections 1 to 3)* Consolidated deliverables D5.7 to D5.10 titled **Implementation and Replication Policy Guidelines to Czech Roadmap for Residential Buildings** (D5.7) / **Non-residential Buildings** (D5.8) / **Industrial Buildings** (D5.9) / **City Infrastructure** (D5.10).

- *(Section 4)* **D2.4 Finalised Description of the Czech Measures for Implementing SF4SB**: *includes all the measures identified in Czechia across all four areas covered by roadmaps. Measures are updated and reflect the latest versions of measures as submitted in D4.7 to D4.10.*

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Summary

The GreenDeal4Buildings (GD4B) initiative aims to drive sustainable energy investments in Slovakia and the Czech Republic by establishing multilateral dialogue and collaboration among key stakeholders. Through a series of roundtables, this project seeks to align national and regional authorities, financial institutions, energy service companies (ESCOs), and the broader construction sector—including a significant focus on small and medium-sized enterprises (SMEs)—to develop comprehensive roadmaps and action plans.

These discussions focus on developing an extensive portfolio that not only meet national and European energy efficiency goals, but also private capital and public support schemes to maximize impact. The project's framework aims to provide a sustainable, inclusive pathway for the renovation of buildings, ensuring alignment with the European Green Deal's targets and fostering economic growth through green and digital innovation.

This document is designed to enhance energy efficiency in the built environment, support market-disruptive innovations, and facilitate the aggregation of smaller projects into scalable, bankable investment packages. Implementation and Replication Policy Guidelines stops short of covering another key topic also discussed in round tables: Transformation of construction industry, a prerequisite of achieving the goals of the Renovation Wave, has been prepared by a dedicated project DoubleDecker (LIFE, GA no. 101077450) within the Build-Up-Skills pillar.

This **Implementation and Replication Policy guidelines to Czech Roadmap for residential buildings** includes the origin of the policy paper, justification for the policy, formulations of the relevant measures, actions to be taken, stakeholder consultation process, and implementation timeframe. These guidelines aim to facilitate the implementation of successful European and national initiatives from other Member States by leveraging expertise and resources generated by relevant H2020 projects.

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1 Introduction

Due to the amendment to the European directives on energy efficiency (EED) and energy efficiency of buildings (EPBD), the new requirements for energy savings reflected in the National Energy and Climate Plan (NECP) and the State Energy Policy (SEP) will be ambitious in the Czech Republic, and the effort to make their implementation in the Czech Republic as efficient as possible is key to meeting the strategic goals. However, the renovation of buildings in the Czech Republic is not reaching the necessary pace. The main causes are inefficient financing, lack of projects and insufficient implementation capacity. To accelerate this process, a Round Table activity was created within the GreenDeal4Buildings project.

The Roundtables are permanent discussion forums involving more than 160 stakeholders from a large number of stakeholders, such as government, regional and local authorities, financial institutions, energy service providers, building owners and operators, building value chain companies (construction companies, designers, material manufacturers), academia and other sectors directly or indirectly linked to energy efficiency. The aim of the round tables was to analyse the possibilities of expanding existing solutions and initiatives that have been successful in other countries of the European Union and to develop the relevant strategies, this national plan and subsequently an action plan for its implementation.

The final **Czech National Plan for Residential Buildings** (or *Roadmap*) summarises specific and cross-cutting measures to improve the financing of energy efficiency in buildings in the Czech Republic. The roadmap builds on the outcomes of the eight roundtables organised from January 2022 to January 2024 and summarises the general approach agreed by the roundtables to improve the financing of energy savings in buildings and urban infrastructure. In total, more than 50 measures were identified to address the obstacles and problems identified.

This document entitled **Implementation and Replication Recommendations for Public Policies on the Czech National Plan for Residential Buildings**:

- It builds on the roadmaps by recapitulating and summarising clusters of measures, and expands them into the broader context of national and European policies.
- It proposes further direction for the development of public policies in these areas.
- It identifies the necessary coordination and cooperation of stakeholders for the implementation of measures.
- It omits one of the key topics discussed at the round tables, namely the transformation of the construction industry, which is a prerequisite for achieving the goals of the Renovation Wave, and was developed within the dedicated DoubleDecker project (LIFE, GA No. 101077450) in the Build-up-skills pillar.
- It also includes a recommended timeframe and expected impacts.

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2 GD4B Roadmap Objectives

The turn of 2023 and 2024 brought significant changes in European climate legislation. Following the Green Deal for Europe strategy, the Fit for 55 package and the Renovation Wave strategy and new ambitious targets, key European directives have been amended in the area of reducing greenhouse gas emissions, increasing energy efficiency and increasing the use of renewable resources. In September 2023, the revised Energy Efficiency Directive (EED III) was published, and in April 2024, the new Energy Performance of Buildings Directive (EPBD IV) was published. Last year, these changes were supplemented by an amendment to the Directive on the promotion of the use of energy from renewable sources (RED III).

The EED III has increased the 2030 energy savings targets, which should lead to climate change mitigation and the achievement of the 2050 objective of decarbonising the economy. The directive calls for the application of the 'energy efficiency first' principle so that only the energy that is actually needed is produced, investment in unprofitable assets is avoided, and energy demand is reduced and managed in a cost-effective manner.

The Directive further extends the requirements for the public sector to lead by example in the field of energy efficiency. It calls for a reduction in the final energy consumption of the public sector as a whole by 1.9% per year, extends the obligation to renovate buildings by 3% of the total floor area of buildings per year to all levels of government, and takes greater account of sustainability aspects in public procurement and concessions.

While the EED defines objectives at a more general level, the EPBD IV already puts forward more specific requirements for both existing and new buildings. The primary objective of this directive is to minimize the production of greenhouse gases and achieve energy self-sufficiency of buildings. To meet these objectives, the Directive introduces a new energy standard, so-called zero-emission buildings. In terms of energy consumption, this standard is to be only about 10% stricter than the currently valid minimum requirements under Decree No. 264/2020 Coll. on the energy performance of buildings, however, an essential requirement is that the zero-emission building must not cause any carbon emissions from fossil fuels on site and that the total annual primary energy consumption must be fully covered by energy from renewable sources on an annual basis, that is, from carbon-free sources, or energy from an efficient district heating and cooling system, and that a zero-emission building should have the ability to be energy flexible.

The primary benefit of energy-efficient **residential buildings** is to provide comfort to their occupants and reduce the cost of their use. The implementation of energy efficiency measures will lead to the promotion of comfortable and healthy living, and the reduction of energy consumption will be reflected in the decarbonisation of the economy, together with an increase in the share of renewable sources in the operation of buildings.

In the case of projects with high energy efficiency standards or intelligent buildings, these are very often cases where the payback period is longer than a financially acceptable level. To shorten the payback period, a number of financial support instruments can currently be used, from which it is possible to obtain financial support for both technical assistance in project preparation and project implementation. Energy saving measures for various areas are supported within the framework of individual subsidy programs financed from the European Structural and Investment Funds and also from national funds. In addition, there are combined instruments or preferential debt financing.

The final Czech National Plan for Residential Buildings (Roadmap) consists of three parts: context and strategic objectives, a set of measures divided into cross-cutting measures common to all four roadmaps, and specific measures related only to a specific roadmap. The last part is the implementation plans, which summarize the time outlook of the measures, stakeholders and sources of funding.

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3 Implementation and replication guidelines

Implementation and replication guidelines are broken down into clusters.

Cross-sectional clusters:

1. Sustainability in financing,
2. Risks associated with the introduction of ESG in the construction sector,
3. Increasing the efficiency of financial instruments,
4. Raising awareness in the field of EU climate and energy policy,
5. Performance design and build ((P)D&B),
6. Energy communities.

Clusters specific to the Residential Roadmap:

7. Energy poverty,
8. Support for the use of RES in buildings,
9. Improving the quality of renovations – comprehensive renovation.

3.1 Financing Sustainability

3.1.1 Context

The aim of the EU Sustainability Finance Strategy is primarily to create a robust external framework to mobilise and align all sources of sustainability financing in the internal market – public, private, national and international – so that as much funding as possible can be concentrated on reducing risks arising from climate, environmental, social and governance risks (transition or physical), while strengthening the stability of EU and national financial systems. In the Annex to the EU Sustainability Finance Strategy, the Commission has also set itself the goal of implementing a total of six specific actions grouped around four key areas, which represent a detailed roadmap for the development of all sustainability financing instruments at EU level. Some of the measures have already been met. However, some are still in the process of being prepared by EU institutions.

3.1.2 Cluster description

Key EU strategies, plans, legislation, regulation and technical guidance, together with the parallel fundamental turn of the global financial world towards the management of climate risks in particular, are already starting to be reflected in all areas of the national economies of EU countries, including energy and energy saving projects.

Meeting the requirements of sustainable finance, for which the profile of risks and opportunities in the area is known, will become a necessary condition for obtaining any significant financing, not only public support, but also sources on the financial markets, gradually in all sectors. On the other hand, general finance as a sustainable finance counterpart can be expected to be less attractive in terms of capital allocation.

For the Czech Republic to succeed in this transformation, it is necessary to develop a comprehensive strategy at the national level that will build on these activities and, following the example of some other EU Member States, will implement measures to ensure the transfer of public and private financing to areas that are critical for this transformation. This funding must ensure the full cycle from R&D and innovation, education, support for the implementation of these innovations in critical sectors (e.g. energy, construction, new industries focused on climate-neutral economic activities) as well as

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in society as a whole, ensuring the necessary social innovation and adaptation of society while ensuring a just transition and social inclusion.

Essential for the success of the strategy is the high-quality involvement of stakeholders in its preparation and the creation of an effective coordination, implementation and monitoring framework for dynamic management and administration of its implementation, including sufficient human and financial resources. This framework will also include principles for stakeholder involvement.

3.1.3 Related existing policies or existing activities at national/European level

These are the EU Taxonomy Regulation[1] in 2020[2], followed by the adoption of the first climate delegated acts defining the EU Taxonomy technical screening criteria in 2021 to 2023[3] and environmental criteria in 2023[4], as well as a delegated act determining the scope of information to be provided by undertakings in relation to the EU Taxonomy and how to calculate taxonomic performance indicators linked to capital expenditures; operating expenses and turnover[5].

The EU Taxonomy, as a unified EU sustainability classification system, is intended to help finance investments that are more environmentally friendly, have greater social benefits and are therefore universally sustainable in the future.

As mentioned above, detailed technical screening criteria of the EU Taxonomy are also gradually being issued. According to them, from 1 January 2022, the so-called "environmentally sustainable" economic activities and investments and those that do not "significantly harm" the environment (the "do no significant harm" rule, DNSH) are uniformly determined in the internal market.

Sustainability reporting obligations under the Corporate Sustainability Reporting Directive (CSRD) have also been added for many companies[6] . The CRSD was approved by the European Parliament and the Council in November 2022 and published in the Official Journal in December 2022. EU member states will now have 18 months from the entry into force to incorporate it into national legislation at least for the category of companies that were already subject to non-financial reporting[7], i.e. until 6 July 2024[8].

Under the CSRD, companies that were already subject to the non-financial reporting obligation under the less demanding 2014 Regulation[9] (NFRD) are now obliged to have their non-financial statements for the financial year 2024 verified (including publication) in accordance with the new 12 general[10]

[1] See https://eur-lex.europa.eu/legal-content/CS/ALL/?uri=CELEX:32020R0852.

[2] See https://eur-lex.europa.eu/legal-content/CS/TXT/HTML/?uri=CELEX:52021DC0390.

[3] See https://eur-lex.europa.eu/legal-content/CS/TXT/HTML/?uri=CELEX:32021R2139, https://eur-lex.europa.eu/legal-content/CS/TXT/?uri=CELEX:32022R1214, and https://eur-lex.europa.eu/legal-content/CS/TXT/HTML/?uri=OJ:L_202302485

[4] See https://eur-lex.europa.eu/legal-content/CS/TXT/HTML/?uri=OJ:L_202302486.

[5] See https://eur-lex.europa.eu/legal-content/CS/TXT/HTML/?uri=CELEX:32021R2178.

[6] Corporate Sustainability Reporting Directive, Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU as regards corporate sustainability reporting, https://eur-lex.europa.eu/legal-content/CS/TXT/?uri=CELEX%3A32022L2464.

[7] According to the Commission's estimates, the obligations under the CSRD should directly apply to approximately 50,000 companies in the EU and 1.3,000 in the Czech Republic alone. The agreement on the wording of this directive is one of the successes of the Czech Presidency of the Council of the EU in the second half of 2022.

[8] In the Czech Republic, these requirements have been implemented for the first wave of businesses by amending the Accounting Act through Act No. 349/2023 Coll., amending certain acts in connection with the consolidation of public budgets. For the next wave of obliged entities, another amendment to the Czech Accounting Act is currently being prepared.

[9] Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups, as amended.

[10] These general ESRS are to be followed by a total of 41 sectoral ESRS, as well as standards for SMEs and foreign companies. For more, see https://www.efrag.org/Activities/2205170712504435/ESRS-Sector-Standards.

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European Sustainability Reporting Standards (ESRS), the draft of which was published at the end of July 2023 and is now in force[11] (General ESRS Regulation), as early as 2025[12].

Within the EU, basic innovated binding supplementary regulations on non-financial reporting of the financial sector and entities regulated in it in relation to sustainability have already been adopted. A key milestone was the adoption of the Regulation on sustainability-related disclosures in the financial services sector[13] in November 2019 (SFDR), which is now being supplemented by relevant implementing regulations, in particular the so-called Regulatory Technical Standards[14] (RTS), and at the end of last year, the Commission held a public consultation on this regulation as part of the SFDR revision[15].

All of the above and other measures are intended to enable investors to reorient investments towards more sustainable technologies and activities and will be essential to make Europe climate-neutral by 2050 (Climate Pillar), protect human lives, animals and plants by reducing pollution (Environmental Pillar), help ensure a just and inclusive transition (Social Pillar) and help companies become world leaders in clean products and technologies (Technology Technology). pillar).

It is also worth mentioning the issuance of a regulation from November 2023 laying down rules for voluntary standards for green investments, the so-called European standard for green bonds.[16] The standards are based on detailed criteria of the EU taxonomy and aim to ensure a level of transparency in line with best market practices

3.1.4 New policy recommendations

To ensure sustainability in financing, it is necessary to develop a comprehensive sustainability financing strategy at the national level, which will ensure the transfer of public and private financing to areas that are critical for this climate transition. This funding must ensure the full cycle from R&D and innovation, education, support for the implementation of these innovations in critical sectors (e.g. energy, construction, new industries focused on climate-neutral economic activities) as well as in society as a whole, ensuring the necessary social innovation and adaptation of society while ensuring a just transition and social inclusion.

In mid-2023, the Ministry of Finance established a national Sustainability Finance Platform as an informal format for ad hoc information and discussion of issues related to sustainability finance, consisting of a part (chamber) made up of selected ministries and state institutions and selected associations and actors from the private sector of local governments.

The Czech Platform for Sustainability Finance should be responsible for coordinating activities in the field of sustainability financing, transferring and disseminating trends, innovations, good practices and

[11] Angl. European Sustainability Reporting Standards. Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023

supplementing Directive 2013/34/EU of the European Parliament and of the Council with regard to sustainability reporting standards https://eur-lex.europa.eu/legal-content/CS/TXT/HTML/?uri=OJ:L_202302772.

[12] As of January 2023, large non-financial liabilities started to assess and report their alignment with climate objectives under Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of the information to be disclosed by undertakings pursuant to Articles 19a or 29a of Directive 2013/34/EU in relation to environmentally sustainable economic activities; and specifying the methodology for the purpose of fulfilling this disclosure obligation.

[13] Sustainable Finance Disclosure Regulation, Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, as amended; https://eur-lex.europa.eu/legal-content/CS/TXT/HTML/?uri=CELEX:32019R2088.

[14] Angl. Regulatory Technical Standards. See, for example, Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of information on environmental, social and governance risks (OJ L 144, 12.12.2022, p. L 324,19.12.2022, p.1.).

[15] For more, see https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13961-Report-on-the-Sustainable-Finance-Disclosure-Regulation/public-consultation_en.

[16] European Green Bond Standard (EU GBS): https://eur-lex.europa.eu/legal-content/CS/TXT/HTML/?uri=CELEX:02023R2631-20240109&qid=1715102352461.

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news from the international and EU levels and monitoring the fulfillment of tasks arising from relevant strategic documents.

It is appropriate to ensure the institutionalization of this platform and to intensify its activities (including regular meetings and the introduction of internal rules) so that it not only brings information and consensus on the development of the sustainability financing ecosystem in the Czech Republic, but also contributes to addressing the technical topics of this development. It should have its coordination part (coordination group) and technical part (advisory group) on selected topics, similar to the EU Sustainability Finance Platform,[17] including the focus of one of these advisory projects focused on buildings.

It is also important **to prepare a comparative study** analysing different models of the institutional arrangement of sustainability in other EU Member States and to prepare a reform proposal for a permanent national institutional arrangement for sustainability in the EU concept in the Competence Act.

3.1.5 Expected impacts

Impact on energy savings: low/medium/**tall**

Expanding the sustainability aspect of finance will lead to an increase in investment in energy efficiency and decarbonisation in the long term.

Duration of energy savings impacts: short-term/**permanent**

The energy savings achieved will be long-term.

Impact of the measures on the current system: small/medium/**big**

In particular, non-financial reporting will bring (and already brings) a revolution in reporting, where information on the environmental performance of companies will become a standard part of financial statements.

3.2 Energy services

3.2.1 Context

The Energy Performance Contracting method (EPC)[18] has been used in the Czech Republic for 30 years. Hundreds of projects solved by this method have brought clients CZK 6.1 billion in operating cost savings, reduced the amount of emissions released into the air by more than 1 million tons and ensured investments in the appreciation of clients' buildings in the amount of almost CZK 7 billion.

Improving the situation and increasing interest in EPC projects on the part of the state, but also regions, cities and municipalities, can be helped by an appropriate update of the MNMC, now with the active involvement of other affected organizations, especially the Czech Statistical Office and the Ministry of Finance of the Czech Republic.

Fewer EPC projects are implemented in industry than in the public sector. There are several reasons, but the main one is certainly the fact that the payback period of austerity measures required and usually still requires the conclusion of multi-year contractual relationships, which used to be and often still is the psychological limit of investors and banks that should buy a future receivable.

[17] See https://finance.ec.europa.eu/sustainable-finance/overview-sustainable-finance/platform-sustainable-finance_en.

[18] EPC = Energy Performance Contracting, the Czech equivalent of "energy services with a guaranteed result (or guaranteed savings)"

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3.2.2 Cluster description

3.2.3 Related existing policies or existing activities at national/European level

According to Article 5 of the European Energy Efficiency Directive referred to as EED 2012/27/EU, each Member State is to ensure that 3 % of the total floor area of heated or cooled buildings with a total useful floor area of more than 500 m2 owned and used by its central government is renovated annually in order to comply with at least minimum energy performance requirements. The Czech Republic has been able to meet this requirement only partially.

3.2.4 New policy recommendations

A change in the view of EPC projects, which include a supplier credit, will help to increase the use of EPC projects in state-owned buildings (and a domino effect in others) and thus increase the number of these projects and the resulting benefits. An appropriate measure is to grant an exception in the methodology that is currently applied to the reporting of the state debt. Specifically, **to grant** these **projects implemented under Section 10e of Act No. 406/2000 Coll. an exemption from the ban on accepting supplier credits**. In addition, the state will retain control over the implementation and repayment of liabilities.

Organizational units of the state (OSS), which are ministries, courts, police, tax offices, the Office of the President, the Office of the Government and a number of other institutions, cannot use the EPC method because accepting a supplier loan increases the state debt. In this case, it would be possible **to solve the EPC project using a contract without affecting the state debt**, or the so-called Maastricht-Neutral Model Contract (MNMC).

Although the proposed Maastricht-neutral contract model solves the problem by transferring project risks to energy service providers, and it is likely that these requirements will make the project more difficult and expensive, it is important, where the client wants, to implement the EPC project according to these rules, in close cooperation with the Czech Statistical Office, which is the guarantor of the correctness of accounting for costs in the state debt. Taking advantage of the opportunity to implement energy-saving projects without increasing the national debt will help to meet the energy savings targets.

A draft of the MNMC model contract for use in OSS has already been developed and can be used within the current legislation, but for organizational units of the state still without the possibility of third-party financing. It is therefore necessary to amend the wording of Act No. 218/2000 Coll., on Budgetary Rules, e.g. by granting an exemption from this prohibition in the event that the OSS implements the project using the EPC method in accordance with Section 10e of Act No. 406/2000 Coll., on Energy Management.

Raising awareness of the benefits of EPC and (P)D&B energy services, where the advanced method of life-cycle procurement meets the state-required 3E principles (principle of public funds management – effectiveness, efficiency, economy), [19]includes the innovativeness of the solution design as one of the competition parameters, and uses it in the public sector, especially in state-owned institutions, as a primary business model or at least to a greater extent, as recommended in EED 2012/27/EU, i.e. more than is the case now (an average of 10 projects per year).

Preferential treatment of energy services in OP TAK subsidy calls. Applicants who choose the EPC or Performance Design & Build (PDB) method for the implementation of energy-saving measures in their companies should be given an advantage similar to that in the Operational Programme Environment. The use of EPC or PDB in a project increases the contribution to decarbonisation by maximising energy

[19] Source: MFČR: https://www.mfcr.cz/assets/attachments/2022-09-26_CHJ-MP-23-Povinnost-aplikace-principu-3E.pdf

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savings, while enhancing energy security. Their standardization also reduces the administrative burden when processing the subsidy.

Creating regulatory frameworks that **promote growth and competition in the energy services market**. Efforts to remove legislative obstacles and simplify the regulatory environment for energy service providers. Acceleration and streamlining of approval processes for new energy projects.

