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| **Component 1.6: Acceleration and digitalization of the building process** | |
| **Investment/ reform CID reference** | **Reform 1** |
| **Investment/ reform name** | **Implementation of the new Building Act and zoning law into practice** |
| **Type of change compared to CID** | modified |
| **Legal base of the change (select at least one)** | Article 14(2) – loan request  Article 18(2) – update of the maximum financial contribution  Article 21 – amendment due to objective circumstances  Article 21a – REPowerEU non-repayable financial support (ETS revenue)  Article 21b (2) – BAR transfers  ☐ None of the above, correction of clerical error |
| **Elements modified (only for modified measures)** | Component / Measure description  Milestones and targets  Estimated cost  Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure)  DNSH self-assessment |

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| **Reform 1 Implementation of the new Building Act and zoning law into practice – Milestone 73** | | |
| *Description and justification of the change* | | |
| **Modified elements** | **Current version** | **Amended version** |
| ***Component and / or measure description*** | *The reform consists of institutional and procedural changes and aims to bring a high degree of digitalisation to the construction permissions process. The new Construction Act shall enter into force by 30 September 2021. It shall bring the decentralised structure of the building authorities and their operating conditions under the responsibility of the State.*  *The reform shall speed up building procedures, make authorisation procedures more efficient and place them under the responsibility of a single authority – the Supreme Construction Office. Relevant actors shall receive adequate training to understand the new processes, be able to use the new information systems and work efficiently in the new organisational setting. The existing data shall be migrated to a new platform and the functioning of the existing individual information systems shall be ensured until the central information system (‘AIS’) is built. This includes the provision of the necessary IT equipment for the functioning of the Supreme Construction Office and local building offices.*  *This reform shall be implemented by 30 September 2023 and its impact shall be measured by 31 December 2025.* | *The reform consists of institutional and procedural changes and aims to bring a high degree of digitalisation to the construction permissions process. The new Construction Act shall enter into force by 30 September 2021. It shall bring the decentralised structure of the building authorities and their operating conditions under the responsibility of the State.*  *The reform shall speed up building procedures, make authorisation procedures more efficient ~~and create the conditions for digitization of construction permit process. place them under the responsibility of a single authority – the Supreme Construction Office.~~ Relevant actors shall receive adequate training to understand the new processes, be able to use the new information systems and work efficiently in the new organisational setting. The existing data shall be migrated to a new platform and the functioning of the existing individual information systems shall be ensured until the central information system (‘AIS’) is built. This includes the provision of the necessary IT equipment for the functioning  ~~all levels of~~ the new structure of building authories. ~~of the Supreme Construction Office and local building offices.~~*  *This reform shall be implemented by 30 September 2024 and its impact shall be measured by 31 December 2025.* |
| ***Milestones and targets*** | *Name:*  *Start of the activity of the Supreme Construction Office*  *Timeline: Q3/2023*  *Qualitative indicator:*  *The Supreme Construction Office shall begin its functions. It shall have a legal existence and physical headquarters.*  *Description:*  *Creation of new state structure of the Supreme Construction Office, including internal units. Securing financial and IT staffing as well as training of personnel, allowing for proper functioning of the new office.* | *Name:*  *Start of the activity of the* ***new structure of building authorities***  *Timeline: Q3/2024*  *Qualitative indicator:*  *New structure of building authorities shall begin its functions. It shall have a legal existence and physical headquarters.*  *Description:*  *Creation of new state structure of building authorities, including internal units. Securing financial and IT staffing as well as training of personnel, allowing for proper functioning of the new office.* |
| ***Estimated cost*** | *No change* | *No change* |
| ***Green and digital tagging*** | *No change* | *No change* |
| ***DNSH self-assessment*** | *No change* | *No change* |