3.2.5 Expected impacts

Impact on energy savings: low/medium/**tall**

The expansion of energy services to include government bodies and the development of PPAs and innovative energy services will bring additional energy efficiency gains in buildings where they would not otherwise occur.

Duration of energy savings impacts: short-term/**permanent**

The energy savings achieved will be long-term.

Impact of the measures on the current system: **small**/medium/large

These are parametric changes.

3.3 Increasing the efficiency of financial instruments

3.3.1 Context

The financial instruments being introduced are very similar to private financing products. For EPC projects, the combination of subsidies and banking products is functional and tested. New financial instruments lead to crowding out of private resources. This is not effective. Public resources should not be used where private resources can be used effectively and efficiently. The aim should be to set up public support so that the amount of subsidies and the conditions of financial instruments are comparable to commercial financing, i.e. to fully cover the needs of projects.

3.3.2 Cluster description,

3.3.3 Related existing policies or existing activities at national/European level

3.3.4 New policy recommendations

Expand the use of financial instruments in operational and national programmes, in calls for energy-saving projects (esp. OP ENVIRONMENT, OP TAK, NP ENVIRONMENT, NZÚ). A financial instrument means an equity investment, a loan, a guarantee and other means of risk sharing. The use of financial instruments is strengthened in the rules of the Structural Funds in the 2021-2027 programming period. The potential for the use of financial instruments is considerable. For their successful implementation, it is necessary to:

- **Combine financial instruments with existing grant calls** (e.g. OPE and OP TAK programmes). The subsidies themselves, if they are set up as such, are always more advantageous for the recipient than the financial instrument.
- **To ensure a higher quality of supported projects** through available technical support and an emphasis on their sustainability and economic efficiency.
- Expand public-private cooperation **as much as possible**.

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- Cooperate with financial institutions (commercial banks) and experts across strategic sectors (energy, transport, science and research...). Set up financial instruments so that they can be distributed in cooperation and through numerous networks of commercial bank branches.

Optimization and streamlining of the administrative process (subsidies and use of financial instruments). The administrative process includes a wide range of activities from the investor's own decision-making or approval process and the preparation of all required documentation in accordance with the conditions of providing financing (from a subsidy program or other source) to the administration of the project implementation. Monitoring the project during its durability period can also be an additional burden. Unsuccessful projects are often due to the failure to meet formal requirements, so the administrative process to obtain the necessary financing for energy-efficient buildings should be as simple and efficient as possible. Optimization criteria can be shortened time for assessment and approval of applications for funding, level of standardization and systematization of administrative processes, simplicity and clarity of forms, optimality of the application approval process, etc.

Elaboration of a model of cooperation between NRB and commercial banks according to the model of foreign development financial institutions - e.g. EIB, EIF, KfW, SIH, BGK. NRB should then be able to develop a new branch of its business and support, the so-called intermediated products, i.e. mediated loans and guarantees provided to clients (especially SMEs but also large enterprises) not directly, but through a network of cooperating commercial banks and leasing companies.

Creation of a product strategy for the NRB that will enable the effective involvement of funds from other ministries and state funds – creation of a mutually agreed concept based on an inter-ministerial working group led by the Ministry of Finance or the NRB, which will present specific financial products that will support in particular the decarbonisation and digitalisation of the Czech economy.

3.3.5 Expected impacts

Impact on energy savings: low/**medium**/tall

A higher level of use of financial instruments will lead to an increase in investment in energy efficiency and decarbonisation in the long term, or to an increase in the financial leverage of public support.

Duration of energy savings impacts: short-term/**permanent**

The measures will take effect in the long term and will be especially important for the Czech Republic if there is a significant reduction in the volume of public support in the budget period after 2027.

Impact of the measures on the current system: small/medium/**big**

The transition of public support for energy efficiency from a system based primarily on subsidies to one based on financial instruments will lead to a significant change in the perception and use of public resources, while at the same time resetting investment priorities.

3.4 Raising awareness in the field of EU climate and energy policy

3.4.1 Context

In October 2020, the European Commission published the "**Renovation Wave**" strategy, which aims to double renovation rates by 2030 to reduce emissions, support economic recovery and alleviate energy poverty. According to the strategy, around 1% of current buildings in the European Union are energy renovated annually, with only a fifth of this amount being deeply renovated (reducing energy consumption by at least 60%). Preliminary projections point to an annual energy renovation rate of 1% in 2021-2021 and a need to increase it to 1.2% in 2023-2025 and stabilising at least 2% from 2026 onwards.

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In addition to reducing greenhouse gas emissions, the strategy is intended to help improve the quality of the indoor environment in buildings and also bring up to 160,000 new "green" jobs in the construction sector. At the same time, the Renovation Wave represents the potential for economic recovery from the Covid-19 pandemic, an opportunity to mobilise investment and a significant step towards achieving the objective of climate neutrality by 2050.

3.4.2 Cluster description

For the construction sector, it is necessary to explain the above-mentioned strategies and policies to the professional public, especially their planned potential impact on the binding legal framework of the Czech Republic, as some strategies do not always make clear the specific objective and specific procedures leading to the achievement of the plan. A misunderstanding of the future applicability of directives and policies in the field of the Renovation Wave, the European Green Deal and Fit for 55 can lead to a number of organisational and production complications for construction companies and manufacturers of building materials.

The above guidelines are convoluted and partly interconnected. Due to their scope and the difference in their target focus, they can no longer be considered sufficiently clear and unambiguously understandable for the wider professional public, and it is therefore necessary to communicate the implementation of the directives more closely by the Czech Republic.

3.4.3 Related existing policies or existing activities at national/European level

As part of the "**Green Deal for Europe"**, EU leaders endorsed in December 2020 a new (potential) binding EU target of achieving a net domestic reduction in greenhouse gas emissions of at least 55% by 2030 compared to 1990 levels. In July 2021, the European Commission presented the **Fit for 55** package, which includes a revision of European climate, energy and transport legislation to align existing legislation with the 2030 and 2050 ambitions.

The package includes, for example, a modification of the emission trading system, an increase in greenhouse gas emission reduction targets, an increase in energy efficiency targets, an increase in the use of sustainable and environmentally friendly fuels and the creation of a Social Climate Fund.

At present, a large part of the proposals are already being discussed at the level of the Council of the EU and negotiations with the European Parliament are ongoing. The final approval of the package and its incorporation into the Climate Law (a plan to ensure climate neutrality of the European Union by 2050) is awaited.

EPBD IV will bring a sharp increase in the requirements for buildings owned by cities over the next few years, and this will be related to the need for further investments. At the same time, however, cities and municipalities will have to meet specific technical requirements for buildings, such as electricity generation from RES on site, the location of charging stations for electric vehicles, which will require effective planning to achieve with available financial resources.

3.4.4 New policy recommendations

As a suitable measure to minimize the negative impacts of the strategies and their correct application by construction companies, it is recommended **to ensure awareness raising by the relevant authorities of the Czech Republic**. For this purpose, it is desirable to **establish a communication point on the part of the Czech Republic**, to which the professional public will be able to address all questions and ambiguities regarding the application of the directives. Such a communication point can be understood as an information centre intended for contact with the wider professional public in the construction sector.

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The creation of (single) points of contact is also required at the EU level in two directives. The first is the Energy Efficiency Directive 2023/1791 (EED III), Article 22, and the second is the Energy Performance of Buildings Directive 2024/1275 (EPBD IV), Article 18.

3.4.5 Expected impacts

Impact on energy savings: **low**/medium/high

Education in the field of EU climate policies is a necessary condition for the implementation of other measures in buildings, but it will not increase energy savings on its own.

Duration of energy savings impacts: short-term/permanent

Not relevant.

Impact of the measures on the current system: **small**/medium/large

Awareness raising in the field of EU climate policies can be implemented without the need for changes in the setting of public policy or legislation.

3.5 Risks associated with the implementation of ESG in the construction sector

3.5.1 Context

The introduction of the obligation to report non-financial data of companies in the form of environmental, social and corporate governance (ESG) criteria[20] can have a significant impact on the administrative burden on companies of all sizes. Based on the proposal for a Directive of the European Parliament and of the Council on corporate sustainability reporting (CSRD), they [21] will be obliged to report selected non-financial data.

3.5.2 Cluster description,

Reporting on non-financial data of companies is directly related to the readiness of the individual methodologies according to which reports are to be calculated and reported. In the local environment of the construction market, there is currently no uniform methodology for determining measurable parameters of non-financial data (especially ESG aspects, including carbon footprint determination). Due to the original principle of voluntariness, such steps were not originally necessary on the part of the state administration bodies. However, if the draft directive is adopted, it will be necessary to establish uniform methodologies to be followed by the construction industry in the Czech Republic. In the event of inconsistency of methodologies, it will no longer be possible to make relevant comparisons between companies in terms of ESG aspects. The final impact on the potential financing of construction companies by individual financial houses is not clear.

The issue of determining the carbon footprint and other aspects of ESG is also directly related to the transparency of public procurement in the construction sector, where it will be necessary for the public institution to evaluate the requirements for bidders in the tender documentation for the selection of the contractor, both in terms of ESG requirements and in terms of the expected carbon footprint of the planned project.

Without appropriate measures in the form of uniform methodologies for determining ESG, as well as in the form of the reflection of the relevant measures reflecting the upcoming draft of the CSRD Directive into the legislation of the Czech Republic, a smooth adoption of mandatory reporting of financial data of companies in the private sector cannot be expected.

[20] Abbreviation: **Environmental, Social and Governance reporting**.

[21] More about the initiative on the European Commission's website: https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/corporate-sustainability-reporting_en

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3.5.3 Related existing policies or existing activities at national/European level

Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (the 'Accounting Directive'), as amended by the CSRD, requires large undertakings and listed SMEs to: as well as parent undertakings of large groups, include in a specific section of their management report the information needed to understand the impacts of the undertaking on sustainability matters and the information needed to understand how sustainability matters affect the company's development, performance and position[22]. This information must be included in the reports in accordance with the European Sustainability Reporting Standards (ESRS).

The EU Taxonomy is a cornerstone of the EU sustainable finance framework and an important market transparency tool to help channel investment into the economic activities most needed for the green transition. The Climate Taxonomy Delegated Regulation, covering climate change mitigation and adaptation, has been in force since January 2022[23] (the "EC TSK Climate Regulation") and covers a total of 107 economic activities that are responsible for 64% of EU-27 GHG emissions[24].

In connection with the implementation of the NFRD, the Ministry of Finance prepared an amendment to Act No. 563/1991 Coll., on Accounting, as amended (hereinafter the "Accounting Act"), as well as amendments to related regulations, which were included as part of the so-called consolidation package in Parliamentary Document 488 and approved in the Chamber of Deputies as Resolution No. 779 on 13 October 202325 (the "NFRD amendment to the Accounting Act"). The NFRD amendment to the Accounting Act is intended to enable the transposition of at least part of the requirements from the CSRD in relation to the amended NFRD and the changes resulting from the wording of the Accounting Directive, namely the first group of companies subject to the new scope of non-financial reporting for accounting periods beginning on or after 1 January 2024, i.e. for those that have so far been subject to regulation under the NFRD. In the future (as early as next year), it will be necessary to prepare another amendment to the Accounting Act, which will fully adopt the CSRD and ESRS at least to the extent of obliged entities that will be obliged to report non-financial reporting for the financial year 2025 ("CSRD amendment to the Accounting Act").

[22] Sustainability reporting requirements for large undertakings and listed SMEs are set out in Articles 19a and 29a of the Accounting Directive. The Accounting Directive, as amended by the Corporate Sustainability Reporting Directive, also requires branches or subsidiaries of certain non-EU companies to report certain sustainability information (Article 40a). The reporting obligations of these branches and subsidiaries will apply from the financial year 2028 and the information to be included in the reports will be specified in separate standards that are not covered by this delegated act.

[23] Commission Delegated Regulation (EU) .../... of 04.06.2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council with regard to the establishment of technical screening criteria for determining under which conditions an economic activity qualifies as contributing substantially to climate change mitigation or adaptation and whether that economic activity does significant harm to any of the other environmental objectives; C(2021) 2800 final.

[24] Based on codes based on the NACE classification (Statistical classification of economic activities in the EU (Fran. Nomenclature statistique des activités économiques dans la Communauté européenne"), https://ec.europa.eu/eurostat/web/nace-rev2/overview) ("NACE") Rev. 2, which are contained in the EC Climate TSK Regulation, and Eurostat data from 2021, https://ec.europa.eu/eurostat/databrowser/view/env_ac_ainah_r2/default/table?lang=en. NACE classification for the Czech language environment, https://www.czso.cz/csu/czso/klasifikace_ekonomickych_cinnosti_cz_nace or http://www.nace.cz ("CZ-NACE").

[25] For more on the status of the discussion, see https://www.psp.cz/sqw/historie.sqw?o=9&T=488.

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3.5.4 New policy recommendations

Creation of a unified ESG methodology for the Czech construction industry. In the event of inconsistency of methodologies, it will no longer be possible to make relevant comparisons between companies in terms of ESG aspects. The final impact on the potential financing of construction companies by individual financial houses is not clear.

A uniform methodology would allow for standardisation of ESG applications that are intended to lead to energy savings by design. The measure is expected to lead to energy savings by streamlining the process of using resources for the purpose of a favourable ESG assessment in uniform ESG reporting.

Communicate planned ESG non-financial reporting methodologies for the Czech Republic.

3.5.5 Expected impacts

Impact on energy savings: **low**/medium/high

Managing the risks of introducing non-financial ESG reporting is a necessary condition for the implementation of other measures in buildings, but it will not increase energy savings on its own.

Duration of energy savings impacts: short-term/permanent

Not relevant.

Impact of the measures on the current system: small/medium/**big**

In particular, non-financial reporting will bring (and already brings) a revolution in reporting, where information on the environmental performance of companies will become a standard part of financial statements.

3.6 Performance design and build ((P)D&B),

3.6.1 Context

The trend of support for "green projects" was unquestionable even before the war in Ukraine. With today's energy prices, this is doubly true. There are voices from the banking market that ESG compliance will guide banks in granting loans and that they are happy to support energy-saving projects, whether on greenfield sites or as energy-saving renovations. However, the key will be real savings on the real building, and not just numbers from the project documentation, as has been the case so far. The public administration also wants to receive "green points" for building energy-efficiently, with respect to the environment.

The above required parameters are contained in the **Design & Build** (P)D&B delivery method. By definition, it is intended for contracting authorities, and it can also be used appropriately in the preparation and implementation of projects in the private sector. Compared to the current practice, it brings a number of changes and advantages, in particular:

- in the form of transferring responsibility for the preparation of project documentation and its fulfilment partially or fully to the contractor.
- For the clients, this means, among other things, greater certainty of maintaining the bid price and meeting the set deadline for the completion of the construction. This helps to streamline the process and make it clearer.
- Emphasis is also placed on the selection of a suitable company that will be able to implement the contract in a quality manner and, in relation to technological saving solutions, also bear the necessary responsibility for the subsequent operation and maintenance of the building.

It is clear from the above that the (P)D&B method also has its pitfalls:

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- As a result of increased demands on the preparation of the (P)D&B project assignment, these will be the most common projects of the size of an investment of CZK 50 million. CZK and more.
- The preparation of (P)D&B projects places increased demands on the client's preparation team. Appropriate composition, quality and experience of the client's preparatory team are an important and necessary prerequisite for the successful implementation of (P)D&B projects.
- In the implementation of (P)D&B projects, the increased risks are transferred to the contractor. Selecting a quality and responsible contractor who is able to bear these risks places increased demands on the preparation of the conditions of the tender procedure regarding its selection and the length of the tender.

3.6.2 Cluster description

Performance Design and Build (P)D&B is a way of innovatively commissioning the construction of new buildings, as well as the renovation of existing buildings.

The D&B method[26] is used for construction projects and is characterized by the transfer of part or all of the responsibility for the project documentation to the contractor, while the client specifies only the purpose, standards, scope and other, for example, performance criteria of performance in its assignment. The price is usually set as a flat rate without defining a list of construction work, supplies and services with a bill of quantities. In the case of (P)D&B,[27] the above method is extended by a performance component and includes a mechanism for verifying the fulfilment of the specified performance targets in the actual operation of the building. The contractor is also liable for the efficiency of the operation of the project (building).

In the Czech Republic, this is still a relatively new model, which may seem difficult to implement for building owners and investors, but which has the potential to accelerate the fulfilment of the objectives of the Green Deal and the Fit for 55 package, mainly due to the pressure on the costs of the entire life cycle of buildings. Like EPC, (P)D&B allows project risks and requirements to be transferred to the EU Taxonomy to suppliers.

3.6.3 Related existing policies or existing activities at national/European level

for contracting authorities proceeding in accordance with Act No. 134/2016 Coll., the Public Procurement Act, as amended

3.6.4 New policy recommendations

The following would contribute to increasing the number of emerging public projects:

- **Elaboration of a methodological manual for the implementation of projects using the (P)D&B method**. Now, thanks to support from the EFEKT 2019 programme, a methodology is available, which, however, represents only an informative guide to the procedure for the implementation of (P)D&B projects for contracting authorities proceeding in accordance with the Public Procurement Act, https://www.p-db.eu/ here. To increase the application of the (P)D&B method, it is necessary to extend and update it.

[26] APES: https://www.apes.cz/stazeno_soubory/DESIGNandBUILD_verze_2_093240.pdf

[27] https://www.p-db.eu/o-pdb/9-metodika/o-pd-b/3-o-pdb

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- **The analysis of the cost of the (P)D&B method, economic and non-financial benefits compared to other methods of awarding and implementing construction projects** can become one of the key documents that will start the development of the use of this method in our country.
- **Establishment of a one-stop shop** that would methodically help with the preparation of new projects. Given the relative complexity of the preparatory processes, it can be expected that a one-stop shop would also bring together consulting firms specializing specifically in this method of delivery. Their services would then be used by investors/clients especially in the case of more complex projects.
- **Bonus for the use of (P)D&B in subsidy programs.** At present, projects that generally increase the energy efficiency of buildings solved by the supplier type of delivery or reconstruction using the EPC method are preferred. However, the important status of (P)D&B is missing here, and that is the emphasis on each stage of the building's life cycle, including its demolition or transformation.
- **ELENA type subsidy support for emerging (P)D&B projects.** This type of support, which, together with the rise in energy prices, helped to increase the volume of new investment in EPC projects almost tenfold in 2023, can be expected to have a similar effect on the development of construction and renovation using the (P)D&B method.
- **Greater popularization of the (P)D&B method – webinars, seminars, examples of good practice.** At present, only a few notorious projects are implemented and communicated. It is important to note that this point is extremely important, but it is also closely linked to the implementation of the measures previously proposed.

A subsidy advantage for applicants from the private sector who decide to build using the (P)D&B method would also be beneficial.

3.6.5 Expected impacts

Impact on energy savings: low/**medium**/tall

A higher use of the (P)D&B method will lead to an increase in investment in energy efficiency and decarbonization in the long term, especially in the public sector.

Duration of energy savings impacts: short-term/**permanent**

The energy savings achieved will be long-term.

Impact of the measures on the current system: **small**/medium/large

Systemic changes in legislation or public policy are not needed for greater adoption of PD&B.

3.7 Energy Communities

3.7.1 Context

In recent years, there has been rapid development in the energy sector. There is an increasing effort to achieve decarbonization and decentralization of energy production, where large central sources are supplemented by smaller local and, above all, renewable sources. Technological development in the field of small energy sources is making great progress, modern technologies are becoming affordable and are gradually becoming an integral part of buildings. These trends are also reflected in the dynamic development of energy communities. These are developing all over Europe and it is clear that when the rules for collective production and consumption are set appropriately and support from

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the state, there is a rapid development that is a great benefit for increasing the sustainability and resilience of the energy sector.

The Energy Community is one of the tools to achieve decentralization and decarbonization of energy production, as well as an increase in the volume of locally produced energy from renewable sources. The basic principle of the energy community is to transfer energy production from a central source to smaller local sources operated by the energy community in order to cover mainly the community's own consumption and to store or transfer excess energy to the public distribution network. At the same time, energy communities can serve as a driving force for other energy-saving measures.

3.7.2 Cluster description

In the Czech Republic, the development of energy communities is only at the beginning. However, hand in hand with the rocketing growth in demand for renewable energy sources – especially photovoltaic panels – we can also expect a sharp increase in the number of communities, made possible by an amendment to the Energy Act and lower technology prices. To eliminate the problems of the development of energy communities in the Czech Republic, it is necessary to focus primarily on resolving legislation, increasing consumer awareness in the issue and increasing confidence in renewable energy sources. While the new legislation will provide a legal basis for energy communities, the proposed text is still relatively general. Therefore, a practical guide should be developed to define the steps for setting up and functioning energy communities.

Energy communities will probably be established at municipalities (more than 6 thousand municipalities in the Czech Republic) and based on existing associations and similar entities. However, higher flexibility of consumption, as well as supplies to the grid, will also be able to be implemented by future active customers, equipped with smart metering and a suitable tariff, which is practically all retail customers in the country.

3.7.3 Related existing policies or existing activities at national/European level

The European Directives 2018/2001 on the promotion of the use of energy from renewable sources (**RED II**) and 2019/944 on common rules for the internal market (**EMD**) in electricity define new legal entities whose development will be a de facto condition for the fulfilment of the EU's strategic goals for 2030 and 2050. Most EU countries started the process of transposing these European directives into national legislation back in 2019. About half of the Member States completed this implementation mostly in 2020–2022, while in most other countries the process of implementing the principles of community energy into national legislation is still being completed.

The transposition of directives at the national level was carried out by an amendment to the Energy Act, also known as **LEX RES II**. It has prepared conditions for community energy, including the definition of an energy community or methods of energy budgeting/allocation, the so-called allocation key.

3.7.4 New policy recommendations

A condition for the acceleration of community energy is **the appropriate setting of conditions for self-consumption and energy sharing**, the involvement of municipalities and their contributory organizations, the use of leases of energy sources and suitable models of energy services, and a combined balance evaluation of the community.

Within the cluster, a methodological guide (manual) for the establishment of energy communities **will be created**. The handbook will be in accordance with current legislation, taking into account the current and future planned and already known situation (especially on the basis of the Lex RES II package), and will also take into account the subsidy specifics of individual subsidy programs supporting the creation of energy communities.

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Furthermore, an **analysis of current subsidy opportunities for the support of energy communities will be created**. There will also be an analysis of foreign practice. Based on the analyses, a proposal will be developed to simplify the support of energy communities, with the subsequent optimization of the setting of the conditions of Czech subsidy programs.

Processing of dynamic and hybrid methods, for their verification on simulation models and for their possible optimization. Possible modifications to these two methods will be examined, which would lead to a much fairer distribution of the electricity produced, especially with regard to the use of a larger number of power generation facilities, or when combining the energy community and active customer models (community PV within the community, for example in an apartment building, when supplemented by private PV plants as part of the active customer status).

3.7.5 Expected impacts

Impact on energy savings: low/**medium**/tall

The benefits of measures in the field of energy communities are likely to be smaller, as measures contribute mainly to reducing GHG emissions, not increasing energy efficiency. However, with maximum use of the sharing and consumption of locally produced energy from RES on site, the consumption of energy from the distribution network will be reduced.

Duration of energy savings impacts: short-term/**permanent**

The energy savings achieved will be long-term.

Impact of the measures on the current system: small/medium/**big**

The implementation of the proposed measures requires a significant adjustment of legislation and public support, especially in the area of setting up the energy sharing system (at the time of compilation of this report, the EDC Energy Data Centre has only been launched for a short time and it is not yet clear how significant a share of sharing in energy consumption will be).

3.8 Energy poverty

3.8.1 Context

In recent years, there has been a significant increase in energy consumption in households, especially in connection with the growing demands for living comfort. This trend, together with rising energy prices, has a negative impact on household expenses, so there is more and more talk of energy poverty. As a result of developments in the household energy sector**, the number of households** that have **financial problems paying their liabilities to energy companies is growing**. The aim of addressing the issue of energy poverty and proposing measures is to find the most effective way to solve this problem for vulnerable households.

3.8.2 Cluster description,

Energy poverty is made up of three main factors. The financial income of the household has a key influence. The second factor is **the energy and technical condition of the building** in which the household lives, and the last and no less important factor is **the price of energy** for which the household purchases it. Together, these three factors determine the shape of energy poverty and at the same time influence the design of possible measures to eliminate it. If one of the factors becomes dominant, it is necessary to take different measures and use different options to solve the situation.

It is necessary to realize that energy poverty is very close to financial poverty, but its solution must be sought in different instruments. As it is closely related to the energy and technical condition of the building, one of the possible solutions is to support increasing the energy efficiency of buildings, to emphasize the reduction of unnecessary energy consumption or to support local energy sources. The existing subsidy titles are set up in such a way that energy-poor households are unable to use them,

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because part of the eligible costs are paid retrospectively after the implementation of austerity measures.

3.8.3 Related existing policies or existing activities at national/European level

In the Czech Republic, some measures against energy poverty have already been introduced. The so-called Südler Rate was set across the board. **An "austerity" ta riff and a cap** on electricity and gas prices, so far for 2023, which is also across-the-board, but smooths out the biggest excesses in cost growth. However, the prices of both commodities will still be at about 2.5 times the levels before October 2021. This is a solution at the level of unit energy prices.

In addition, **the housing allowance has been increased** (using increased per capita amounts) and the submission of applications has been simplified. However, it is necessary to assess whether this was sufficient for the situation in which we find ourselves. This is a solution at the level of household income. At the national level**, the state has also begun to take an interest in structural solutions**, i.e. reducing the energy consumption of buildings. NZÚ Light is going in the right direction, it is de facto an investment component of social benefits. However, the question remains whether its specific setting and implementation should fall under the responsibility of the Ministry of Labour and Social Affairs rather than the Ministry of the Environment and whether quality control will be sufficient. It should also be considered whether the measures will lead to sufficient cost savings or whether there is a risk for the supported groups of the supported groups not to take action after receiving the advance and a deterioration in their financial situation when recovering the advance.

Investment support for low-income groups was incorporated into the existing New Green Savings (NZU) programme as a sub-programme of the NZU "light". This is certainly a step in the right direction, but in the future it is important to check for some risks, such as: a potential reduction in the demands of the standard NZU, the issue of payment in advance associated with the possible refund of the unused part of the subsidy, the quality of the "light" assessments, etc.

3.8.4 New policy recommendations

In the first phase, it is very important **to define energy poverty and locate** energy-poor households. It is necessary to find the right indicators to help identify the critical points of the problem and to identify the types and numbers of vulnerable households. For these households, then choose a suitable **individual method of assistance** as much as possible.

National social support programmes can help in the difficult situation of households, they can be used for a transitional period, but they cannot be considered as a solution to energy poverty. To solve it, it is necessary to look for the causes of high energy costs, which may be caused either by the poor energy and technical condition of the building or by the disproportionate size of the building. Existing **support programmes for energy efficiency in buildings** need to be adapted to better target energy poverty. Another way to address this may be **to support social housing**, which should provide affordable temporary housing for lower-income households with reasonable energy costs.

It is necessary to monitor whether the proposed programmes focusing on building renovation, energy efficiency and the installation of renewable energy sources are designed with social aspects in mind, i.e. that they are accessible and beneficial to all residents, including those on lower incomes.

It is necessary to **evaluate the success of the NZÚ Light programme**, including criteria such as the number of applicants, the average amount of support, the savings achieved in energy costs and CO2 emissions in relation to the amount of the subsidy or the evaluation of administrative demands. However, it is also necessary to evaluate relatively complex qualitative phenomena. Has the potential reduction in the requirements of the standard NZU paid off? There were cases where it was necessary to request a refund, which was the difference between the payment in advance and the unused part of the subsidy. How was it solved? What was the quality of the "light" testimonials? The aim is to

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further target and make subsidy support available to the most vulnerable groups while ensuring the effectiveness of the funds spent and the quality of reconstruction or modification of buildings.

Last but not least, it is necessary not to underestimate **the motivation of households** that are not currently affected by energy poverty, but may cause their energy costs to increase unbearably due to the development of energy prices. These households must be motivated to take timely measures to ensure a sufficient **reduction in energy consumption in the building** or **to ensure energy production from cheaper sources**.

3.8.5 Expected impacts

Impact on energy savings: **low**/medium/high

According to available experience, the benefits of energy poverty measures on energy savings are rather minor and the main impact of the measures remains to improve the situation of the target groups. Significant contributions to the achievement of the EED's objectives cannot be expected.

Duration of energy savings impacts: **short-term**/permanent

The energy savings achieved will be long-term.

Impact of the measures on the current system: **small**/medium/large

The implementation of the proposed measures requires only an adjustment of the parameters of the existing system of energy policy and public support.

3.9 Support for the use of RES in buildings

3.9.1 Context

Support for renewable energy sources (RES) occupies a key place in current efforts to be sustainable and reduce dependence on fossil fuels. In accordance with the outputs of the round tables, this cluster focuses on two promising technologies suitable for use in buildings that still stand in the shadow of photovoltaics, namely **hydrogen** and the so-called Solar Energy and also on **Industrial heat** pumps with an output of over 100 kW up to tens of MW suitable for heat production for apartment buildings.

3.9.2 Cluster description

Hydrogen technologies are a promising solution to the seasonal imbalance of electricity consumption and production from RES, a solution that is still in the development stage and economically uncompetitive. For use in buildings, the use in fuel cells seems to be the most suitable. A typical hydrogen energy system consists of a renewable source of electricity, most often a PV panel, a buffer battery storage, an electrolyzer for hydrogen production, a hydrogen storage tank and a hydrogen cell for electricity and heat production.

The biggest economic barrier is hydrogen storage, which is also essential for the functionality and efficiency of the energy system. Hydrogen technologies also have to overcome other challenges. So far, there is a lack of support in laws and public strategies, from the state energy policy to the possibility of injecting hydrogen into the gas system to standards and safety regulations for the injection, transport, distribution and use of hydrogen. The availability of trained workers from installation to maintenance of hydrogen plants is also a question.

The use **of industrial heat pumps** (HP) in the energy sector and industry in the Czech Republic is still at the very beginning. However, it should be mentioned that apart from Scandinavia, the situation is not much better in Western Europe. We can talk about units of installations per year, while we estimate the potential of the total heat output of industrial heat pumps to be up to 5-10 GW.

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Today's commercially available heat pumps reach an outlet water temperature of 80-95 °C as standard and can thus be used to cover heat needs associated with heating buildings, hot water preparation or various industrial processes consisting of drying, heating or even pasteurization.

Rapid development is also taking place in high-temperature heat pumps. Heat pumps with CO2 refrigerant with an outlet water temperature of up to 140 °C are already coming to the market and it is expected that in the coming years heat pumps with a water temperature of 120-160 °C or even higher or even with steam production will appear on the market.

In the summer months, production from a heat pump will be cheap, but the demand for heat is low during this period. On the other hand, in winter, when heat consumption is many times higher, the price of electricity will probably be higher, as there will be a lack of production from PV. This predestines large heat pumps to operate especially in the summer and transition periods (especially when using air). Diversification of the source base is one of the ways of defence against the variable and hard-to-predict price of electricity and to minimise the carbon footprint of heat. These will work "against each other" – typically a cogeneration unit in combination with an efficient heat pump and a fast (and cheap) electric boiler and large accumulation (up to several days of consumption). However, this can be implemented much better in small or larger heating networks, whether in cities, municipalities or industrial areas, than in individual consumers. District heating also makes it possible to integrate waste heat from industry or commercial buildings. Connection to district heating, where there are or suitable conditions for them, should be a priority way of providing heat for the municipal and business spheres.

Until recently, the price of heat from natural gas and coal basically excluded investment in heat pumps (regardless of their size or efficiency) from being economically competitive. However, the sharp increase in natural gas prices in the last two years and the ever-increasing requirements for the rate and speed of decarbonisation are changing this practice.

3.9.3 Related existing policies or existing activities at national/European level

European Directives 2018/2001 on the promotion of the use of energy from renewable sources (**RED II)** and 2019/944 on common rules for the internal market (**EMD**) in electricity. At the national level, Act No. 165/2012 Coll., on Supported Energy Sources, and the amended Energy Act No. 458/2000 Coll., and strategic documents State Energy Policy (**SEP**) and National Energy and Climate Plan (**NECP**).

3.9.4 New policy recommendations

For higher use of RES in buildings, it is important to:

Ensuring that laws and public strategies for hydrogen technologies **are underpinned**, from the SEP to the possibility of injecting hydrogen into the gas system to standards and safety regulations for the injection, transport, distribution and use of hydrogen.

Strengthening human capacities in professional and technical professions, increasing the availability of training and educating workers from installation to maintenance of hydrogen equipment.

Allocation of public support funds for industrial heat pumps. The OP TAK programme intended for industry and the upcoming HEAT Modernisation Fund programme for the heating industry can co-finance more than half of the initial costs, which gives good prospects for achieving the same or even lower long-term price of heat production compared to conventional sources.

Raising public awareness of the possibilities of industrial heat pumps. Insufficient knowledge (or prejudices) about heat pump still persists. Heat pumps are often perceived as expensive, inefficient, noisy, with a low service life, etc. The experience of installing and operating an increasing number of industrial heat pumps in Europe dispels these concerns.

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3.9.5 Expected impacts

Impact on energy savings: low/**medium**/tall

The energy savings benefits of RES measures in buildings will be rather smaller, as the measure contributes mainly to reducing GHG emissions, not increasing energy efficiency. However, with maximum use of the sharing and consumption of locally produced energy from RES on site, the consumption of energy from the distribution network will be reduced.

Duration of energy savings impacts: short-term/**permanent**

The energy savings achieved will be long-term.

Impact of the measures on the current system: small/medium/**big**

The implementation of the proposed measures requires a significant adjustment of legislation and public support, especially in the area of setting up the energy sharing system (at the time of compilation of this report, the EDC Energy Data Centre has only been launched for a short time and it is not yet clear how significant a share of sharing in energy consumption will be). Greater involvement of hydrogen technologies will be conditional on significant changes in legislation, from technical standards to requirements for employee training to public support.

3.10 Improving the quality of renovations – comprehensive renovation

3.10.1 Context

In 2020, the Renovation Wave for Europe strategy was agreed to step up renovation efforts across the EU. According to the strategy, the energy renovation rate should at least double by 2030[28,29]

3.10.2 Cluster description,

The Czech Republic has long failed to meet its commitments in the field of energy savings, given, among other things, by the EED and EPBD directives discussed above. Energy consumption in buildings, especially for heating, accounts for a significant part of total energy consumption in the Czech Republic and its reduction therefore represents a great potential for achieving energy savings. In addition to tightening energy standards for new buildings, building renovations are key to fulfilling this potential. But too few of them are being implemented. Only about 1% of buildings in the Czech Republic are renovated annually and this number has not changed in the long term. At this rate, it is not possible to achieve the declared goal of decarbonizing buildings by 2050. In the long term**, the main reasons for insufficient (comprehensive) renovation rates** are:

1) **The level of public support** for renovation projects is too low and does not sufficiently incentivise owners to carry them out.

2) **The prices of construction work and materials** have risen sharply in recent years. Inflation in the construction industry reduces demand with given purchasing power.

3) **Lack of capacity in the construction industry**, especially the lack of qualified labour in craft professions and the ageing of the existing ones, as well as a lack of graduates of vocational schools and workers in the field in general.[30]

[28] https://eur-lex.europa.eu/legal-content/CS/TXT/HTML/?uri=CELEX:52020DC0662

[29] https://www.consilium.europa.eu/cs/press/press-releases/2021/06/11/council-approves-conclusions-on-an-eu-renovation-wave/

[30] Graduates of domestic schools cover only less than half of graduate positions (about 8 thousand graduates per year for about 18 thousand positions). The deficit is being compensated by foreign workers, especially from Ukraine. Their participation in the Czech economy is due to

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4) **Insufficient societal demand** for energy efficiency. The sharp increases in energy prices in 2021 and 2022 are a unique temporary factor that will significantly support the demand for more energy-efficient housing.

3.10.3 Related existing policies or existing activities at national/European level

According to the **EPBD IV**[31] issued in May 2024, older buildings will need to be improved in their energy performance. Member States are required to develop/update their national building renovation plans, while in the case of the residential building stock, in line with the prescribed objective of transforming the existing building stock into a zero-emission building stock by 2050, they are to ensure: to reduce the average primary energy consumption of the entire residential building stock by at least 16 % from 2020 to 2030. By 2035, it will increase by 20 to 22% overall. Member States shall ensure that at least a 55% reduction in average primary energy consumption is achieved by renovating 43% (floor area) of worst-performing residential buildings.

At the same time, in the case of major renovations, renovated buildings should meet the minimum requirements for the energy performance of buildings, which can be the energy standard of a nearly zero-energy building or a zero-emission building, depending on the requirements of national legislation.

With the current revision of the Energy Performance of Buildings Directive, it will be necessary to transpose the Renovation Wave Strategy developed by the EC into specific legislative measures (in the Czech Republic).

In the Czech Republic from 1 July 2024), an amendment **to the Building Act**, which came into effect on 1 January 2024, is fully valid, with another 58 regulations and a new Act on the Single Environmental Statement ("SES Act") being amended. Any ambition may relate to the following amendment.

3.10.4 New policy recommendations

To increase the number of complex renovations, it is advisable to:

Align energy performance rules for buildings with the European Green Deal and decarbonise the EU's building stock by 2050. **A timely, high-quality and comprehensive transposition of the requirements of the EPBD** (including the development of a national building renovation plan) and the Renovation Wave strategy will significantly support and increase the pace of renovation.

Long-term support for new investments first in public buildings and buildings with lower efficiency will stimulate digitalisation and create job opportunities and enable growth in the renovation-related supply chain.

Adopting **a comprehensive and integrated strategy** involving a wide range of sectors and actors, and removing key barriers at every point in the supply chain. Ensure the maximum possible complexity of all building renovations and thus achieve only a small amount of energy consumption and the use of energy from renewable sources.

To create a mechanism for the active identification of buildings that could use the so-called **complementary measures**. Provide concrete support for projects that integrate complementary measures and move towards a deeper energy renovation. Integrate support for complementary measures into building and energy regulations. To create a legal framework that will enable and facilitate the implementation of these measures and will count on them as a valid and effective means

higher wages compared to Ukraine. A potential risk is the post-war reconstruction of the country, which may attract many workers back. In total, the construction industry employs about 400 thousand workers, of which 74 thousand are officially from Ukraine.

[31] https://eur-lex.europa.eu/legal-content/CS/TXT/?uri=CELEX:32024L1275

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of achieving deeper energy savings. Establish a system for monitoring and evaluating the effectiveness of complementary measures in practice. Review and revise the system of financial support to include complementary measures. Reassess or remove the mandatory 30% savings threshold and allow access to financial support for non-primary measures. Provide specific financial incentives for investments in complementary measures. Ensure that financial support is proportionate to the expected energy savings.

Regular update **of the study on the status and level of energy renovations of the housing stock**. It is important to establish a system for regular monitoring and evaluation of the results of energy renovations carried out, so that we can monitor the actual energy savings and environmental impacts. The establishment of this database and the initial collection, analysis and upload of data would ensure the creation of the necessary data base (which is expected to be regularly updated and supported), which would thus serve for regular analysis of the level of energy renovations of the housing stock.

3.10.5 Expected impacts

Impact on energy savings: low/**medium**/tall

A significant increase in complex building renovations will lead to savings that would not otherwise be achieved.

Duration of energy savings impacts: short-term/**permanent**

The energy savings achieved will be long-term.

Impact of the measures on the current system: **small**/medium/large

The implementation of the proposed measures requires only an adjustment of the parameters of the existing system of energy policy and public support.

3.11 Support for cities and municipalities as investors in energy-saving projects

3.11.1 Context

Cities and municipalities, which will have to implement a large part of the decarbonization and energy efficiency targets, must become high-quality and effective investors in the energy renovation of urban buildings, but also actively support the decarbonization of residential and commercial buildings on their territory.

3.11.2 Cluster description

The cluster Support for Cities and Municipalities as Investors in Energy Saving Projects is one of the largest clusters of road maps with twelve measures. It is a cross-sectional cluster that applies to all road maps. The common denominator of all measures is the effort to improve energy planning and support for investment preparation. One of the identified shortcomings at the city level is also the lack of data on the condition of buildings and infrastructure, which makes it difficult to prepare energy-saving projects.

The cluster includes the following measures:

- Raising awareness of SECAP
- Provision of technical support for municipalities in the SECAP area
- Creation of a unified database of municipal buildings – energy and technical data
- Creation of a one-stop-shop for PV, RES and energy savings
- Increasing the implementation capacity of energy-saving projects
- Standardize fire protection requirements

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- Imitate the EUCF challenge in the Czech Republic
- To support cities to be able to apply and succeed in other EUCF calls
- Raise awareness of the EUCF
- Financing of the renovation of public lighting by purchase of receivables
- Improve the preparation of documents for the renovation of public lighting (passportization)
- Raising awareness of renovating public lighting and assisting smaller municipalities

3.11.3 Related existing policies or existing activities at national/European level

The cities are supported financially from national and especially international financial sources. In practice, the investment policy of cities and municipalities is often directly dictated by the available subsidy titles, and the pragmatic approach that it makes no sense to make investments that are not subsidized partly justifiably prevails. Support for systematic planning, both at the level of cities and municipalities and at the level of higher units – associations of towns, local action groups or regions – exists, but it is still insufficient.

The new directives, including **EPBD IV**, will bring a sharp increase in the requirements for buildings owned by cities over the next few years, and this will be associated with the need for further investment. At the same time, however, cities and municipalities will have to meet specific technical requirements for buildings, such as electricity generation from RES on site, the location of charging stations for electric vehicles, which will require effective planning to achieve with available financial resources.

Support for effective planning and management of energy consumption is implemented at the national level mainly through subsidy programmes for the introduction of energy management and local energy concepts (implemented by the Ministry of Industry and Trade Efekt) and for the development of the SECAP Sustainable Energy and Climate Action Plan (implemented by the State Environmental Fund).

At European level, there is an **EU City Facility** for cities and municipalities to support the development of investment plans in the field of clean energy and energy efficiency. The plan implemented within the EUCF project will then be used to obtain financing for the actual implementation of the measures, from the private sector (development banks, commercial banks, etc.), national investment platforms, but also from other EU-funded programmes, such as the European Fund for Strategic Investments (EFSI), the European Structural and Investment Fund (ESIF), technical project preparation (PDA), the European Investment Bank's ELENA programme.

Until this year, these support programs were financed only to a limited extent and could only be drawn annually by units to lower tens of municipalities. However, the EFEKT programme of the Ministry of Industry and Trade has increased the allocation to CZK 250 million thanks to its inclusion in the National Recovery Plan. CZK in both calls, i.e. for up to 500 beneficiaries from cities and municipalities.

3.11.4 New policy recommendations

The roundtable discussions resulted in requirements to **support the systematic and continuous acquisition of data on the building stock and other infrastructure**. The absence of a unified database of buildings, including basic information on their technical condition and energy performance, must be solved, including the passportization of public lighting.

The creation of the database is also required at the EU level in Article 22 of the new Energy Performance of Buildings Directive 2024/1275 (EPBD IV). The Czech Republic has a general statistical database, a cadastre of real estate and a database with energy certificates of ENEX buildings. In addition, some municipalities maintain their own geoinformation, technical and technological

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databases on buildings on their territory. The interconnection of information from these databases could have a positive effect on the subsequent management and analysis of buildings (another article of the Directive requires the renovation of the most energy-intensive buildings – these must be identified first).