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| **Component 1.6: Acceleration and digitalization of the building process** | |
| **Investment/ reform CID reference** | **Reform 1** |
| **Investment/ reform name** | **Implementation of the new Building Act and zoning law into practice** |
| **Type of change compared to CID** | modified |
| **Legal base of the change (select at least one)** | Article 14(2) – loan request  Article 18(2) – update of the maximum financial contribution  Article 21 – amendment due to objective circumstances  Article 21a – REPowerEU non-repayable financial support (ETS revenue)  Article 21b (2) – BAR transfers  ☐ None of the above, correction of clerical error |
| **Elements modified (only for modified measures)** | Component / Measure description  Milestones and targets  Estimated cost  Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure)  DNSH self-assessment |

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| **Reform 1 Implementation of the new Building Act and zoning law into practice – Milestone 74** | | |
| *Description and justification of the change* | | |
| **Modified elements** | **Current version** | **Amended version** |
| ***Component and / or measure description*** | *The reform consists of institutional and procedural changes and aims to bring a high degree of digitalisation to the construction permissions process. The new Construction Act shall enter into force by 30 September 2021. It shall bring the decentralised structure of the building authorities and their operating conditions under the responsibility of the State.*  *The reform shall speed up building procedures, make authorisation procedures more efficient and place them under the responsibility of a single authority – the Supreme Construction Office. Relevant actors shall receive adequate training to understand the new processes, be able to use the new information systems and work efficiently in the new organisational setting. The existing data shall be migrated to a new platform and the functioning of the existing individual information systems shall be ensured until the central information system (‘AIS’) is built. This includes the provision of the necessary IT equipment for the functioning of the Supreme Construction Office and local building offices.*  *This reform shall be implemented by 30 September 2023 and its impact shall be measured by 31 December 2025.* | *The reform consists of institutional and procedural changes and aims to bring a high degree of digitalisation to the construction permissions process. The new Construction Act shall enter into force by 30 September 2021. It shall bring the decentralised structure of the building authorities and their operating conditions under the responsibility of the State.*  *The reform shall speed up building procedures, make authorisation procedures more efficient ~~and create the conditions for digitization of construction permit process.~~ ~~place them under the responsibility of a single authority – the Supreme Construction Office.~~ Relevant actors shall receive adequate training to understand the new processes, be able to use the new information systems and work efficiently in the new organisational setting. The existing data shall be migrated to a new platform and the functioning of the existing individual information systems shall be ensured until the central information system (‘AIS’) is built. This includes the provision of the necessary IT equipment for the functioning ~~all levels of~~ the new structure of building authories. ~~of the Supreme Construction Office and local building offices.~~*  *This reform shall be implemented by 30 September 2024 and its impact shall be measured by 31 December 2025.* |
| ***Milestones and targets*** | *Description:*  *The average duration of the construction permissions process shall be shortened by at least two years, from 5.5 years to 3.5 years or less, to be confirmed by the Supreme Construction Office, based on a new statistic for the average length of the permissions process in 2024-2025.* | *Description:*  *The average duration of the construction permissions process shall be shortened by at least two years, from 5.5 years to 3.5 years or less, to be confirmed by the* ***Ministry of Regional Development****, based on a new statistic for the average length of the permissions process in 2024-2025.* |
| ***Estimated cost*** | *No change* | *No change* |
| ***Green and digital tagging*** | *No change* | *No change* |
| ***DNSH self-assessment*** | *No change* | *No change* |

The change only refers to the shift of the milestone date and correction of the wording of the milestone name, there will be no impact on scope, target group, or key deliverables. The ambitions of the entire subcomponent will be higher (higher quality of the entire solution corresponding to the current requirements of the European Commission).

**Correction of the wording:**

The original name of the milestone was based on the original Building Act prepared by the former government, which is valid from 7/29/2021. The current government has prepared two new amendments to this new Building Act: the already valid amendment to the Building Act No. 195/2022 Coll., which postpones the effectiveness of the original amendment to July 1, 2023, and a substantive amendment proposal (currently in the legislative process).

The substantive amendment intends to preserve the system of building authorities under the competence of municipalities and regions and to abolish the creation of a system of state-building authorities and the creation of the Supreme Building Authority. The establishment of the Specialized and Appeals Building Office remains in both amendments to the new Building Act.