It will be necessary to establish one-stop shops for public entities investing in RES projects with clearly defined services and procedures offered. Only in this way is it possible to overcome the key obstacle to a larger expansion of PVPP, which is the limited capacity of cooperating entities, companies that are not ready to implement PV projects on a larger scale, but also city districts or departments of the Prague City Hall that lack unity and coordination of a common approach, or a sufficient information base.

The creation of points of single contact is also required by both key directives, the EED and the EPBD. In terms of implementing communication points, there are two options. The first is the creation of a completely new information centre focused on the above-mentioned topics. The second option is to use the existing system of energy consulting and information centres EKIS (and their online version M-EKIS) supported by the Ministry of Industry and Trade under the EFEKT Programme. In this respect, the selected EKIS centres would probably be upgraded first so that all regions of the Czech Republic would be covered, and then the advice on EU directives would be extended to other centres.

Last but not least, it is appropriate to support long-term conceptual work in the field of energy efficiency and renewable energy sources so that there is sufficient capacity at the level of cities and municipalities, their associations, or higher territorial administrative units for the continuous implementation and updating of energy plans and concepts. Therefore, it is necessary **to increase the allocation of support for the creation and implementation of strategic documents** such as local energy concepts or SECAP, including the obligation to update them regularly, the obligation to carry out energy management and sufficient staffing with the aim of spreading this type of planning among as many cities and municipalities as possible and becoming standard and well-managed practice.

3.11.5 Expected impacts

The aim of the above measures is to extend the level of current best practice, which is now achieved by dozens of municipalities and towns in the Czech Republic, to all municipalities. Several of the most advanced local governments in the Czech Republic achieve excellent results on a European scale and their procedures are functional and proven. The key next step is to ensure that the availability of these procedures, such as standardized data documents, certified energy management or continuously fulfilled and revised energy conceptual documents, successfully scales and becomes common practice in most cities and municipalities.

Impact on energy savings: low/medium/**tall**

Cities and municipalities are a major investor and own a large number of buildings. At the same time, they have an indirect impact on citizens and local businesses. The potential for increasing energy savings and reducing GHG emissions is therefore considerable. Successful support for municipalities in the area of investments in energy efficiency will lead to a significant increase in energy savings.

Duration of energy savings impacts: short-term/**permanent**

The energy savings achieved will be long-term.

Impact of the measures on the current system: small/**medium**/big

Demands for increasing energy efficiency and reducing GHG emissions will grow in the coming years and will be associated mainly with the transposition of the EED and EPBD directives. However, the changes will be rather parametric.

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4 Measures

4.1 Financing sustainability

Measure No. 1: National sustainability financing strategy

Name of the measure	**National Sustainability Financing Strategy**
Monitored output indicator	Adoption of the National Strategy for Financing Sustainability (approx. 50-60 pages) and accompanying report.
Description of the measure	Since the release of the Action Plan **"Financing Sustainable Growth"**[32] **in 2018, the** EU has seen a massive development of a new EU ecosystem for sustainability finance (Sustainable Finance). Its first highlight was the adoption **of the EU Taxonomy Regulation**[33] **in 2020**[34], followed by the **adoption of the first climate delegated acts defining the technical screening criteria of the EU Taxonomy in 2021 to 2023**[35] **and environmental criteria in 2023**[36], as well as the delegated act determining the scope of information to be provided by companies in relation to the EU Taxonomy and the method of calculating taxonomic performance indicators linked to capital expenditure, operating expenses and turnover[37]. **The EU Taxonomy, as a unified EU sustainability classification system, is intended to help finance investments** that are more environmentally friendly, have greater social benefits and are therefore **universally sustainable** in the future. The Action Plan pursued three objectives: 1. reorient capital flows towards sustainable investments to achieve sustainable and inclusive growth; 2. manage financial risks stemming from climate change, resource depletion, environmental degradation and social issues; and 3. promote transparency and long-termism of financial and economic activities. This Action Plan was followed in July 2021 by the EU's Strategy for Financing the Transition to a Sustainable Economy, [38] **leading to the establishment of a new ecosystem for financing the EU's sustainability based on four pillars**, which consist of: 1) EU taxonomy; 2) a framework for non-financial reporting by firms and financial institutions; and 3) investment instruments, including benchmarks, standards and labels[39]; and 4) regulation of ESG ratings. The EU Taxonomy thus represents the basic "language of sustainability" across EU legislation and internal market rules.

[32] See https://eur-lex.europa.eu/legal-content/cs/TXT/?uri=CELEX:52018DC0097.

[33] See https://eur-lex.europa.eu/legal-content/CS/ALL/?uri=CELEX:32020R0852.

[34] See https://eur-lex.europa.eu/legal-content/CS/TXT/HTML/?uri=CELEX:52021DC0390.

[35] See https://eur-lex.europa.eu/legal-content/CS/TXT/HTML/?uri=CELEX:32021R2139, https://eur-lex.europa.eu/legal-content/CS/TXT/?uri=CELEX:32022R1214, and https://eur-lex.europa.eu/legal-content/CS/TXT/HTML/?uri=OJ:L_202302485

[36] See https://eur-lex.europa.eu/legal-content/CS/TXT/HTML/?uri=OJ:L_202302486.

[37] See https://eur-lex.europa.eu/legal-content/CS/TXT/HTML/?uri=CELEX:32021R2178.

[38] Visa https://eur-lex.europa.eu/legal-content/CS/TXT/HTML/?uri=CELEX:52021DC0390.

[39] This fourth pillar was added in June 2023. For more on the evolution and state of this ecosystem as of June 2023, see Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions of 13 June 2023 'A sustainable finance framework that works', COM(2023) 317 final: https://eur-lex.europa.eu/legal-content/CS/TXT/HTML/?uri=CELEX:52023DC0317.

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	The aim of the EU Sustainability Finance Strategy is primarily **to create a robust external framework to mobilise and align all sources of sustainability financing in the internal market** – public, private, national and international – so that as much funding as possible can be concentrated on reducing risks arising from climate, environmental, social and governance risks (transition or physical) and at the same time strengthen the stability of the EU and national financial systems. **In the Annex to the EU Strategy for Financing Sustainability, the Commission has also set itself the goal of implementing a total of six specific actions grouped around four key areas, which represent a detailed roadmap for the development of all instruments in the field of sustainability financing at EU level**. Some of the measures have already been implemented. However, some are still in the process of preparation, or in the legislative procedures of the EU institutions. As mentioned above, detailed technical screening criteria of the EU Taxonomy are also gradually being issued. According to them, from 1 January 2022, the so-called "**environmentally sustainable**" economic activities and investments and those that do not "**significantly harm**" the environment (the "do no significant harm" rule, DNSH) are uniformly determined in the internal market. **Sustainability reporting obligations under the Corporate Sustainability Reporting Directive (CSRD) have also been added for many companies**[40] **.** The CRSD was approved by the European Parliament and the Council in November 2022 and published in the Official Journal in December 2022. EU member states will now have 18 months from the entry into force to incorporate it into national legislation at least for the category of companies that were already subject to non-financial reporting[41], i.e. until 6 July 2024[42]. Under the CSRD, companies that were already subject to the non-financial reporting obligation under the less demanding 2014 Regulation [43] **(NFRD) are now obliged to have their non-financial statements for the financial year 2024** verified (including disclosure) **in accordance with the new 12 general**[44] **European Sustainability Reporting Standards (ESRS),** the draft of which was published at the end of July 2023 and is now in force[45] (General ESRS Regulation), as early as 2025[46]. **Within the EU, basic innovated binding supplementary regulations on non-financial reporting of the financial sector and entities regulated in it in relation to sustainability have already been adopted.** A key milestone was the adoption of the Regulation on

[40] Corporate Sustainability Reporting Directive, Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU as regards corporate sustainability reporting, https://eur-lex.europa.eu/legal-content/CS/TXT/?uri=CELEX%3A32022L2464.

[41] According to the Commission's estimates, the obligations under the CSRD should directly apply to approximately 50,000 companies in the EU and 1.3,000 in the Czech Republic alone. The agreement on the wording of this directive is one of the successes of the Czech Presidency of the Council of the EU in the second half of 2022.

[42] In the Czech Republic, these requirements have been implemented for the first wave of businesses by amending the Accounting Act through Act No. 349/2023 Coll., amending certain acts in connection with the consolidation of public budgets. For the next wave of obliged entities, another amendment to the Czech Accounting Act is currently being prepared.

[43] Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups, as amended.

[44] These general ESRS are to be followed by a total of 41 sectoral ESRS, as well as standards for SMEs and foreign companies. For more, see https://www.efrag.org/Activities/2205170712504435/ESRS-Sector-Standards.

[45] Angl. European Sustainability Reporting Standards. Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023

supplementing Directive 2013/34/EU of the European Parliament and of the Council with regard to sustainability reporting standards https://eur-lex.europa.eu/legal-content/CS/TXT/HTML/?uri=OJ:L_202302772.

[46] As of January 2023, large non-financial liabilities started to assess and report their alignment with climate objectives under Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of the information to be disclosed by undertakings pursuant to Articles 19a or 29a of Directive 2013/34/EU in relation to environmentally sustainable economic activities; and specifying the methodology for the purpose of fulfilling this disclosure obligation.

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	sustainability-related disclosures in the financial services sector[47] in November 2019 (SFDR), which is now being supplemented by relevant implementing regulations, in particular the so-called Regulatory Technical Standards[48] (RTS), and at the end of last year, the Commission held a public consultation on this regulation as part of the SFDR revision[49]. All of the above and other **measures are intended to enable investors to reorient investments towards more sustainable technologies and activities and** will be essential to make Europe climate-neutral by 2050 (**climate pillar**), to protect human lives, animals and plants by reducing pollution (**environmental pillar**), to help ensure a just and inclusive transition (**social pillar**) and helped companies become world leaders in clean products and technologies (**technology pillar**). It is also worth mentioning the issuance of a regulation from November 2023 laying down **rules for voluntary standards for green investments, the so-called European standard for green bonds.**[50] The standards are based on detailed criteria of the EU taxonomy and aim to ensure a level of transparency in line with best market practices These key EU strategies, plans, legislation, regulation and technical guidance, together with the parallel fundamental turn of the global financial world towards the management of climate risks in particular, are already starting to **be reflected in all areas of the national economies of EU countries, including energy and energy saving projects.** Meeting the requirements of sustainable finance, for which the profile of risks and opportunities in the area is known, will **become a necessary condition for obtaining any significant financing, not only public support, but also sources on the financial markets, gradually in all sectors. On the other hand, general finance as a sustainable finance counterpart can be expected to be less attractive in terms of capital allocation.** For the Czech Republic to succeed in this transformation, it is necessary to develop a comprehensive strategy at the national level that will build on these activities and, **following the example of some other EU Member States, will implement measures to ensure the transfer of public and private financing to areas that are critical for this transformation.** This funding must ensure the full cycle from R&D and innovation, education, support for the implementation of these innovations in critical sectors (e.g. energy, construction, new industries focused on climate-neutral economic activities) as well as in society as a whole, ensuring the necessary social innovation and adaptation of society while ensuring a just transition and social inclusion. **Essential for the success of the strategy is the high-quality involvement of stakeholders in its preparation and the creation of an effective coordination, implementation and monitoring framework for dynamic management and administration of its implementation, including sufficient human and financial resources.** This framework will also include principles for stakeholder involvement.
Time frame	Q4/2024 – Q1/2025: Developing a national strategy.

[47] Sustainable Finance Disclosure Regulation, Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, as amended; https://eur-lex.europa.eu/legal-content/CS/TXT/HTML/?uri=CELEX:32019R2088.

[48] Angl. Regulatory Technical Standards. See, for example, Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of information on environmental, social and governance risks (OJ L 144, 12.12.2022, p. L 324,19.12.2022, p.1.).

[49] For more, see https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13961-Report-on-the-Sustainable-Finance-Disclosure-Regulation/public-consultation_en.

[50] European Green Bond Standard (EU GBS): https://eur-lex.europa.eu/legal-content/CS/TXT/HTML/?uri=CELEX:02023R2631-20240109&qid=1715102352461.

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	Q2/2025: Adoption of the national strategy by the Government of the Czech Republic based on the prepared SEA.
Resources for implementation	National support programmes for the preparation of strategic documents using documents prepared within the Sustainable Finance Policy Options TSI (REFORM/2021/OP/0006 Lot 1 TSIC-RoC-19846)
Gestor (possible participating organizations)	MF *(primarily the Central Committee, Ministry of Regional Development, Ministry of the Interior, Ministry of Industry and Trade, Ministry of the Environment, Ministry of Labour and Social Affairs, Ministry of Agriculture, Ministry of Education, Youth and Sports, National Bank of the Czech Republic)* *secondarily other supreme bodies of state administration + ČBA, ČAP, APS, AFP, ČNB, SMOČR, AKČR, ASMP, HK ČR, AMSP, CBCSD, ARI, SPS, SPCR, AGKČR, SVOL, SOVAK, SVH, ERÚ, ČTÚ, CRC, AVU and CZSO)*

Measure No. 2: National Action Plan for Financing Sustainability for the period 2025 to 2030

Name of the measure	**National Action Plan for Financing Sustainability until 2025 to 2030 (as a document implementing the National Strategy for Financing Sustainability)**
Monitored output indicator	Adoption of the National Action Plan for Financing Sustainability (approx. 150-200 pages + annexes).
Description of the measure	Formulation of specific measures and actions plans for the implementation of the National Strategy for Financing Sustainability until 2030, including hard and soft actions with the following typology: 1. Investment = actions consisting of equity investments (unless they fall into the types listed below) 2. Policies, regulations & transactions = actions consisting of concepts, intentions, strategies, policies, plans, regulations, decrees, resolutions, contracts, agreements, instructions, procedural rules, technical standards, methodologies, instructions, templates, etc.; 3. Capacity building = the action of imparting, improving and/or maintaining skills and knowledge to individuals in a particular field, including relevant tools, aids, equipment or other resources needed to perform tasks more or competently; 4. Stakeholder engagement = relationship-building events involving individuals or organisations that may be impacted by the subject's activities or may affect the implementation of its objectives, e.g. workshops, platforms, knowledge hubs, participatory events, innovation and reconciliation projects, etc. 5. Data management = actions involving the acquisition, validation, storage, protection and processing of required internal and external data, including HW&SW and supporting equipment to ensure their accessibility, reliability, timeliness, immediate availability, etc. 6. Studies, analyses & monitoring = actions involving surveys, measurements, studies, analyses, assessments, or the observation or monitoring of a relevant aspect of an aspect; 7. Financing = actions involving measures to secure funding and/or funds for the implementation of actions, such as support programmes, financing and support instruments (plans, instruments, schemes, bond issues, loans, guarantees, etc.), etc.
Time frame	Q1/2025- Q2/2025: Preparation of the National Action Plan.

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	Q3/2025: Adoption of the National Action Plan by the Government of the Czech Republic.
Resources for implementation	National Support Programmes for the Preparation of Strategic Documents
Gestor (*possible participating organizations*)	MF *(primarily the Central Committee, Ministry of Regional Development, Ministry of the Interior, Ministry of Industry and Trade, Ministry of the Environment, Ministry of Labour and Social Affairs, Ministry of Agriculture, Ministry of Education, Youth and Sports, National Bank of the Czech Republic)* *secondarily other supreme bodies of state administration + ČBA, ČAP, APS, AFP, ČNB, SMOČR, AKČR, ASMP, HK ČR, AMSP, CBCSD, ARI, SPS, SPCR, AGKČR, SVOL, SOVAK, SVH, ERÚ, ČTÚ, CRC, AVU and CZSO)*

Measure No. 3: Coordination Group and Advisory Group on Financing Sustainability

Name of the measure	**Coordination Group and Advisory Thematic Groups on Financing Sustainability**
Monitored output indicator	Institutionalisation of the Sustainability Finance Platform and its transformation into a coordination group and advisory thematic groups, one of which should focus on buildings
Description of the measure	In mid-2023, the Ministry of Finance established a national Sustainability Finance Platform as an informal format for ad hoc information and discussion of issues related to sustainability finance, consisting of a part (chamber) consisting of: (a) selected ministries and state institutions, and (b) selected associations and actors from the private sector of local governments. The Czech Platform for Sustainability Finance should be responsible for coordinating activities in the field of sustainability finance, transferring and disseminating trends, innovations, good practices and news from the international and EU levels and monitoring the fulfilment of tasks arising from relevant strategic documents (see Measure 1 and Measure 2 above). It is appropriate to institutionalize this platform and intensify its activities (including regular meetings and the introduction of internal rules) so that it not only brings information and consensus on the development of the sustainability financing ecosystem in the Czech Republic, but also contributes to addressing the technical topics of this development. It should have its coordination part (coordination group) and technical part (advisory group) on selected topics, similar to the EU Sustainability Finance Platform[51]. One of these advisory groups should focus on buildings. Advisory groups should issue opinions and recommendations, integrating the views of different disciplines and stakeholders across four key stakeholder groups: the real economy, the financial sector, central government, and local governments.
Time frame	Q2/2025: Transformation of the national Sustainability Finance Platform, establishment of advisory groups and mobilisation of activities
Resources for implementation	Budget chapter of the Ministry of Finance (administrative costs of the secretariat and professional advisory support)
Gestor	MF

[51] See https://finance.ec.europa.eu/sustainable-finance/overview-sustainable-finance/platform-sustainable-finance_en.

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(*Possible participating organizations*)	*(including the Ministry of Regional Development, the Ministry of the Interior, the Ministry of Industry and Trade, the Ministry of the Environment, the Ministry of Labour and Social Affairs, the Ministry of Agriculture, the Ministry of Agriculture and the Ministry of Education, Youth and Sports and secondarily ŠpB, ČBA, ČAP, APS, AFP, ČNB, SMOČR, AKČR, NRB, HK ČR, AMSP, CBCSD, ARI, SPS, SPCR, AGKČR, SVOL, SOVAK, SVH, ERÚ, ČTÚ, CRC, AVU, AVO and CZSO)*

Measure No. 4: Update of the mandate of the Government Council for Sustainable Development

Name of the measure	**Update of the mandate of the Government Council for Sustainable Development**
Monitored output indicator	Updating the mandate of the Government Council for Sustainable Development
Description of the measure	The main tasks of the Government Council for Sustainable Development (RVUR) are to find agreement on long-term priorities and evaluate key trends in sustainable development at the national and global levels. He is also the guarantor of the creation of key strategic sustainable development documents for the Czech Republic. In connection with the elaboration of the National Strategy for Financing Sustainability, it will be necessary to update the mandate of the RVUR so that it fits into the overall new systemic concept of addressing sustainability in the Czech Republic.
Time frame	Q1/2025: Proposal to update the mandate of the Council and approval by the Government Q2/2025: Mobilization of the Council in a new format
Resources for implementation	MOE
Gestor (*Possible participating organizations*)	The Ministry of the Environment in coordination with the Ministry of Finance with the approbation of the Government of the Czech Republic

Measure No. 5: Institutional sustainability system comparative study and reform proposal

Name of the measure	**Comparative study of the institutional sustainability system and reform proposal**
Monitored output indicator	Elaboration of a comparative study of the institutional sustainability system
Description of the measure	Elaboration of a comparative study analysing different models of institutional arrangement of sustainability in other EU Member States and elaboration of a reform proposal for a permanent national institutional arrangement for sustainability in the EU concept in the Competence Act. This study should also identify the long-term roles proposed to be temporarily entrusted to the Coordination Group (Recommendation 3) and the Advisory Group (Recommendation 4), as well as the long-term roles of the Council (Recommendation 5), including the restructuring of its expert committees and working groups.
Time frame	2023-2025

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Resources for implementation	TSI / TACR
Gestor (*possible participating organizations*)	MF *(MINISTRY OF THE ENVIRONMENT, MINISTRY OF INDUSTRY AND TRADE, MINISTRY OF REGIONAL DEVELOPMENT, CZECH CHAMBER OF CERTIFIED ENGINEERS AND TECHNICIANS, CZECH HEALTH INSURANCE COMPANY, SPS)*

4.2 Energy services

Measure No. 6: Exempt EPC projects for the organizational units of the state from the ban on accepting supplier loans

Name of the measure	Exempt EPC projects for the organizational units of the state from the ban on accepting supplier loans
Monitored output indicator	Acceptance of the exemption in question
Description of the measure	A change in the view of EPC projects, which include a supplier credit, will help to increase the use of EPC projects in state-owned buildings (and a domino effect in others) and thus increase the number of these projects and the resulting benefits. An appropriate measure is to grant an exception in the methodology that is currently applied to the reporting of the state debt. Specifically, to grant these projects implemented under Section 10e of Act No. 406/2000 Coll. an exemption from the ban on accepting supplier credits. In addition, the state will retain control over the implementation and repayment of liabilities. Despite many successfully implemented projects with demonstrable benefits (savings) and despite support programs for the preparation of EPC projects by the Ministry of Industry and Trade (EFEKT program), the EPC method is not recommended as a primary and proven method for the reconstruction and modernization of existing buildings. This is due to several factors, the most important of which is the fact that when financing EPC projects with a supplier credit (approximately 90% of all EPC projects implemented so far), the receivable is included in the state debt. This is undesirable from the state's point of view, even though the current size of EPC projects (tens to hundreds of millions of CZK per 1 project) contributes to the total debt of the Czech Republic (in the order of trillions of CZK) every year in the order of fractions of a thousand. **Activities:** • Analysis of EPC for the needs of the organizational units of the state in connection with the proposal to amend Act No. 218/2000 Coll., on Budgetary Rules • Proposal and implementation of an amendment to Act No. 218/2000 Coll., on Budgetary Rules – granting an exemption for EPC projects
Time frame	By mid-2025
Resources for implementation	MF
Gestor (*possible participating organizations*)	MF (*CZSO, in cooperation with the Ministry of Industry and Trade and APES*)

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Measure No. 7: Implementation of an EPC (Energy Performance Contracting) model project according to the Maastricht-neutral EPC model contract

Name of the measure	**Implementation of an EPC (Energy Performance Contracting) model project according to the Maastricht-neutral EPC model contract**
Monitored output indicator	Implementation of a sample EPC project according to the Maastricht-neutral EPC model contract and subsequent setting of the model methodology
Description of the measure	According to Article 5 of the European Energy Efficiency Directive referred to as EED 2012/27/EU, each Member State is to ensure that 3 % of the total floor area of heated or cooled buildings with a total useful floor area of more than 500 m2 owned and used by its central government is renovated annually in order to comply with at least minimum energy performance requirements. The Czech Republic has been able to meet this requirement only partially. One of the methods suitable for achieving this goal, which is also recommended by the above-mentioned directive, is **Energy services with a guarantee of savings** (EPC). There are several reasons for this: 1. The customer has a contractually guaranteed amount of savings. If he saves less, the provider will pay the difference. 2. The customer does not need an initial investment beyond the current budget. Most often, they take out a loan for investment, which they repay from guaranteed future savings. 3. The design of the concept, preparation, design, implementation and commissioning of energy-saving measures is the responsibility of one supplier, who also assumes most of the technical risks. 4. Consistent energy management and supervision are an integral part of this. However, the organizational units of the state (OUS), which are ministries, courts, police, tax offices, the Office of the President, the Office of the Government and a number of other institutions, cannot use this method, because by accepting a supplier credit, they contribute to an increase in the state debt. In the case of EPC projects, it would be units per thousand of millions of CZK, but even so, the law is relentless. It is for these cases that the EPC of the project would be solved by means of a contract without affecting the state debt, or the so-called Maastricht-Neutral Model Contract (MNMC). Although the proposed Maastricht-neutral contract model solves the problem by transferring project risks to energy service providers, and it is likely that these requirements will make the project more difficult and expensive, it is still important, where the client wants, to implement the EPC project according to these rules, in close cooperation with the Czech Statistical Office, which is the guarantor of the correctness of accounting for costs in the state debt. Taking advantage of the possibility to implement energy-saving projects without increasing the national debt can help to meet the energy savings targets. A draft of the MNMC model contract for use in OUS has already been developed and can be used within the current legislation, but for these units still without the possibility of third-party financing. It is therefore necessary to amend the wording of Act No. 218/2000 Coll., on Budgetary Rules, e.g. by granting an exemption from this prohibition in the event that the OUS implements the project using the EPC method in accordance with Section 10e of Act No. 406/2000 Coll., on Energy Management. **Activities:** • Developing a methodology for public procurement using MNMC • Proposal and implementation of an amendment to Act No. 218/2000 Coll., on Budgetary Rules

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	• Testing the methodology for public procurement on a pilot project • Introduction of MNMC into common practice
Time frame	2023-2026
Resources for implementation	MPO, APES
Gestor (*possible participating organizations*)	ESCO, CZECH STATISTICAL OFFICE, MINISTRY OF INDUSTRY AND TRADE (Ministry of Finance, CNB)

Measure No. 8: Raising awareness of the EPC model for public institutions

Name of the measure	Educating the EPC and (P)D&B model for public institutions
Monitored output indicator	Number of educational events

Description of the measure	Another tool to help increase the use of the EPC method in meeting the goals set by the Green Deal and Fit for 55 agreements is undoubtedly awareness-raising activities (seminars, webinars and other educational events). The main advantages of Energy Performance Contracting and (Performance) Design & Build, or the generally advanced method of life-cycle cost procurement, will be emphasized and examples of good practice will be presented.
	
	To emphasize the main advantages of the EPC and (P)D&B method, where the advanced method of awarding at life cycle costs meets the 3E principles required by the state (the principle of public funds management – effectiveness, efficiency, economy), [52]includes the innovativeness of the solution design as one of the competition parameters, and to use it in the public sector, especially in state-owned institutions, as a primary business model or at least to a greater extent, than is the case now (an average of 10 projects per year).
	
	Activities:
	• Contributions to conferences – sharing good practice – at least 2 times a year
	• Workshops and seminars – at least 4 times a year
	• Webinars – at least 4 times a year
	• Examples of good practice – more detailed descriptions of successful projects (description of goals and assignments, pitfalls and barriers and their overcoming, results, savings so far, customer comment) – for regular publication (e.g. on social networks)
	  ○ Factsheets
	  ○ Short descriptive articles
	• Instructions/overview of the current implementation procedure of the EPC contract (in variants with and without subsidies) – download on the web (e.g. EFEKT or APES)
	• Printed manuals, brochures and leaflets with information
	• Social networks – info sheets – at least 4 times a year

Time frame	Continuously

[52] Source: MFČR: https://www.mfcr.cz/assets/attachments/2022-09-26_CHJ-MP-23-Povinnost-aplikace-principu-3E.pdf

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Resources for implementation	EFEKT, APES and ESCO's own resources
Gestor (*possible participating organizations*)	APES (*in cooperation with the Ministry of Industry and Trade, National Bank of the Czech Republic, Ministry of the Environment, State Insurance Fund and SMEs*)

Measure No. 51: Support for EPC projects under OP TAK

Name of the measure	**Support for EPC projects within OP TAK**
Monitored output indicator	Number of supported EPC projects in industry
Description of the measure	In the operational programme TAK, which is primarily focused on increasing the energy efficiency of industrial buildings and facilities, CZK 10 billion has been allocated in 2023. In order to demonstrate long-term savings more transparently, it would be appropriate for the current OP TAK programme to give some advantage to applicants who choose the EPC or Performance Design & Build (PDB) method for the implementation of energy-saving measures in their companies, i.e. in the same way as in the Operational Programme Environment (OPE). Experience from the OPE shows that the use of the EPC or PDB method in a project increases the contribution to decarbonisation by maximising energy savings while strengthening energy security. In addition, their standardization also reduces the administrative burden when processing the subsidy.
Time frame	2024-2026
Resources for implementation	OP TAK
Gestor (*possible participating organizations*)	MPO (APES, ESCO, SPS, AMSP)

Measure No. 52: Developing PPAs

Name of the measure		Development of PPA contracts
Monitored output indicator		Increase in PPA contracts and traded renewable energy
Description of the measure		Elaboration of a support scheme that will solve the basic problem of the development of the Czech renewable electricity industry – the lack of diversified renewable energy (RES). Development plans for the construction of new RES sources include photovoltaic sources in approximately more than 90% of cases, only a small share is accounted for by wind or biogas. However, in the case of photovoltaic energy, there is a

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		problem with its sale during peaks, when the spot price can go into negative territory (in the Czech Republic, this first happened on 1.4.2023). PPA contracts may be a solution for developers with a capacity of approximately 20 MWp[53], but it is quite problematic to find a counterparty that would have a consumption curve corresponding to the production curve. A significant problem is thus both the base load (minimum continuous consumption of electricity), for which there are no other sources such as wind, and the responsibility for the deviation, which usually does not want to be taken over by either party. The measures aim to: (i) to state specific legislative proposals that will significantly enable the development of wind power in the Czech Republic, and (ii) It will make it possible to make the deviation liable for state support, from which the customer – typically a manufacturing company – will benefit. This will increase the stability of energy prices for large customers in industry, reduce their carbon footprint in scope 2[54] and increase their competitiveness.
Time frame		2024
Resources for implementation		TAČR
Gestor (*possible participating organizations*)		MPO *(MINISTRY OF THE ENVIRONMENT, MINISTRY OF FINANCE, ENERGY REGULATORY OFFICE)*

Measure No. 53: Supporting the development of new energy services

Name of the measure	**Supporting the development of energy efficiency services**
Monitored output indicator	Growth in the number of energy service providers
Description of the measure	**Support for the development of energy markets:**

[53] A Power Purchase Agreement (PPA) is a long-term (usually 10 to 15 years) contract between a producer of electricity from renewable sources and its customer. The producer guarantees a pre-agreed (fixed) price for electricity for a certain period of time, which allows him to obtain a stable income and thus financing for his project. For consumers, PPA ensures long-term security of supply of "green" electricity and often a competitive price. Source: BusinessInfo.cz, https://www.businessinfo.cz/clanky/smlouvy-ppa-jsou-klicem-k-udrzitelne-energetice-prechazet-na-ne-budou-i-ceske-firmy/

[54] Scope 2 (indirect emissions from energy) – emissions associated with the consumption of purchased energy (electricity, heat, steam or cooling) that do not arise directly in the company, but are a result of the company's activities. Source: https://ci2.co.cz/cs/vybrane-pojmy-v-oblasti-uhlikove-stopy

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	Creating regulatory frameworks that promote growth and competition in the energy services market. Introducing measures to remove barriers to entry for new players in the energy services market. Efforts to remove legislative obstacles and simplify the regulatory environment for energy service providers. Acceleration and streamlining of approval processes for new energy projects. Setting standards and guidelines that encourage innovation and improve the quality of energy efficiency services provided. Implementing policies to promote decentralised energy production and distribution. To help develop awareness of energy services and their benefits not only among professional workers, but also among the general public and companies that are the target group of energy services. Promoting partnerships with industries, identifying needs and opportunities for energy efficiency services, achieving synergies. **Incentives for energy companies:** Support for financial incentives and incentives that companies invest in the development of new energy services – grants, low-interest loans, etc. Funding for research projects aimed at developing new energy services. Providing grants to companies that innovate in energy technologies and services. Creating special incubation programs for energy start-ups that include not only financial support, but also mentoring, access to expertise, and networking opportunities. Providing financial incentives, subsidies or low-cost loans to energy companies that develop and offer innovative energy services.
Time frame	2024-2029
Resources for implementation	MMR, MIT, MOE
Gestor (*possible participating organizations*)	MMR, MIT *(APES, TA ČR, NRB, MŽP)*

4.3 Risks associated with the implementation of ESG in the construction sector

Measure No. 9: Creation of a unified methodology for non-financial ESG reporting for the Czech Republic

Name of the measure	**Creation of a unified methodology for ESG non-financial reporting for the Czech Republic**
Monitored output indicator	Recommended uniform methodology for ESG non-financial reporting for the Czech Republic
Description of the measure	Systematic alignment of the actors' approach in accordance with legislation adopted in the context of climate commitments at the EU and Czech level, using developing international good practices, used taxonomies, standards, norms and methodologies. Finding a suitable methodological framework and quality management system for the implementation of greenhouse gas and energy emission management and ensuring the alignment of the approach of stakeholders is of key importance for managing the challenge of introducing ESG reporting in the Czech Republic and strengthening the

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	competitiveness of the construction industry and achieving energy savings in buildings and other assets as a result of the activities of the construction sector. Reporting on non-financial data of companies is directly related to the readiness of the individual methodologies on the basis of which the reports are to be calculated and reported. In the local environment of the construction market, there is currently no uniform methodology for determining measurable parameters of non-financial data (especially ESG aspects, including carbon footprint determination). Due to the original principle of voluntariness, such steps were not originally necessary on the part of the state administration bodies. However, if the draft of the prepared directive is adopted, it will be necessary to establish uniform methodologies on the basis of which the construction sector in the Czech Republic will be followed. In the event of inconsistency of methodologies, it will no longer be possible to make relevant comparisons between companies in terms of ESG aspects. The final impact on the potential financing of construction companies by individual financial houses is not clear. A uniform methodology would allow for standardisation of ESG applications that are intended to lead to energy savings by design. The measure is expected to lead to energy savings by streamlining the process of using resources for the purpose of a favourable ESG assessment in uniform ESG reporting.
Time frame	2025-2026
Resources for implementation	OP ŽP, OP TAK, TAČR
Gestor (*possible participating organizations*)	MPO secondarily ČKAIT, KZPS ČR (SPS)

Measure No. 10: Communicate planned ESG non-financial reporting methodologies for the Czech Republic

Name of the measure	**Communicate planned ESG non-financial reporting methodologies for the Czech Republic**
Monitored output indicator	Number of conferences on planned non-financial reporting methodologies and minutes of discussions on upcoming methodologies.
Description of the measure	The issue of determining the carbon footprint and other aspects of ESG is also directly related to the transparency of public procurement in the construction sector, where already in the tender documentation for the selection of the contractor it will be necessary for the public institution to express its position on the requirements for bidders, both in terms of ESG requirements and in terms of the expected carbon footprint of the planned project. At the same time, the construction industry is also a major consumer of primary energy sources (mainly due to the energy-intensive production of building materials). It is also key to the implementation of reducing the energy consumption of buildings during renovations and new buildings, i.e. e.g. meeting the objectives of the so-called Renovation Wave Strategy. Unprepared reporting according to CSRD could significantly reduce capacity in the construction industry, especially for large enterprises, and thus create a bottleneck in generating energy savings. However, the basis of correct reporting is, above all, the correct quantification of emissions according to applicable international standards (e.g. the GHG Protocol, which is an international standardized method for

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	measuring greenhouse gas emissions of companies and organizations) and the relevant application rules of the EU applied under EU funds 2021-2027. Without the relevant measures in the form of uniform methodologies for determining ESG, as well as in the form of the reflection of the relevant measures reflecting the upcoming draft of the CSRD Directive into the legislation of the Czech Republic, a smooth adoption of mandatory reporting of financial data of companies in the private sector cannot be expected. The competitiveness of businesses may be jeopardised. It is essential to consult the upcoming ESG non-financial reporting methodologies with the wider professional public in order to obtain feedback on the proposals. **Communication methods:** • Roundtables and working groups • Contributions to conferences focused on companies, with presentation of developed methodologies and explanation of ESG issues – 1x project conference, participation in others at least 3 times a year (introduction, presentation, experience from reporting, results) • Workshops and seminars – at least 6 times a year, from trained experts • Webinars – at least 6 times a year, from trained experts • Articles and instructions on the web (e.g. website of the Ministry of Industry and Trade EFEKT, website of a project with central processing of the issue) – 2 to 4 times a year • Printed manuals, brochures and leaflets with information from the project website • Social networks – info sheets – 1x per month • Social networks – links to the above events – regularly • Newsletter – 2 times a year
Time frame	2025-2027 - Elaboration of a recommended unified methodology for ESG non-financial reporting for the Czech Republic, conference containing the wider professional public.
Resources for implementation	OP ŽP, OP TAK, TAČR
Gestor (*possible participating organizations*)	MPO secondarily ČKAIT, KZPS ČR (SPS)

4.4 Increasing the efficiency of financial instruments

Measure No. 11: Increase the uptake of financial instruments under the OP

Name of the measure	**Increase the use of financial instruments under the OP** (OP E, OP TAK)
Monitored output indicator	Number of effective financial instruments in calls of major operational programmes financing energy savings
Description of the measure	Expand the use of financial instruments in operational and national programmes, in calls for energy-saving projects (especially OP ENVIRONMENT, OP TAK, NP ENVIRONMENT, NZÚ) A financial instrument means an equity investment, a loan, a guarantee and other means of risk sharing. The use of financial instruments is strengthened in the rules of the Structural Funds in the 2021-2027 programming period.

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	The potential for the use of financial instruments is considerable. For their successful implementation, it is necessary to: 1) Combine financial instruments with existing grant calls (e.g. OPE and OP TAK programmes). The subsidies themselves, if they are set up as such, are always more advantageous for the recipient than the financial instrument. 2) To ensure the high quality of supported projects through available technical support and an emphasis on their sustainability and economic efficiency. 3) Expand public-private cooperation as much as possible. 4) Cooperate with financial institutions and experts across strategic sectors (energy, transport, science and research...). **Activity suggestion:** 1) Analysis of current financial instruments used in OPs 2) Analysis of financial instruments available on the market (including analysis of financial instruments used in other subsidy programs) 3) Proposal for the implementation of new financial instruments into operational programmes 4) Working Party on Proposals 5) Finalization of the proposal 6) Implementation of new financial instruments in operational programmes
Time frame	Within the programming period 2021-2027
Resources for implementation	Operational programmes, especially OP ŽP, OP TAK – incl. technical assistance
Gestor (*possible participating organizations*)	According to the responsibility of the OP + to determine the coordinating role (*MPO, MŽP, NRB, ČBA)*

Measure No. 12: Optimising and streamlining the administrative process (subsidies and use of financial instruments)

Name of the measure	**Optimization and streamlining of the administrative process (subsidies and use of financial instruments)**
Monitored output indicator	Number of effective financial instruments in calls of major operational programmes financing energy savings
Description of the measure	The administrative process includes a wide range of activities from the investor's own decision-making or approval process and the preparation of all required documentation in accordance with the conditions of providing financing (from a subsidy program or other source) to the administration of the project implementation. Monitoring the project during its durability period can also be an additional burden. Unsuccessful projects are often due to the failure to meet formal requirements, so the administrative process to obtain the necessary financing for energy-efficient buildings should be as simple and efficient as possible. Optimization criteria can be shortened time for assessment and approval of applications for funding, level of standardization and systematization of administrative processes, simplicity and clarity of forms, optimality of the application approval process, etc.
Time frame	Continuously
Resources for implementation	MINISTRY OF INDUSTRY AND TRADE, MINISTRY OF THE ENVIRONMENT, MINISTRY OF REGIONAL DEVELOPMENT, STATE ENVIRONMENTAL FUND

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Gestor (*possible participating organizations*)	*SEF* (*Ministry of Industry and Trade, Ministry of the Environment, Ministry of Regional Development*)

Measure No. 13: Communication of measures to potential applicants

Cancelled

Measure No. 14: Increase the capitalisation of NRB

Name of the measure	**Increase NRB capitalization**
Monitored output indicator	Equity of NRB
Description of the measure	NRB's capital increase is a precursor to the implementation of its further development strategy, whether in terms of products or business model. Today, the NRB is financed almost exclusively through the deposits of ministries. The capital increase will allow the bank to expand this financing through financial market resources. The bank can thus help ministries and state funds to significantly increase the capacity of support provided by ministries and state funds, in the order of hundreds of billions of crowns, by involving funds from the financial market, e.g. by issuing its own bonds, and funds from cooperating commercial financial institutions. However, this requires strengthening the bank's lending capacity. Capitalisation can also be increased indirectly, e.g. through a state guarantee. The study will present specific steps that will enable the implementation of additional state support in the order of at least CZK 100 billion. CZK
Time frame	2024
Resources for implementation	NRB
Gestor (*possible participating organizations*)	NRB *(MINISTRY OF INDUSTRY AND TRADE, MINISTRY OF REGIONAL DEVELOPMENT, MINISTRY OF FINANCE)*

Measure No. 15: Cooperation with commercial banks

Name of the measure	**Cooperation with commercial banks**
Monitored output indicator	Volume of commercial bank financing involved in NRB financial instruments
Description of the measure	Elaboration of a model of cooperation between NRB and commercial banks according to the model of foreign development financial institutions - e.g. EIB, EIF, KfW, SIH, BGK. NRB should then be able to develop a new branch of its business and support, the so-called intermediated products, i.e. mediated loans and guarantees provided to clients (especially SMEs but also large enterprises) not directly, but through a network of cooperating commercial banks and leasing companies.