**Description**

The modified structure of building authorities represents a significant shift from the previous state model, proposed by the previous government, where the Supreme Building Authority was at the head of the decision-making process. In this previous model, all decision-making was handled by one central authority, without the influence of local officials who have a much better understanding of local conditions. **This model fundamentally violated the principle of self-government and solved problems only in a formal way (integration "within one organization").**

In addition to the above, as a result of new analyses, the problem of securing an adequate number of new qualified employees for this centralized office was identified.

**The Czech Republic pursues the same set goal but tries to achieve it with a different tool (digitalization, real integration of processes, and modern information management), which at the same time achieves a better result.**

The proposal strengthens the decision-making power of local authorities, and citizens will have their building authority in the area where they want to build within a defined maximum driving distance of the building authority. This will make the whole process easier and more efficient for them. The new consolidated structure is based on the principle - "local solutions to local problems".

**With the introduction of clear rules for building authorities and the monitoring of their workload and needs in the territory, the Czech Republic is expecting reduction of building authorities.**

Within the framework of the changed structure of construction authorities, one state construction authority still remains. This building authority specializes in management important construction projects such as large infrastructure projects, energy infrastructure, transport constructions, and others.

A change in structure, however, does not mean a deterioration of state services or a slowdown in construction procedures. The newly prepared construction management information system ensures that all construction management actors follow the same rules and follow the same workflow. Moreover, thanks to the new information system, they can communicate with each other purely digitally and the data will be stored in one place.

Digitization of processes in construction management not only improves efficiency and reduces bureaucracy, but also ensures much greater transparency. The prepared set of information systems for the digitalization of construction management is also designed with regard to the integration of environmental impact assessment processes and strategies, the so-called EIA (2011/92/EU as amended by 2014/52/EU) and SEA (Directive 2001/42/ EC), and also in accordance with building information modeling (BIM) building design methods.

**Higher integration between environmental protection and the construction and building management system will help the Czech Republic better face future challenges associated with climate change.**

**Tighter process integration is also planned in other areas of coordination and evaluation of projects. This proposed integration has another vital result in streamlining building permit administration.**

These components play a vital role in achieving the goals of the whole system, such as minimizing the negative impacts of construction and increasing the quality of the land, streamlining construction processes, and reducing costs. The integration of EIA and SEA processes into a new set of information systems will ensure that construction projects take into account the potential impact on the environment. This information is structured and easily accessible, as required by the Aarhus Declaration (UN Convention on access to information, public participation in decision-making, and access to justice in environmental matters).

**Best practices from countries such as Denmark, Finland, and Estonia, which are leaders in the field of digitalization of the state agenda, were used in the design of the new structure of construction authorities and its digitization.** These countries have been successfully implementing digital solutions in the public sector for many years, and their experience was used in the design of digitization and the new structure of the building authorities.

The amendment to the Construction Act also brings with it a noticeable improvement in the legislation governing construction procedures. Newly, a number of obligations and settings are implemented in the decree, not firmly anchored in the law. This makes construction legislation much more agile and dynamic.

**The result is a reduction in the bureaucratic burden and the streamlining, simplification, and straightening of the entire construction process.**

**Thanks to these changes, it will be possible to further optimize the structure of building authorities according to current needs, and the system will therefore not be rigid. The structure of building authorities in combination with the integration of processes, digitization of construction management, and new legislation represents a significant shift and improvement of the current state of construction management in the state. It strengthens local officials, and improves services for citizens, the construction process will now be more efficient, faster, and transparent.**

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| **Component 1.6: Acceleration and digitalization of the building process** | |
| **Investment/ reform CID reference** | **Investment 1** |
| **Investment/ reform name** | **Creation of a new central information system (“AIS”)** |
| **Type of change compared to CID** | modified |
| **Legal base of the change (select at least one)** | Article 14(2) – loan request  Article 18(2) – update of the maximum financial contribution  Article 21 – amendment due to objective circumstances  Article 21a – REPowerEU non-repayable financial support (ETS revenue)  Article 21b (2) – BAR transfers  ☐ None of the above, correction of clerical error |
| **Elements modified (only for modified measures)** | Component / Measure description  Milestones and targets  Estimated cost  Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure)  DNSH self-assessment |