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Time frame	2024
Resources for implementation	CBA
Gestor (*possible participating organizations*)	NRB *(MINISTRY OF THE ENVIRONMENT, MINISTRY OF INDUSTRY AND TRADE, MINISTRY OF REGIONAL DEVELOPMENT, MINISTRY OF FINANCE, ČLFA)*

Measure No. 16: Support for policies of other ministries

Name of the measure	**Support for policies of other ministries**
Monitored output indicator	Number of products – NRB financial instruments, where the contracting authority is other ministries than the Ministry of Industry and Trade or the Ministry of Regional Development
Description of the measure	Creation of a product strategy for the NRB that will enable the effective involvement of funds from other ministries and state funds – creation of a mutually agreed concept based on an inter-ministerial working group led by the Ministry of Finance or the NRB, which will present specific financial products that will support in particular the decarbonisation and digitisation of the Czech economy.
Time frame	2024
Resources for implementation	TAČR, NRB, ČBA
Gestor (*possible participating organizations*)	MF *(MINISTRY OF THE ENVIRONMENT, MINISTRY OF INDUSTRY AND TRADE, MINISTRY OF REGIONAL DEVELOPMENT, CZECH BANKING ASSOCIATION, CZECH CHAMBER OF COMMERCE, CZECH PHARMACEUTICAL ACADEMY OF PHARMACEUTICAL SCIENCES)*

Measure No. 17: New products, to build on the ELENA program

Name of the measure	**New products, follow up on the ELENA program**
Monitored output indicator	Number of new products – NRB financial instruments
Description of the measure	Development of new banking products of the National Development Bank (NRB) to support the transition to a low-carbon economy through market-conforming financial instruments such as guarantees, soft loans and combinations thereof. It is important to create a mechanism that will make it possible to support as many projects as possible in the field of energy savings in buildings and the construction of small photovoltaics and heat pumps. Branch networks of commercial banks, which have a much greater reach on the client base from the ranks of SMEs and large enterprises than NRB itself, should also be involved. The involvement of international financial institutions such as the EBRD (European Bank for Reconstruction and Development), which has similar schemes abroad under the name GEFF – this program operates in 29 countries of Central and Eastern Europe and Central Asia, can be considered. As far as the ELENA programme is concerned, it is a technical assistance in the preparation of energy efficiency projects. The European Investment Bank (EIB) provides support. The project should consider involving other entities in the ELENA project in

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	addition to the NRB, or the creation of a national ELENA programme under the auspices of the NRB, as newly allowed by the EIB's InvestEU Advisory Hub rules.
Time frame	2024
Resources for implementation	TAČR, NRB, ČBA
Gestor (*possible participating organizations*)	NRB *(MŽP, MPO, MMR, MF, ČBA, CAFT, ApBB)*

4.5 Raising awareness in the field of EU climate and energy policy

Measure No. 18: Communicate the planned implementation of EU directives into the legislation of the Czech Republic

Name of the measure	**Communicate the planned implementation of EU directives into the legislation of the Czech Republic**
Monitored output indicator	Establishment of a communication point by the Czech Republic (information centre)
Description of the measure	It is necessary to communicate the issued EU directives, communications and regulations more closely by the relevant authorities of the Czech Republic to construction companies, which must be properly prepared for the requirements set at the national level. **It is desirable to establish a communication point from the side of the Czech Republic**, to which the professional public will be able to address all questions and ambiguities regarding the application of the directives. Such a communication point can be understood as an information centre intended for contact with the wider professional public in the construction sector. It is necessary for the Czech Republic to provide education to construction companies about planned methodologies, measures, milestones or emission allowances and at the same time to ensure sufficient information in the area of possible support for technical and technological measures. Without the appropriate cooperation of the relevant authorities of the Czech Republic, the positive acceptance of regulations related to the European Green Deal is significantly jeopardised. **Summary steps:** 1. Communicate the planned implementation of EU directives into legislation 2. Establishment of a communication point in the Czech Republic, to which the professional public will be able to turn with all questions and ambiguities regarding the application of the above-mentioned regulations. **Activity suggestion:** 1. Analysis of current communication channels by public institutions towards 2. Proposal for revision of communication channels, updating of relevant organizations 3. Implementation of a new communication plan 4. Establishment of an interdepartmental communication point

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Time frame	By the end of 2030
Resources for implementation	NRP, Sources of Operational Programmes
Gestor (*possible participating organizations*)	Ministry of Industry and Trade, Ministry of the Environment, Chamber of Commerce (CENTRAL COMMITTEE, MINISTRY OF REGIONAL DEVELOPMENT, MINISTRY OF INTERIOR, MINISTRY OF AGRICULTURE, MINISTRY OF AGRICULTURE, MINISTRY OF EDUCATION, MINISTRY OF LABOUR AND SOCIAL AFFAIRS, CNB)

Measure No. 19: Establishment of a communication point in the Czech Republic to which the professional public will be able to address all questions and ambiguities regarding the application of the Directives

Name of the measure	**Establishment of a communication point in the Czech Republic, to which the professional public will be able to turn with all questions and ambiguities regarding the application of the directives**
Monitored output indicator	Establishment of a communication point by the Czech Republic (information centre)
Description of the measure	Improve communication of the implementation of European policies into the legal system of the Czech Republic by the Czech state towards construction companies. It is necessary to communicate the issued EU directives, communications and regulations more closely by the relevant authorities of the Czech Republic to construction companies, which must be properly prepared for the requirements set at the national level. **It is desirable to establish a communication point from the side of the Czech Republic**, to which the professional public will be able to address all questions and ambiguities regarding the application of the directives. Such a communication point can be understood as an information centre intended for contact with the wider professional public in the construction sector. It is necessary for the Czech Republic to provide education to construction companies about planned methodologies, measures, milestones or emission allowances and at the same time to ensure sufficient information in the area of possible support for technical and technological measures. Without the appropriate cooperation of the relevant authorities of the Czech Republic, the positive acceptance of regulations related to the European Green Deal is significantly jeopardised. The creation of (single) points of contact is also required at the EU level in two directives. The first is the Energy Efficiency Directive 2023/1791 (EED III), Article 22, and the second is the Energy Performance of Buildings Directive 2024/1275 (EPBD IV), Article 18. **Summary steps:** 1. Communicate the planned implementation of EU directives into legislation 2. Establishment of a communication point in the Czech Republic, to which the professional public will be able to turn with all questions and ambiguities regarding the application of the above-mentioned regulations. **Implementation options**: In terms of implementing communication points, there are two options. The first is the creation of a completely new information centre focused on the above-mentioned

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	topics. The second option is to use the existing system of energy consulting and information centres EKIS (and their online version M-EKIS) supported by the Ministry of Industry and Trade under the EFEKT Programme. In this respect, the selected EKIS centres would probably be upgraded first so that all regions of the Czech Republic would be covered, and then the advice on EU directives would be extended to other centres.
Time frame	By the end of 2030
Resources for implementation	MINISTRY OF INDUSTRY AND TRADE, MINISTRY OF THE ENVIRONMENT, MINISTRY OF REGIONAL DEVELOPMENT
Gestor (*possible participating organizations*)	MPO (HEALTHY CITIES, MINISTRY OF THE ENVIRONMENT, SMOČR, MINISTRY OF REGIONAL DEVELOPMENT, CENTRAL COMMITTEE)

4.6 Performance design and build

Measure No. 20: Target support or reward the use of (P)D&B for publicly supported construction projects

Name of the measure	**Specifically promote or reward the use of (P)D&B for publicly supported construction projects**
Monitored output indicator	Number of emerging (P)D&B construction projects
Description of the measure	Performance Design and Build (P)D&B is a way of innovatively commissioning the construction of new buildings, as well as the renovation of existing buildings. The D&B method[55] is used for construction projects and is characterized by the transfer of part or all of the responsibility for the project documentation to the contractor, while the client specifies only the purpose, standards, scope and other, for example, performance criteria of performance in its assignment. The price is usually set as a flat rate without defining a list of construction work, supplies and services with a bill of quantities. In the case of (P)D&B,[56] the above method is extended by a performance component and includes a mechanism for verifying compliance with the specified target performance parameters in the actual operation of the building. The contractor also guarantees the efficiency of the operation of the project (building). In the Czech Republic, this is still a relatively new model, which may seem difficult to implement for building owners and investors, but which has the potential to accelerate the fulfilment of the objectives of the Green Deal and the Fit for 55 package, mainly due to the pressure on the costs of the entire life cycle of buildings. Like EPC, (P)D&B allows project risks to be transferred to suppliers and requirements for the EU Taxonomy. The benefits for the state are clear, but it must be said that the preparation of a construction project using the (P)D&B method is challenging. The following would contribute to increasing the number of newly emerging projects with public funds: • Education of the (P)D&B METHOD – webinars, seminars, examples of good practice

[55] APES: https://www.apes.cz/stazeno_soubory/DESIGNandBUILD_verze_2_093240.pdf

[56] https://www.p-db.eu/o-pdb/9-metodika/o-pd-b/3-o-pdb

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	• Elaboration of a methodological manual for the implementation of projects using the (P)D&B method • Establishment of a one-stop shop that would methodically help with the preparation of new projects • Analysis of the cost of the (P)D&B method and economic benefits compared to other methods of awarding and implementing construction projects • Proposal for bonus for the use of (P)D&B in subsidy programs • ELENA grant support for emerging (P)D&B projects • Grant benefits for applicants from the private sector who decide to build using the (P)D&B method.
Time frame	2024-2026
Resources for implementation	EFEKT, ELENA
Gestor (*possible participating organizations*)	MINISTRY OF INDUSTRY AND TRADE, NATIONAL INSURANCE COMPANY, MINISTRY OF THE ENVIRONMENT, CZECH CHAMBER OF CERTIFIED ENGINEERS AND TECHNICIANS (ČKAIT)

Measure No. 21: Require the (P)D&B method for construction projects where the investor is a public institution

Name of the measure	**Require the (P)D&B method for construction projects where the investor is a public institution**
Monitored output indicator	Number of (P)D&B construction projects where the investor is a public institution
Description of the measure	(P)D&B is a way of innovatively commissioning the construction of new buildings, as well as the reconstruction of existing buildings. The D&B method[57] is used for construction projects and is characterized by the transfer of part or all of the responsibility for the project documentation to the contractor, while the client specifies only the purpose, standards, scope and other, for example, performance criteria of performance in its assignment. The price is usually set as a flat rate without defining a list of construction work, supplies and services with a bill of quantities. In the case of (P)D&B,[58] the above method is extended by a performance component and includes a mechanism for verifying compliance with the specified target performance parameters in the actual operation of the building. The contractor also guarantees the efficiency of the operation of the project (building). In the Czech Republic, this is still a relatively new model, which may seem difficult to implement for building owners and investors, but which has the potential to accelerate the fulfilment of the objectives of the Green Deal and the Fit-for-55 package, mainly due to the pressure on the costs of the entire life cycle of buildings. Like EPC, (P)D&B allows project risks to be transferred to suppliers and requirements for the EU Taxonomy.

[57] APES: https://www.apes.cz/stazeno_soubory/DESIGNandBUILD_verze_2_093240.pdf

[58] https://www.p-db.eu/o-pdb/9-metodika/o-pd-b/3-o-pdb

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	The benefits for the state are clear, but it must be said that the preparation of a construction project using the (P)D&B method is challenging. The following would contribute to increasing the number of newly emerging projects with public funds: • Analysis of the possibility and form of incorporating the method into legislation • Proposal for amendment of legal regulations with regard to the inclusion of a method (decree, regulation, law, internal directive, methodological instruction of the government...) • Incorporation of the method into legislation • Preparation of a methodological manual for public institutions
Time frame	2024-2029
Resources for implementation	EFEKT, ELENA
Gestor (*possible participating organizations*)	MINISTRY OF INDUSTRY AND TRADE, NATIONAL BANKRU, MINISTRY OF THE ENVIRONMENT

4.7 Energy Communities

Measure No. 22: Acceleration of community energy

Name of the measure	**Acceleration of community energy**
Monitored output indicator	Number of energy communities
Description of the measure	Energy communities will probably be established at municipalities (more than 6 thousand municipalities in the Czech Republic) and on the basis of existing associations and similar entities. However, higher flexibility of consumption, as well as supplies to the grid, will also be able to be implemented by future active customers, equipped with smart metering and a suitable tariff, which is practically all retail customers in the country. A condition for the acceleration of community energy is the appropriate setting of conditions for self-consumption and energy sharing, the involvement of municipalities and their contributory organizations, the use of leases of energy sources and suitable models of energy services, and a combined balance evaluation of the community. For the effective onset of energy communities, the following steps have been identified: 1. Creating an appropriate framework for advice - One-stop-shop - Capacity increase - Education 2. Standardisation of the incorporation-financing-operation process 3. Maximum simplification of support 4. Creation of a model of a suitable dynamic model of accounting distribution
Time frame	Continuously
Resources for implementation	NPŽP, OPŽP
Gestor	MOE

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(*possible participating organizations*)	*(MINISTRY OF INDUSTRY AND TRADE, MINISTRY OF REGIONAL DEVELOPMENT, MINISTRY OF FINANCE, STATE ENVIRONMENTAL FUND, ENERGY REGULATORY OFFICE)*

Measure No. 23: Standardisation of the process of establishment-financing-operation of energy communities

Name of the measure	**Standardization of the process of establishment-financing-operation of energy communities**
Monitored output indicator	Number of energy communities, number of business models in practice
Description of the measure	As part of the measures, a methodological guide (manual) for the establishment of energy communities will be created. The handbook will be in accordance with current legislation, taking into account the current and future planned and already known situation (especially on the basis of the Lex RES II package), and will also take into account the subsidy specifics of individual subsidy programs supporting the creation of energy communities. Implementation of measures: • Analysis of legislation on energy communities • Analysis of the conditions of subsidy titles • Create a design • Consultations with relevant parties – Energy Regulatory Office, Ministry responsible for the decree and implementation of laws on energy communities, representatives of subsidy titles, legal specialists, representatives of banks • Finalization of the proposal The output should be a comprehensive guide summarizing the possibilities of establishing and financing energy communities.
Time frame	2024-2025
Resources for implementation	SEF, Modernisation Fund
Gestor (*possible participating organizations*)	SEF (ERÚ, MPO, MŽP, MF, MMR, NRB, ČB, ČBA, Chamber of Renewable Energy Sources, UKEN)

Measure No. 24: Making support to energy communities as easy as possible

Name of the measure	**Making support to energy communities as easy as possible**
Monitored output indicator	Number of energy communities formed
Description of the measure	Implementation of support for energy communities in current subsidy programs. As part of the measure, an analysis of current subsidy opportunities to support energy communities will be carried out. There will also be an analysis of foreign practice. Based on the analyses, a proposal will be developed to simplify the support of energy communities, with the subsequent optimization of the setting of the conditions of Czech subsidy programs.

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Time frame	2024-2025
Resources for implementation	SEF, Modernisation Fund
Gestor (*possible participating organizations*)	SEF (ERÚ, MPO, MŽP, MF, MMR, NRB, ČB, ČBA, Chamber of Renewable Energy Sources, UKEN)

Measure No. 25: Develop a model of appropriate dynamic allocation for energy communities

Name of the measure	**Creation of a model of suitable dynamic billing for energy communities**
Monitored output indicator	Number of energy communities using a dynamic or hybrid model
Description of the measure	The amendment to LEX RES II introduced conditions for community energy, including the methods of energy budgeting/allocation, the so-called allocation key. The allocation key offers three methods of allocation – static, dynamic and hybrid. • The static method distributes the electricity produced according to a predetermined percentage at 15-minute intervals, when the unused allocated share cannot be redistributed to other members or active customers and is sold as an overflow to the public distribution network. • The dynamic method divides the electricity produced according to the current consumption of each participant in a given 15-minute interval, with the one who consumes the most receiving a larger share of the shared electricity, up to the amount of its consumption. This will use more electricity, but the risk is to disadvantage participants with low consumption. • The hybrid method is a two-round process, where the electricity produced is first divided using the static method and then distributed according to the dynamic method, which balances the shortcomings of the previous two methods. Until 1.7.2026, only the static method will be available. After that, the Energy Data Centre (EDC) is to be fully operational, which will provide the necessary data capacity and replacement, and it will also be possible to use dynamic and hybrid methods. As part of this measure, the dynamic and hybrid methods will be completed, verified on simulation models and possibly optimized. Possible modifications to these two methods will be examined, which would lead to a further much fairer distribution of the electricity produced, especially with regard to the use of a larger number of power generation facilities, or a combination of energy community and active customer models (community PV within the community, for example in an apartment building, in the case of private PV plants as part of the active customer status). Plan: • Model design • Model validation • Putting the model into practice
Time frame	2024-2026
Resources for implementation	ERO
Gestor	ERO

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(*possible participating organizations*)	*(MINISTRY OF INDUSTRY AND TRADE, MINISTRY OF REGIONAL DEVELOPMENT, MINISTRY OF LABOUR AND SOCIAL AFFAIRS, MINISTRY OF THE ENVIRONMENT)*

4.8 Energy poverty

Measure No. 26: Verify the appropriateness of the form and amount of the housing allowance

Name of the measure	**Verify the suitability of the form and amount of the housing allowance**
Monitored output indicator	Number of applicants for the allowance, applicants' income and housing expenses
Description of the measure	In order to meet the goals of reducing the energy consumption of buildings, it is necessary to focus on residential and residential houses. Given the fact that almost 910,000 people are estimated to be in energy poverty today, it is important to examine the suitability and amount of state housing benefits. Most citizens in this group who are entitled to housing and energy benefits, whether they are single-parent families, seniors or low-income households, live in energy-intensive buildings. This is therefore a complex situation where energy-intensive housing increases the incidence of energy poverty and vice versa. In addition, a large part of the group at risk of energy poverty live in rental apartments or houses, where no other assistance in the form of subsidies such as New Green Savings and the like is yet headed, apart from the housing allowance. Regarding the suitability of the form and amount of the housing allowance, the following questions must be answered: 1. Is energy poverty correctly defined? Are all those at risk caught? 2. Why do 16 percent of the population at risk of energy poverty not apply for a contribution at all? 3. How difficult is it to get housing benefits? 4. Is the post well targeted? In the targeting of the contribution, should we prefer an individual approach or a unified targeting approach? 5. Can I draw automatically? 6. Is it intended for households that heat with other than gas and electricity? 7. Is it automatically increased? How? In the future, several solutions are offered **in the area of** reducing energy consumption and energy costs by reducing the energy consumption of housing: The largest part (almost half) of people in energy poverty are in rental housing. - In order to reduce energy poverty among tenants, it is necessary to introduce minimum requirements for the energy performance of apartment buildings or apartments used for rental housing, but it is necessary to ensure that the impact of the requirements on tenants in the form of increases in rents or other housing-related costs is minimised. - Allocate an adequate amount of funds to reduce the energy consumption of housing in apartment buildings or to build energy-efficient social housing. As far as reducing the energy consumption of family houses is concerned, it is necessary for subsidy programmes such as the New Green Savings Programme to enable a deductible lower than 50%, which makes house insulation completely unaffordable for households in energy poverty. A gradual increase in the subsidy rate up to 95% and the offer of an interest-free loan to pre-finance the renovation of the house are options.

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	For low-income households, low information and administrative readiness to organize reconstruction and to request support is also a problem, so it is necessary to offer such households adequate counselling. The precise drafting of the law on housing support and the creation of a nationwide network of accessible counseling will be crucial. **Possible activities:** • Analysis of housing allowance • Analysis of subsidy programs in terms of focus on energy-poor households and vulnerable customers • Proposal for the modification of support for existing subsidy programs • Proposal for adjusting the parameters and conditions of the housing allowance • Reflection of the proposed modifications in subsidy programs • Implementation of the proposed amendments into legislation
Time frame	2024-2025
Resources for implementation	Ministry of Labour and Social Affairs
Gestor (*possible participating organizations*)	Ministry of Labour and Social Affairs

Measure No. 27: Triple strengthening of the classic New Green Savings programme

Name of the measure	**Triple strengthening of the classic New Green Savings programme**
Monitored output indicator	Number of applications and subsidies allocated. Increase in energy efficiency/reduction of energy consumption per unit of invested funds
Description of the measure	The New Green Savings Programme is one of the most successful subsidy programmes in the EU in the field of energy savings with a significant synergy effect in the environmental (climate and environmental protection) and social areas (lower number of households at risk of energy poverty). It focuses on energy-saving renovations and construction of family and apartment buildings. Since 2023, it has been financed from the Modernisation Fund – from European Union money (from revenues from emission allowances, NOT from the state budget). It is intended to cover investments in energy-saving measures for all types of applicants in all income and social groups. It is characterized by relatively simple administration and quick payment of money As of 2021, the programme has registered 186 thousand successful applicants, to whose accounts a total of CZK 22 billion has been paid. Following the analysis of the current drawing of the NZU programme, we can recommend: - addition of preferential renovation loans for pre-- and additional financing, as is the case in NZÚ Light, which has proven to be very successful - Conceptual support for pre-project preparation - Further strengthening of education and counselling Reassess the conditions of the subsidy title, the conditions must be expedient, focus as much as possible on comprehensive renovations of buildings, but also ensure that it can

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	be fulfilled by the applicants depending on the individual situation of the applicant and the renovated building. Support for the motivation of households to use the subsidy programmes offered, prevention and prevention of developments in energy prices and energy consumption in households, which may lead to an increasing number of households at risk of energy poverty.
Time frame	2024-2025
Resources for implementation	Modernisation Fund
Gestor (*possible participating organizations*)	Ministry of the Environment, State Environmental Fund

Measure No. 28: Evaluation of the New Green Savings Light pilot

Name of the measure	**Evaluation of the New Green Savings Light pilot**
Monitored output indicator	Presentation of project results
Description of the measure	The government wants to gradually replace the tens of billions of crowns that the state invests in the protection of vulnerable households threatened by energy inflation in the form of immediate aid with systematic investment support for energy renovations of houses. The New Green Savings Light program was launched in January 2023 and is announced until 31 August 2024 or until the allocation is exhausted. The intention of the program is to support cost-saving measures with maximum effect and reasonable costs. The result should be lower energy costs for low-income households. It is intended for owners and co-owners of family houses and recreational facilities used for permanent housing from the ranks of seniors, disabled pensioners and people receiving housing benefits. Unlike the classic New Green Savings scheme, applicants do not have to have money saved up in advance, because they will receive a subsidy of up to CZK 150,000 in advance before they start construction work. The amount of the subsidy can be up to 100%. The disadvantage is the smaller scope of supported measures. Citizens cannot apply for Light for the repair of a holiday home where they live permanently, nor can HOAs. Less administrative complexity of the application is very important. Since the start of receiving applications in January this year, households have submitted 37 thousand applications for financing partial renovations. Already during 2024, it is necessary to prepare an analysis of the success of the programme, including the following criteria: 1. Number of applicants 2. Average amount of support 3. Achieved savings in energy costs in proportion to CZK 1 subsidy 4. Equivalent of CO2 emissions per 1 crown of subsidy. 5. Administrative Complexity Assessment 6. Has subsidy support led to a reduction in energy poverty

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	However, it is also necessary to evaluate the following relatively complex qualitative phenomena: 1. Has the potential reduction in the requirements of the standard NZU paid off? 2. There were cases where it was necessary to request a refund, which was the difference between the payment in advance and the unused part of the subsidy. How was it solved? 3. What was the quality of the "light" testimonials? The aim is to further target and make subsidy support available to the most vulnerable groups, while ensuring the effectiveness of the funds spent and the quality of reconstruction or modification of buildings.
Time frame	2024
Resources for implementation	MOE
Gestor (*possible participating organizations*)	MOE

Measure No. 29: Maintain the social aspect of renovation support

Name of the measure	**Keeping the social aspect of renovation support**
Monitored output indicator	Percentage of population and their characteristics who had access to energy efficient renovations compared to the total population.
Description of the measure	Immediate resolution of acute problems is important. On the one hand, these are provided by the system of housing allowances and supplements, for which the number of applicants is growing, and on the other hand, extraordinary immediate assistance has been provided to address them in the form of two adjustments to the per capita amounts and the simplification of the conditions for drawing assistance. Another immediate measure was one-off contributions "per supply point" and a blanket cap on energy prices for 2023 at the level of approximately 2.5 times 2021 prices. This is followed by long-term measures, which consist mainly of investments in increasing the energy efficiency of buildings. These can have a significant impact on reducing energy poverty rates, as energy-poor households live in disproportionately energy-intensive buildings. Investment support for low-income groups was incorporated into the existing New Green Savings (NZU) programme as a sub-programme of the NZU "light". This is certainly a step in the right direction, but in the future, it is important to check some of the risks associated with it, such as: a potential reduction in the demands of the standard NZU, the issue of payment in advance associated with a possible refund of the unused part of the subsidy, the quality of the "light" assessments, etc. To achieve assistance to energy-poor households, the following steps are proposed: 1. Verify the suitability of the form and amount of the housing allowance 2. Triple strengthening of the classic New Green Savings programme - addition of preferential renovation loans for pre-financing and refinancing - Conceptual support for pre-project preparation - Further strengthening of education and counselling 3. Evaluation of the New Green Savings Light pilot 4. Simplify the use of RES, e.g. in energy communities

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	It is necessary to monitor whether the proposed programmes focusing on the renovation of buildings, increasing energy efficiency and the installation of renewable energy sources are designed with social aspects in mind, i.e. that they are accessible and beneficial for all residents, including those on lower incomes. Primary focus on: - Improving the energy performance of buildings: measuring the energy savings achieved through renovations, the percentage reduction in energy consumption or the achievement of specific energy standards; - Financial savings for residents: assessment of the contribution of renovations/cost-saving measures to financial savings for residents (reduction of energy costs or promotion of energy-saving measures); - Accessibility and support for vulnerable groups: Supporting the availability/usability of energy-saving measures and subsidy programmes for vulnerable groups such as the elderly, people with disabilities or low-income families, as well as households affected by energy poverty. The exclusion of low-income groups or vulnerable people should be avoided. Promote not only quantitative but also qualitative evaluation: - Questionnaires or interviews on the level of awareness of the population about energy efficiency and sustainability. - Surveys or interviews with residents about their satisfaction with new energy-efficient apartments. Combined, quantitative and qualitative indicators provide a comprehensive picture of the effects of energy renovations with regard to social aspects. Quantitative data provides concrete figures, while qualitative information offers a deeper understanding of the subjective aspects of the impacts of renovations on the lives of residents.
Time frame	Continuously
Resources for implementation	NZÚ, NZÚ light
Gestor (*possible participating organizations*)	MOE (MINISTRY OF LABOUR AND SOCIAL AFFAIRS, STATE ENVIRONMENTAL FUND, MINISTRY OF REGIONAL DEVELOPMENT)

4.9 Support for the use of RES in buildings

Measure No. 30: Simplify the use of renewable energy sources, e.g. in energy communities

Name of the measure	**Simplify the use of RES, e.g. in energy communities**
Monitored output indicator	Share of RES produced and consumed within energy communities
Description of the measure	Support for renewable energy sources (RES) occupies a key place in current efforts to be sustainable and reduce dependence on fossil fuels. One of the innovative approaches to supporting RES is the development of energy communities. These communities are a form of sharing and efficient energy management between local residents, companies and public institutions. Members of energy communities can jointly own and manage renewable resources such as solar panels or wind turbines, and share surplus energy

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	with each other. In this way, a decentralized energy system is created that increases the energy independence of local communities and reduces greenhouse gas emissions. Another step towards strengthening support for RES within the energy communities is to create a legislative and regulatory framework that supports this form of energy sharing. Governments and local governments can provide financial incentives, reduce administrative barriers, and create a stimulating environment for the creation and development of energy communities. At the same time, it is important to ensure transparency and fair distribution of the benefits of renewable energy sources among all members of the community. This not only promotes environmental sustainability, but also strengthens social cohesion and the involvement of residents in decision-making processes related to energy policy. Activities: 1) Analysis of the current state of RES support in the Czech Republic (legislation, subsidy programs, other financial incentives, technical support) 2) Analysis of new EU requirements in the field of RES use (e.g. according to EPBD IV and RED III directives) 3) Proposal of measures to support RES 4) Working Group to Increase Support for RES 5) Finalization of RES support measures 6) Implementation into legislation and subsidy programs
Time frame	2023-2025
Resources for implementation	Modernisation Fund, NRP
Gestor (*possible participating organizations*)	MOE (Ministry of Industry and Trade, State Fund for Economic Protection, Ministry of Regional Development, National Revenue Regulatory Office, Energy Regulatory Office, Chamber of Renewable Energy Sources, SMOČR)

Measure No. 31: Hydrogen energy in buildings

Name of the measure	**Energy use of hydrogen in buildings**
Monitored output indicator	Number of hydrogen projects
Description of the measure	Hydrogen technologies are a promising solution to the seasonal imbalance of electricity consumption and production from RES, a solution that is still in the development stage and economically uncompetitive. For use in buildings, the use in fuel cells seems to be the most suitable. A typical hydrogen energy system consists of a renewable source of electricity, most often a PV panel, a buffer battery storage, an electrolyzer for hydrogen production, a hydrogen storage tank and a hydrogen cell for electricity and heat production. The biggest economic barrier is hydrogen storage, which is also a necessity for the functionality and efficiency of the energy system. Hydrogen technologies also have to overcome other challenges. So far, there is a lack of support in laws and public strategies, from the state energy policy to the possibility of injecting hydrogen into the gas system to standards and safety regulations for the

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	injection, transport, distribution and use of hydrogen. The availability of trained workers from installation to maintenance of hydrogen plants is also a question. **This results in the proposed measures:** 1. Create a support program for complex projects 2. Finalise legislation and create educational programmes **Activities**: 1) Technical-economic analysis of the use of hydrogen technologies in buildings 2) Proposal of a support programme or improvement of an existing one (creation of a relevant call) to support the use of hydrogen in buildings
Time frame	Continuously
Resources for implementation	OP TAK, Modernisation Fund, NRP
Gestor (*possible participating organizations*)	MPO (Ministry of the Environment, Energy Regulatory Office)

Measure No. 32: Accelerate pilot projects for industrial heat pumps

Name of the measure	**Accelerate industrial heat pump pilot projects**
Monitored output indicator	Number of implemented pilot projects of heat pump application on an industrial scale
Description of the measure	**Industrial heat pumps** (from 100 kW to tens of MW of output) are a promising tool for solving the electrification of heat production on a larger scale at the level of apartment buildings, heat supply systems and industrial plants. The use of industrial heat pumps in the energy sector and industry in the Czech Republic is still at the very beginning. However, it should be mentioned that apart from Scandinavia, the situation is not much better in Western Europe. We can talk about units of installations per year, while we estimate the potential of the total heat output of industrial heat pumps to be up to 5-10 GW. Today's commercially available heat pumps reach an outlet water temperature of 80-95 °C as standard and can thus be used to cover heat needs associated with heating buildings, hot water preparation or various industrial processes consisting of drying, heating or even pasteurization. Rapid development is also taking place in high-temperature heat pumps. Heat pumps with CO2 refrigerant with an outlet water temperature of up to 140 °C are already coming to the market, and it is expected that in the coming years, heat pumps with a water temperature of 120-160 °C or higher, or even with steam production, will appear on the market. In the summer months, production from a heat pump will be cheap, but the demand for heat is low during this period. On the other hand, in winter, when heat consumption is many times higher, the price of electricity will probably be higher, as there will be no production from PV. This predestines large heat pumps to operate especially in the summer and transition periods (especially when using air). Diversification of the source base is one of the ways of defence against the variable and hard-to-predict price of electricity and to minimise the carbon footprint of heat. These will work "against each other" – typically a cogeneration unit in combination with an efficient heat pump and a fast (and cheap) electric boiler and large accumulation (up to several days of consumption). However, this can be implemented much better in small or larger heating networks, whether in cities, municipalities or industrial areas, than in individual

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	consumers. District heating also makes it possible to integrate waste heat from industry or commercial buildings. Connection to district heating, where there are or suitable conditions for them, should be a priority way of providing heat for the municipal and business spheres. **Proposed measure for targeted support of pilot projects of industrial heat pumps:** • Technical and economic analysis of industrial heat pumps • Identification of pilot projects • Feasibility study – in cooperation with the customer and representatives of subsidy programs • Implementation of selected pilot projects • Evaluation of pilot projects
Time frame	2024-2027
Resources for implementation	NPO, Modernisation Fund, OP TAC
Gestor (*possible participating organizations*)	Ministry of Industry and Trade, Ministry of the Environment (Chamber of Renewable Energy Sources, AVTČ, Energy Regulatory Office)

Measure No. 33: Setting up support for industrial heat pumps

Name of the measure	**Setting up support for industrial heat pumps**
Monitored output indicator	Number of supported implementation projects of industrial heat pumps
Description of the measure	Until recently, the price of heat from natural gas and coal basically excluded investment in heat pumps (regardless of their size or efficiency) from being economically competitive. However, the sharp increase in natural gas prices in the last two years and the ever-increasing requirements for the rate and speed of decarbonisation are changing this practice. It seems essential that it will be possible to overcome the main barrier to the development of the heat pump, namely the high initial investment costs and the uncertainty of long-term stability of operating costs due to the absence of operating support. Large industrial heat pumps are able to achieve high and stable production efficiency in the form of a separate source, where they are able to efficiently supply water at higher outlet temperatures. Significant efficiency can be achieved especially when using waste heat from existing operations (wastewater treatment plants, residual energy in flue gases and condensate at heating plants and power plants, heat from cooling data centres, etc.). The OP TAK programme for industry and the upcoming HEAT Modernisation Fund programme for the heating industry can co-finance more than half of the initial costs, which gives good prospects of achieving the same or even lower long-term prices of heat produced than would be achievable from conventional sources. A persistent barrier is insufficient knowledge (or prejudice) about heat pumps (expensive, inefficient, noisy, service life, etc.). **Proposed steps of action:** • Technical and economic analysis of industrial heat pumps • Proposal of standardized support

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	• Working group on the design – with specialists in the field of heat pump • Finalization of the proposal • Introduction and standardization of support for the implementation of industrial heat pump projects
Time frame	From 2024 continuously
Resources for implementation	NPO, Modernisation Fund, OP TAC
Gestor (*possible participating organizations*)	Ministry of Industry and Trade, Ministry of the Environment (Chamber of Renewable Energy Sources, AVTČ, Energy Regulatory Office)

4.10 Improving the quality of renovations – comprehensive renovation

Measure No. 34: Increase the level of support for residential renovation projects

Name of the measure	**Increase the support rate for residential renovation projects**
Monitored output indicator	Number of new residential renovation projects implemented
Description of the measure	The European Union supports and targets energy renovations of existing buildings. In 2020, the Renovation Wave for Europe strategy was agreed to step up renovation efforts across the EU. According to the strategy, the energy renovation rate should at least double by 2030[59][60]. Achieve (in line with the European Commission's proposals) align the rules for the energy performance of buildings with the European Green Deal and decarbonise the EU's building stock by 2050. Long-term support for new investments first in public buildings and buildings with lower efficiency will stimulate digitalisation and create job opportunities and enable growth in the renovation-related supply chain. According to the EPBD IV[61] issued in May 2024, older buildings will need to be improved in their energy performance. Member States are required to develop/update their national building renovation plans, while in the case of the residential building stock, in line with the prescribed objective of transforming the existing building stock into a zero-emission building stock by 2050, they are to ensure: to reduce the average primary energy consumption of the entire residential building stock by at least 16 % from 2020 to 2030. By 2035, it will increase by 20 to 22% overall. Member States shall ensure that at least a 55% reduction in average primary energy consumption is achieved by renovating 43% (floor area) of worst-performing residential buildings. At the same time, in the case of major renovations, renovated buildings should meet the minimum requirements for the energy performance of buildings (this can be the energy

[59] https://eur-lex.europa.eu/legal-content/CS/TXT/HTML/?uri=CELEX:52020DC0662

[60] https://www.consilium.europa.eu/cs/press/press-releases/2021/06/11/council-approves-conclusions-on-an-eu-renovation-wave/

[61] https://eur-lex.europa.eu/legal-content/CS/TXT/?uri=CELEX:32024L1275

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	standard of a nearly zero-energy building or a zero-emission building, depending on the requirements of national legislation). With the current revision of the Energy Performance of Buildings Directive, it will be necessary to transpose the Renovation Wave Strategy (prepared by the EC) into specific legislative measures (in the Czech Republic). In the Czech Republic, a new Building Act has been in force since 1.7.2024 (1.1.2024), while another 58 regulations and a new Act on a Single Environmental Statement ("SES Act") have been amended. Any ambition may relate to the following amendment. All this will facilitate the renovation of homes, schools, hospitals, offices and other buildings across the EU to reduce greenhouse gas emissions and energy bills and improve the quality of life of EU citizens. **Summary steps:** A timely, high-quality and comprehensive transposition of the requirements of the EPBD (including the development of a national building renovation plan) and the Renovation Wave strategy will significantly support and increase the pace of renovation.
Time frame	Multiannual financial framework 2021-2027
Resources for implementation	Simple, attractive and easy access to public incentives for renovations and sufficient current financial products, better use of EU and Member States' public funds, a greater share of private funds.
Gestor (*possible participating organizations*)	SEF; MOE; MMR

Measure No. 35: Increase the level of support and the attractiveness of comprehensive renovation projects

Name of the measure	**Increase the level of support and the attractiveness of comprehensive renovation projects**
Monitored output indicator	Quantity of new completed comprehensive renovation projects
Description of the measure	A comprehensive and integrated strategy involving a wide range of sectors and actors needs to be adopted, and key barriers at every point in the supply chain need to be removed. Information, legal certainty and incentives for renovation, accessible and more targeted financing, capacities and technical assistance. Ensure the maximum possible complexity of all building renovations and thus achieve only a small amount of energy consumption and the use of energy from renewable sources. In 2020, the Renovation Wave for Europe strategy was agreed to step up renovation efforts across the EU. As of 2020, an average of 1% of existing buildings have been renovated annually, and this figure needs to be at least doubled by 2030. At the same time, complex renovations amounted to only 0.2% on average[62], while it is complex

[62] In 2020, the Renovation Wave for Europe strategy was approved, which aims to step up renovation efforts across the EU

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	renovations, which are expected to reduce the building's energy consumption by at least 60%, that have the greatest effect on reducing the consumption of final energy. According to the EPBD IV directive issued in May 2024, it will be necessary to ensure that older buildings are reduced in their energy performance. Member States are required to develop/update their national building renovation plans. In the case of non-residential buildings, under the EPBD IV, Member States shall establish minimum energy performance standards for non-residential buildings to ensure that they do not exceed a set maximum energy performance threshold. Maximum energy performance thresholds shall be established on 1 January 2020 on the basis of the non-residential building stock, on the basis of available information and, where appropriate, on the basis of a statistical sample. Each Member State sets a maximum energy performance threshold so that 16 % of its national non-residential building stock exceeds that value. The aim is to ensure that all non-residential buildings are below the 16% threshold from 2030 and below the 26% threshold from 2033. For the residential building stock, in line with the prescribed target of transforming the existing building stock into a zero-emission building stock by 2050, they are to ensure that the average primary energy consumption of the entire residential building stock is reduced by at least 16 % from 2020 to 2030. By 2035, it will increase by 20 to 22% overall. Member States shall ensure that at least a 55% reduction in average primary energy consumption is achieved by renovating 43% (floor area) of worst-performing residential buildings. At the same time, Member States have until 29 May 2026 to put in place a system of building renovation passports that would ensure and include a roadmap for a building to become a zero-emission building by 2050. The requirements of the current revision of the Energy Performance of Buildings Directive and the Renovation Wave Strategy (prepared by the EC) will have to be duly transformed into concrete legislative measures (in the Czech Republic). **Activities:** • Transposition of the new directives, in particular EED III, EPBD IV and RED III, into national legislation (this in itself will encourage the rate of comprehensive renovation) • Technical-economic analysis of the benefits of complex renovations (compared to partial or gradual renovations), including an analysis of the possibilities of financial advantages for complex renovations • Proposal for modification of subsidy programs in accordance with the requirements of directives and their transposition with regard to comprehensive renovations • Implementation of modifications to subsidy programs
Time frame	Multiannual financial framework 2021-2027
Resources for implementation	Public incentives for renovation, common financial products, EU and national public funds, private finance.
Gestor (*possible participating organizations*)	STATE ENVIRONMENTAL FUND, MINISTRY OF THE ENVIRONMENT, MINISTRY OF INDUSTRY AND TRADE (TA CR, MF, MMR, SPS, ČKAIT)

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Measure No. 36: Introduce support for so-called complementary measures

Name of the measure	**Introduce support for so-called complementary measures**
Monitored output indicator	Quantity of complementary measures incurred
Description of the measure	Member States should also complement the deployment of EU co-financed programmes with other support schemes, in particular to mobilise private financing. Enforce the necessary accompanying political, regulatory and financial measures. Complementary measures[63] must take into account local specifics, there will certainly be different measures, for example, in Sweden than in Greece, etc. Create a mechanism to actively identify buildings that could benefit from complementary measures. Provide concrete support for projects that integrate complementary measures and move towards a deeper energy renovation. Integrate support for complementary measures into building and energy regulations. To create a legal framework that will enable and facilitate the implementation of these measures and will count on them as a valid and effective means of achieving deeper energy savings. Establish a system for monitoring and evaluating the effectiveness of complementary measures in practice. Review and revise the system of financial support to include so-called complementary measures. Reassess or remove the mandatory 30% savings threshold and allow access to financial support for non-primary measures. Provide specific financial incentives for investments in complementary measures. Ensure that financial support is proportionate to the expected energy savings. Launch an information campaign for building owners and developers on the benefits and possibilities of complementary measures. To provide professional training for construction professionals on the implementation of these measures. Supporting the development of Building Renovation Passports as a tool for informed decision-making, optimising costs and improving the energy efficiency of buildings.
Time frame	Multiannual financial framework 2021-2027
Resources for implementation	Mostly the state budget of the Czech Republic with possible support from structural funds.
Gestor (*possible participating organizations*)	SEF; MOE; MPO

Measure No. 37: Cooperation between stakeholders to raise European funds

Name of the measure	**Cooperation between stakeholders to raise European funds**
Monitored output indicator	Quantification of the drawing of funds from the sources of funds in question
Description of the measure	Investing in buildings can also provide a much-needed boost to the construction environment and the wider economy. Renovation works are labour-intensive, create new

[63] Complementary measures are measures that are specifically created by a given region or territorial unit and that are not universally valid throughout the EU.

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	jobs and investments, often relying on local supply chains, can generate demand for highly efficient equipment in terms of energy and resources, and increase the value of real estate in the long term. Where possible, the full integration of the National Building Renovation Plans in Czechia into the National Energy and Climate Plans in the Czech Republic. Ensuring comparison and monitoring of developments and creating a direct link to the creation of funds and initiating the necessary reforms and investments. Include in all these plans phasing out fossil fuels for heating and cooling by 2040 at the latest and a pathway for the transformation of the national building stock into zero-emission buildings by 2050. Including building renovation in public and private financing rules and introducing appropriate instruments also for low-income households. From 2025, end the provision of financial incentives for the installation of fossil fuel boilers. In individual Member States (here in the Czech Republic), consider the legal possibility of banning the use and combustion of fossil fuels in all buildings.
Time frame	Multiannual financial framework 2021-2027
Resources for implementation	NextGenerationEU, the EU's recovery instrument, together with the EU's multiannual financial framework.
Gestor (*possible participating organizations*)	SEF; NRB; SFRB

Measure No. 38: A regularly updated study on the state and level of energy renovations of the housing stock

Name of the measure	**Regularly updated study on the state and level of energy renovations of the housing stock**
Monitored output indicator	Constantly updated documents providing essential starting points (Determination and observance of the document update period)
Description of the measure	In the maximum possible form, updating the Long-Term Renovation Strategy of the Ministry of Industry and Trade and updating the National Action Plans through the delivery of studies prepared by key actors on the basis of calls from public authorities. Active engagement with key stakeholders, including government authorities, developers, energy specialists and owners, to ensure a comprehensive understanding of the needs and capabilities of each entity. Regular survey of current trends in the construction and energy sectors, to increase the ability to compare results with current standards and the latest technological innovations. It is necessary to regularly update the identification of new data needs, to take into account new information since the last update and to ensure that it is up-to-date and relevant. Regular updating of the clear objectives of the study, primarily focused on analysing the current state of energy efficiency of the housing stock, identifying key areas for improvement and identifying measurable indicators for evaluating the success of renovations, which will be regularly evaluated and compared with previous states in the current context. Regularly updating assessments and supporting legislative measures that could incentivise energy renovations, such as tax incentives, subsidies or energy efficiency rules.

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	Creation of a system for regular monitoring and evaluation of the results of energy renovations carried out in order to monitor real energy savings and environmental impacts. The establishment of a single database on the energy performance of the building stock, as required by the new Energy Performance of Buildings Directive 2024/1275 (EPBD IV),[64] issued in April 2024, which states "*Each Member State shall establish a national database on the energy performance of buildings, which allows the collection of data on the energy performance of individual buildings and on the overall energy performance of the national building stock. These databases can consist of a group of interconnected databases.* *The database allows data to be collected from all relevant sources on energy performance certificates, inspections, building renovation passports, smart readiness indicators and calculated or measured energy consumption of the buildings covered. In order to populate this database, data on building types can also be collected. Data on operational and embedded emissions of buildings and on the total global warming potential over the life cycle may also be collected and stored*.' The establishment of this database and the initial collection, analysis and upload of data would ensure the creation of the necessary data base (which is expected to be regularly updated and supported), which would thus serve for regular analysis of the level of energy renovations of the housing stock.
Time frame	Continuous
Resources for implementation	State budget of the Czech Republic, EU structural funds, (EEA funds)
Gestor (*possible participating organizations*)	TAČR (MINISTRY OF INDUSTRY, MINISTRY OF THE ENVIRONMENT, STATE ENVIRONMENTAL FUND, MINISTRY OF REGIONAL DEVELOPMENT)

4.11 Support for cities and municipalities as investors in energy-saving projects

Measure No. 39: Raising awareness of SECAP

Name of the measure	Raising awareness of SECAP
Monitored output indicator	Number of municipalities that have joined the Covenant of Mayors and committed to the creation of SECAP
Description of the measure	The Covenant of Mayors is an international initiative [65]that aims to help municipalities that voluntarily participate in it to implement their own climate and energy policies and measures. The initiative shares experience and expertise, provides support from the Covenant office, the opportunity to promote their activities on the Covenant website and wider funding opportunities. The initiative focuses on reducing greenhouse gas emissions, strengthening resilience and preparing for the adverse impacts of climate change (mitigation and adaptation), alleviating energy poverty and achieving climate neutrality by 2050.