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| **Investment 1 Creation of a new central information system (“AIS”) – Milestone 75** | | |
| *Description and justification of the change* | | |
| **Modified elements** | **Current version** | **Amended version** |
| ***Component and / or measure description*** | *-* | *Timeline of fulfilment instead of Q3/2023 – to Q3/2024* |
| ***Milestones and targets*** | *Creation of a new central information system to be used by civil servants of the authorities involved in the construction permissions process.*  *Timeline for completion: Q3/2023* | *Creation of a new central information system to be used by civil servants of the authorities involved in the construction permissions process.*  *Timeline for completion: Q3/2024* |
| ***Estimated cost*** | *No change* | *No change* |
| ***Green and digital tagging*** | *No change* | *No change* |
| ***DNSH self-assessment*** | *No change* | *No change* |

The change only refers to the shift of the milestone date due to legislative reasons and the increase in scope with the additional functionality of the AIS -preparation for Digital Building Logbook. There will be no impact on costs, target group, or key deliverables. The price will remain the same due to the savings from streamlining the architecture of the information system

During the preparation of the information system for the digitization of construction management in 2022, it was necessary to analyze the original enterprise architecture from the point of view of its effectiveness, cost, and risk of vendor lock-in. It was necessary to proceed with fundamental modifications of its enterprise architecture, which caused a fundamental qualitative and functional shift from the originally planned solution.

Best practices from countries such as Denmark, Finland, and Estonia, which are leaders in the field of digitization of the state agenda, were used in the design of the new architecture and data usage options.

**The cornerstones of the prepared set of information systems to ensure the digitization of construction management are the agenda information system (AIS) and other supporting information systems (builder's portal, EIA and SEA portal, records of plans and constructions, records of authorized persons in the construction industry and others).**

In the design, the outdated monolithic architecture was replaced by a modular solution built on open standards API-first approach. Thanks to the use of agile development, containers, and microservices, the information system can dynamically respond to current needs and at the same time enable faster development in an agile way.

**The set of information systems for the digitalization of construction management is also designed with regard to the integration of environmental impact assessment processes and strategies, the so-called EIA (2011/92/EU as amended by 2014/52/EU) and SEA (Directive 2001/42/ EC), and also in accordance with building information modeling (BIM) building design methods.**

**At the same time, it should be noted that, according to the analysis, a significant saving in financial costs is expected compared to the original enterprise architecture (including all other information systems financed from other sources).**

**Higher integration between environmental protection and the construction and building management system will help the Czech Republic better face future challenges associated with climate change.**

These components play a vital role in achieving the goals of the system, such as minimizing the negative impacts of construction and increasing the quality of the land, streamlining construction processes, and reducing costs.

**The integration of EIA and SEA processes into a new set of construction management information systems will ensure that construction projects take into account the potential impact on the environment. This information is structured and easily accessible, as required by the Aarhus Declaration (UN Convention on access to information, public participation in decision-making, and access to justice in environmental matters).**

The modified BMS file also provides native support for Building Information Modeling (BIM) files. BIM enables the creation of a detailed digital representation of a building or construction project, including its physical and functional characteristics. This results in easier collaboration and coordination between all parties involved, including designers, engineers, contractors, and building owners. BIM also helps minimize construction impacts.

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| Description:  The average duration of the construction permissions process shall be shortened by at least two years, from 5.5 years to 3.5 years or less, to be confirmed by the Supreme Construction Office, based on a new statistic for the average length of the permissions process in 2024-2025. | Description:  The average duration of the construction permissions process shall be shortened by at least two years, from 5.5 years to 3.5 years or less, to be confirmed by the **Ministry of Regional Development**, based on a new statistic for the average length of the permissions process in 2024-2025. |