[64] EPBD IV: https://eur-lex.europa.eu/legal-content/CS/TXT/?uri=CELEX:32024L1275

[65] https://www.paktstarostuaprimatoru.eu/

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	Municipalities that decide to join this initiative have 2 years to prepare a Sustainable Energy and Climate Action Plan (SECAP). The Sustainable Energy and Climate Action Plan (SECAP) contains the key measures that the municipality plans to implement and the baseline emissions balance (the so-called BEI emission inventory), which are the basis for monitoring the impact of mitigation measures. It also includes an assessment of the risks and vulnerability of the municipality in connection with climate change. The expansion of participation in the Covenant and the adoption of SECAP in municipalities will strengthen the demand for energy-saving projects in urban buildings and, secondarily, will also create conditions for further implementation in the private sector. Activities: • Papers at conferences focused on municipalities, at least twice a year • Workshops and seminars – at least 4 times a year, with representatives of cities successfully operating in the Covenant – active outreach to municipalities • Webinars – at least 4 times a year, with representatives of cities successfully operating in the Covenant • Articles and instructions on the web (e.g. the MIT EFEKT website) – 2 to 4 times a year • Printed manuals, brochures and leaflets with information • Social networks – info sheets – 4 times a year • Social networks – links to the above events – regularly • Newsletter – 2 times a year
Time frame	Continuously
Resources for implementation	Ministry of the Environment, Ministry of Industry and Trade – EFEKT, NPP, Modernisation Fund
Gestor (*possible participating organizations*)	MOE (*HEALTHY CITIES, SMOČR, MMR, SMS ČR)*

Measure No. 40: Provision of technical support for municipalities in the SECAP area

Name of the measure	Provision of technical support for municipalities in the SECAP area
Monitored output indicator	Number of municipalities that have used financial support to create SECAP Amount of allocation for SECAP support
Description of the measure	Extension of the NPŽP Covenant of Mayors for Climate and Energy call and further support for the preparation of SECAP and related strategic documents and action plans. Municipalities that join the Covenant of Mayors initiative will receive practical support, materials and tools to achieve their goals. Cooperation between municipalities and other authorities will be strengthened. With the help of SECAP, the municipality sets such goals that will be credible obligations for it. The Sustainable Energy and Climate Action Plan (SECAP) contains the key measures that the municipality plans to implement and the baseline emissions balance (the so-called BEI emission inventory), which are the basis for monitoring the impact of mitigation measures.

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	It also includes an assessment of the risks and vulnerability of the municipality in connection with climate change. By signing the Covenant, the municipality will be involved in the fight against climate change at the local level, achieving a reduction in energy costs and promoting sustainable energy use. It is therefore appropriate to strengthen technical support for the preparation of SECAP and the implementation of follow-up steps, which will lead to the implementation of energy-saving measures and to the reduction of costs and energy consumption. Together with the energy strategy developed, it is possible to access grants and finance the objectives set more easily. Activities: • Technical and economic analysis of SECAP processing/membership in the Covenant of Mayors • Analysis of existing SECAPs and their benefits • Proposal of support in the NPE • Working group • Finalization of support • Implementation into the subsidy program
Time frame	Continuously
Resources for implementation	NPŽP, OPŽP
Gestor (*possible participating organizations*)	MOE (*SFŽP, MMR, SMOČR, HEALTHY CITIES, SMS ČR)*

Measure No. 41: Creation of a unified database of municipal buildings – energy and technical data

Name of the measure	**Creation of a unified database of municipal buildings – energy and technical data**
Monitored output indicator	Number of cities and municipalities in the system of the unified building database
Description of the measure	It is necessary to solve one of the key obstacles, namely the absence of a unified database of buildings, including basic information on their technical condition and energy performance. The creation of the database is also required at the European Union level in Article 22 of the new Energy Performance of Buildings Directive 2024/1275 (EPBD IV), which states "*Each Member State shall establish a national database on the energy performance of buildings, which allows the collection of data on the energy performance of individual buildings and on the overall energy performance of the national building stock. These databases can consist of a group of interconnected databases.* *The database allows data to be collected from all relevant sources on energy performance certificates, inspections, building renovation passports, smart readiness indicators and calculated or measured energy consumption of the buildings covered. In order to populate this database, data on building types can also be collected. Data on operational and embedded emissions of buildings and on the total global warming potential over the life cycle may also be collected and stored*.'

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	The Czech Republic has a general statistical database, a cadastre of real estate and a database with energy certificates of ENEX buildings. In addition, some municipalities maintain their own geoinformation, technical and technological databases on buildings on their territory. The interconnection of information from these databases could have a positive effect on the subsequent management and analysis of buildings (another article of the Directive requires the renovation of the most energy-intensive buildings – these must be identified first). However, complications may arise in the case of using the current ENEX database – the database has not been improved since its inception and its functionality is not sufficient for the needs of data analysis. In addition, older energy performance certificates uploaded to ENEX may not be qualitatively indicative of the evaluated building. The creation of a new version of the database, including the mechanism of data revision and transformation (including the possibility of machine reading and conversion of the pdf format of older documents) should be one of the first steps of this measure. Recommendations: Creation of a unified database of municipal buildings – energy and technical data Implementation of measures: • Analysis of data requirements for the database – in coordination with participating organisations and in accordance with EPBD IV • Analysis of the possibilities of current databases in the Czech Republic • Creation of a design of a unified database and interconnecting protocol • Testing the unified database • Finalization of the unified database
Time frame	2024-2025 with regard to the requirements of the updated EED Directive
Resources for implementation	MINISTRY OF INDUSTRY AND TRADE, MINISTRY OF THE ENVIRONMENT, MINISTRY OF REGIONAL DEVELOPMENT, NATIONAL PLANNING AND DEVELOPMENT
Gestor (*possible participating organizations*)	MINISTRY OF INDUSTRY AND TRADE, MINISTRY OF THE ENVIRONMENT, MINISTRY OF REGIONAL DEVELOPMENT *(SMOČR, HEALTHY CITIES, SMS ČR)*

Measure No. 42: Creation of a one-stop-shop for PV, RES and energy savings

Name of the measure	Creation of a one-stop-shop for PV, RES and energy savings
Monitored output indicator	Number of contact points created
Description of the measure	For public entities investing in PV projects, it is necessary to establish at least one contact point with clearly defined services and procedures offered. Only in this way is it possible to overcome the key obstacle to a larger expansion of PVPP, which is the limited capacity of cooperating entities, companies that are not ready to implement PV projects on a larger scale, but also city districts or departments of the Prague City Hall that lack unity and coordination of a common approach, or a sufficient information base. The creation of points of single contact is also required at the European Union level in two directives. The first is the Energy Efficiency Directive 2023/1791 (EED III), [66]Article 22.

[66] Energy Efficiency Directive (EED III): https://eur-lex.europa.eu/legal-content/CS/TXT/?uri=CELEX:32023L1791

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	Member States are to take appropriate measures to raise awareness of energy efficiency, according to paragraph 3, point a), this includes: '*the creation of one-stop-shops or similar mechanisms for the provision of technical, administrative and financial advice and assistance in the field of energy efficiency, such as energy checks for households, energy renovation of buildings, information on the replacement of old and inefficient heating systems with modern and more efficient installations, the use of renewable energy and energy storage for buildings, end-users and end-users; in particular households and small non-household users, including SMEs and micro-enterprises;*'; The second directive is the Energy Performance of Buildings Directive 2024/1275 (EPBD IV),[67] which states in Article 18: *'Member States, in cooperation with the competent authorities and, where appropriate, private sector stakeholders, shall ensure the establishment and functioning of technical assistance facilities, including through inclusive one-stop shops on the energy performance of buildings, targeting all actors involved in building renovations, including homeowners and administrative, financial and economic actors, such as small and medium-sized enterprises, including micro-enterprises*' Although the Directive refers to points of single contact set up mainly for households, this does not exclude the possibility of providing support to public bodies either. **Implementation options**: The contact point will have a pre-defined competence and adapted size and capacities and clearly defined services and procedures offered. In terms of implementing communication points, there are two options. The first is the creation of a completely new information centre focused on the above-mentioned topics. The second option is to use the existing system of energy consulting and information centres EKIS (and their online version M-EKIS) supported by the Ministry of Industry and Trade under the EFEKT Programme. In this respect, the selected EKIS centres would probably be upgraded first so that all regions of the Czech Republic would be covered, and then the advice on EU directives would be extended to other centres. Due to the obligation under the Energy Efficiency Directive (Articles 5 and 6) for the public sector to set an example in improving energy efficiency, there is an opportunity for the Single Point of Contact to operate not only passively, but also actively (searching for and contacting public institutions suitable for the implementation of RES and energy saving projects).
Time frame	2024-2026 with regard to the
Resources for implementation	NPO, EFEKT, MŽP
Gestor (*possible participating organizations*)	MINISTRY OF INDUSTRY AND TRADE, MINISTRY OF THE ENVIRONMENT, MINISTRY OF REGIONAL DEVELOPMENT *(SMOČR, HEALTHY CITIES, SMS ČR)*

Measure No. 43: Increasing the implementation capacity of energy-saving projects

Name of the measure	**Increasing the implementation capacity of energy-saving projects**

[67] Energy Performance of Buildings Directive (EPBD IV): https://eur-lex.europa.eu/legal-content/CS/TXT/?uri=CELEX:32024L1275

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Monitored output indicator	Number of implemented projects Number of graduates of educational programmes Shortening the length of project preparation
Description of the measure	**Education of construction workers:** • Establishment of training programs for professionals in the field of energy management, engineering and project management. Cooperation with universities and research institutions to develop courses focused on energy efficiency of buildings, modern technologies and management. • Support for educational courses within secondary and university studies and support and development of lifelong learning with regard to the dynamics of development in the construction industry. The aim is to increase the knowledge and skills of existing workers in the construction industry and to enable the entry of new workers into the construction industry from other fields. • Establishment and support of retraining courses and training courses for those interested in changing professions and for job seekers at the Labour Office. • To make it easier for women/men on parental leave or shortly after the end of parental leave to return to the labour market for skilled work. **Technical and technological development, support for research:** • It is necessary to innovate activities in the construction sector, accelerating processes along the value chain to accelerate the pace of new construction and renovation. It is necessary to support modern technologies, robotization in the construction industry, digitization of construction processes, industrialization of the construction industry and the development of 3D printing in order to achieve faster construction while maintaining or increasing quality. • Support the simplification of administrative procedures, the optimisation of permitting and approval processes for energy-saving projects.
Time frame	2024–2029
Resources for implementation	TAČR, MPO, MŽP, MMR, MOLSA, MŠMT
Gestor (*possible participating organizations*)	MINISTRY OF INDUSTRY AND TRADE, MINISTRY OF LABOUR AND SOCIAL AFFAIRS, MINISTRY OF EDUCATION, YOUTH AND SPORTS (TA CR, MINISTRY OF THE ENVIRONMENT, MINISTRY OF REGIONAL DEVELOPMENT, AMSP, CHAMBER OF COMMERCE OF THE CZECH REPUBLIC, ČKAIT, SPS)

Measure No. 44: Standardise fire protection requirements

Name of the measure	**Standardize fire protection requirements**
Monitored output indicator	Approved legislative documents
Description of the measure	The construction and reconstruction of buildings is subject to fire regulations, which are intended to ensure the minimum resistance of the building to the risk of fire, or to limit its spread, and to ensure sufficient time and protection for users to evacuate from the building. Fire regulations thus deal not only with the properties of building structures, but also with technologies that could contribute to the occurrence or spread of fire. In some cases, fire regulations in force in the Czech Republic can be evaluated as very strict and do not sufficiently take into account technological progress and the use of modern materials and technologies to prevent the spread and occurrence of fire.

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	A key obstacle is the inconsistent requirements and definitions in terms of fire protection. After the first evaluation of suitable buildings, the insufficient quality and technical condition of roofs and lightning rods often appears. Possible measures for the installation of PV are still unclear in terms of fire protection. Implementation of measures: • Analysis of current fire protection regulations in the Czech Republic • Analysis of current fire protection regulations in the EU • Analysis of experience in the field of fire protection, technical possibilities in the field of fire protection • Preparation of an explanatory report and preparation of a proposal for amendment to fire regulations • Working Group on the Revision of Fire Regulations • Finalization of the proposal • Implementation of the proposal into the legislation of the Czech Republic
Time frame	2024-2026
Resources for implementation	MV
Gestor (*possible participating organizations*)	MINISTRY OF THE INTERIOR, MINISTRY OF INDUSTRY AND TRADE, MINISTRY OF THE ENVIRONMENT, MINISTRY OF REGIONAL DEVELOPMENT *(SMOČR, HEALTHY CITIES, SMS ČR, Chamber of Renewable Energy Sources, CAFT, ČKAIT)*

Measure No. 45: Replicate the EUCF call in the Czech Republic

Name of the measure	Imitate the EUCF challenge in the Czech Republic
Monitored output indicator	Announcement of the call, Number of successful applicants from cities and municipalities
Description of the measure	The EU City Facility (EUCF) is a pilot programme of the European Commission designed to support project preparation at local level. Cities can obtain funds of up to EUR 60 thousand for conceptual activities (processing, proper planning, obtaining the necessary funds for implementation), for which there is often a lack of capacity in the normal operation of the city. The EUCF can finance a range of activities such as feasibility studies, engineering analyses, legal analyses, social studies, market research, financial analyses and more. The EUCF is a support measure for the Sustainable Energy and Climate Urban Action Plans (SECAPs), which are a prerequisite for submitting an application. The aim of the EUCF is to transform measures from the climate plans of cities and municipalities into an investment concept (plan) that is understandable for investors, which will facilitate access to various sources of funding (e.g. in the form of public funds/private/grants, etc.) and thus facilitate and accelerate the implementation of the planned measures. The EUCF represents an intermediate step between the SECAP action plan itself and the implementation of specific independent measures (in the sense of, for example, the preparation of project documentation for a specific energy-saving measure). In the Czech Republic, three cities have succeeded so far, Kladno, Tábor and Žďár nad Sázavou.

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	The existing experience with the EUCF programme in the Czech Republic is generalizable for the implementation of energy savings and RES projects in cities (and is also included in other measures). **Proposed action**: To create a programme of support for project preparation and strategic planning of investments in cities in the Czech Republic, using the experience of the EUCF
Time frame	2024-2026
Resources for implementation	Modernisation Fund, NPO, OPE, NPŽP
Gestor (*possible participating organizations*)	Ministry of the Environment, Ministry of Regional Development *(SMOČR, HEALTHY CITIES, SMS ČR)*

Measure No. 46: Encourage cities to apply and succeed in other EUCF calls

Name of the measure	**To support cities to be able to apply and succeed in other EUCF calls**
Monitored output indicator	Number of EUCF beneficiaries in the Czech Republic, number of beneficiaries of the national variant of the programme (see previous measures), number of supported employees of local governments and representatives
Description of the measure	Obtaining a grant from the EUCF programme requires representatives of municipalities and cities to achieve a high level of managerial, organisational, financial, language and other skills. The municipality must guarantee the achievement of minimum requirements: - The innovativeness/complexity of the projects required by the programme must be accompanied by a clear quantification of results. - From the beginning, the city must cooperate with partners who will influence the solution/investment concepts (permitting procedure, financing, design, etc.) - Compete all supplies in a timely manner. - Carefully set economic parameters and constantly monitor and evaluate them. - Prepare economic and technical annexes to the investment plan from the beginning. - Monitor information on emission factors, energy management and investment plans. - To comply with the intentions expressed in the SECAP or similar strategy. - To ensure the personnel capacity to write the application and communicate in Czech and English. Meeting these and other criteria is difficult for many municipalities to achieve, but essential for the success of investment projects in energy efficiency and decarbonization. **Proposed action:** - Provide long-term, systematic support to local governments, their employees and elected representatives through lifelong learning, special training and other means **Activities:** • Creation of a handbook with the procedure for obtaining a subsidy from the EUCF • Creation of a database with information and examples of successful applicants in the EUCF call with an emphasis on correct and functional steps leading to obtaining a grant in the EUCF

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Time frame	2024-2026
Resources for implementation	Modernisation Fund, NPO, OPE, NPŽP
Gestor (*possible participating organizations*)	Ministry of the Environment, Ministry of Regional Development *(SMOČR, HEALTHY CITIES, SMS ČR)*

Measure No. 47: Raise awareness of the EUCF

Name of the measure	Raise awareness of the EUCF
Monitored output indicator	Number of EUCF beneficiaries in the Czech Republic, number of beneficiaries of the national variant of the programme (see previous measures)
Description of the measure	Conduct an active information campaign about the possibilities of the EUCF programme and its future national variant. Activities: • Training – seminar at least 4 times a year, webinar at least 4 times a year (or combined form) • Promotion – website, conference, infographics on social networks (ideally through city associations and other city organizations) • Active addressing of selected municipalities
Time frame	2024-2026
Resources for implementation	Modernisation Fund, NPO, OPE, NPŽP
Gestor (*possible participating organizations*)	MINISTRY OF THE ENVIRONMENT, MINISTRY OF REGIONAL DEVELOPMENT, SMOČR *(HEALTHY CITIES, SMS ČR)*

Measure No. 48: Financing of the renovation of public lighting through the purchase of receivables

Name of the measure	Financing of the renovation of public lighting by purchase of receivables
Monitored output indicator	Total volume of projects financed in public lighting in small municipalities through the purchase of receivables
Description of the measure	It is necessary to raise awareness of the possibility of this support for smaller municipalities as well, it is advisable to familiarize smaller municipalities with the system of purchase of receivables (an option where the bank buys the whole and sets a repayment schedule – this can be advantageous especially for contractors, especially from the ranks of companies offering energy services with a guarantee, where the purchase of receivables can free up funds for these companies to be used on other contracts), as an appropriate financial instrument to minimise input costs for the renovation of public lighting. This system will make the renovation of public lighting accessible to less creditworthy administrations and will thus enable energy savings to be achieved even in small municipalities.

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	It is necessary to increase the awareness of companies (so that they mediate the financial possibilities of purchasing receivables and have experience with them) and municipalities (so that they ask for this financial option) **Specific steps:** • Advertising campaigns • Social Media Infographics • Include in webinars and seminars on financial instruments • Preparation of a handbook for financing renovations of public lighting
Time frame	Continuously
Resources for implementation	NPO
Gestor (*possible participating organizations*)	MPO (MINISTRY OF THE ENVIRONMENT, MINISTRY OF REGIONAL DEVELOPMENT, STATE ENVIRONMENTAL FUND)

Measure No. 49: Improve the preparation of documents for the renovation of public lighting (passporting)

Name of the measure	**Improve the preparation of documents for the renovation of public lighting (passporting)**
Monitored output indicator	Total volume of funds spent on passporting of the current state of public lighting in upcoming projects
Description of the measure	Approximately 60% of public lighting installations in the Czech Republic meet the conditions for support from the NRP. However, it is not always suitable. Public lighting consists of many parts and the luminaire and wiring itself make up only a minor part of the total installation and costs. Larger cities are often technically very well prepared, but smaller cities have a lower capacity, which often prevents them from accessing NPO funding. The NPR subsidy for the renovation of public lighting is now set at CZK 30 per kWh/year saved. However, a substantial part of the renovation costs falls outside the replacement of the luminaire itself, which mainly brings savings. Expenditures on other parts of lighting, such as earthworks, wiring, poles, etc., have now been added to the subsidy, but their inclusion reduces the return on investment of the entire project. Another obstacle to implementation is the lack of quality documents and the poor condition of the cables (similar to what was mentioned in the presentation of the first topic). Therefore, it is necessary to improve the preparation of the passporting. **Activity suggestion:** • Analysis of current requirements and conditions of subsidy programs (esp. NPO) during the renovation of public lighting • Elaboration of a comprehensible technical procedure and passporting requirements, including description and infographics
Time frame	Continuously
Resources for implementation	NPO
Gestor	MPO

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(*possible participating organizations*)	(MINISTRY OF THE ENVIRONMENT, STATE ENVIRONMENTAL FUND, MINISTRY OF REGIONAL DEVELOPMENT)

Measure No. 50: Raising awareness of the renovation of public lighting and assisting smaller municipalities

Name of the measure	**Raising awareness and assisting smaller municipalities in renovating public lighting**
Monitored output indicator	Establishment of a regularly updated information portal on current possibilities of drawing subsidies for the renovation of public lighting
Description of the measure	To set up a portal where information for smaller municipalities will be regularly updated, to supplement it with informed staff providing consultation to potential interested parties. The portal must clearly contain all information related to the submission of the application, implementation and requirements for savings and operation of renovated public lighting. **Possible activities:** • Preparation of a handbook on procedures and options for renovating public lighting • Setting up an online information website • Integration of technical assistance into energy efficiency one-stop shops, including staff training • Seminars and webinars on the education of experts in the field of renovation of public lighting
Time frame	Continuously
Resources for implementation	NPO
Gestor (*possible participating organizations*)	MPO *(Ministry of the Environment, Ministry of Regional Development)*

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