



Global Alliance
for Buildings and
Construction



FINANCE ROADMAP

Template for buildings and construction

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Buildings and Construction Finance Roadmap Template

A practical framework for financing near-zero emission and resilient buildings

This template is intended to be adapted to national contexts and may be further refined during the development of country-specific finance roadmaps. It is designed to be implemented by a team of national specialists and relevant stakeholders.

About Global Alliance for Buildings and Construction (GlobalABC)

Founded at the United Nations Climate Change Conference of the Parties (COP21) in 2015, the Global Alliance for Buildings and Construction (GlobalABC), hosted by the United Nations Environment Programme (UNEP), brings together over 400 members, including 71 countries, to advance a more sustainable and climate-friendly construction sector worldwide. It is the leading global platform for stakeholders across the buildings and construction sector, united by a common vision: a zero-emission, efficient and resilient built environment.

GlobalABC functions as an umbrella or meta-platform – a ‘network of networks’ – connecting initiatives and actors along the entire buildings and construction value-chain. It serves as a global advocate for sector transformation, by equipping governments with key measures, setting priorities and developing policy guidance and roadmaps that outline targets, timelines, and actions for essential policies and technologies, while providing models for their implementation.

Through its Finance Hub, GlobalABC also supports the private sector in transitioning towards business models focused on decarbonisation. The Hub helps mobilize public and private finance for investments towards a zero-emission, efficient and resilient sector, accelerating the transition while addressing climate change and fostering inclusive economic growth.

About this template

This Buildings and Construction Finance Roadmap Template was developed by GlobalABC under the Buildings Breakthrough priority area on ‘Finance and Investment’ (now integrated into the GlobalABC Finance Hub), which aims to “support countries, in particular Emerging Markets and Developing Economies (EMDEs), to expand international financial and technical assistance programmes that address blended finance instruments, policies, capacity-building of local banks and lenders, as well as build a project pipeline and address data gaps.”

The template¹ provides a concise, standardised structure for rapid adaptation in EMDEs. It promotes the uptake of Near Zero and Resilient Buildings (NZERB), by bridging capacity gaps, applying best practices to diverse local markets, and accelerating both domestic and international investment in NZERBs. In doing so, this document contributes to the sectoral commitments under the Declaration de Chaillot, as well as countries’ broader national and international climate commitments, including through Nationally Determined Contributions (NDCs) and National Adaptation Plans (NAPs).

As a next step, countries and partners are encouraged to adapt the template to their national context, using it to assess market barriers, identify priority policy and financing actions, strengthen coordination between public and private stakeholders, and support the development of bankable NZERB project pipelines.

¹ The template builds on a framework developed by IFC in collaboration with local associations in Azerbaijan

Table of Contents

Table of Contents	4
1. Introduction	5
1.1. Vision for the Buildings and Construction Finance Roadmap	5
2. State of the Market	6
2.1. Assessing the Current Status and Identifying Gaps	6
2.2. Status of financing for low emission and resilient buildings	6
2.3. Challenges and Opportunities	7
2.4. Policy, Institutional and Financial Enabling Environment	8
3. Buildings and Construction Finance Roadmap	9
3.1. Roadmap Implementation Table	9
3.2. Enabling Frameworks and Instruments	11
3.3. Financing Strategy	14
4. Roles and responsibilities for roadmap implementation	16
4.1. Public Sector Stakeholders	16
4.2. Private Sector Stakeholders	16
4.3. Academic and Research Institutions	16
4.4. International Organisations and Development Partners	17
4.5. Public Engagement and Community Involvement	17
4.6. Roadmap Governance	17
5. References	17

1. Introduction

This roadmap addresses both mitigation (reducing emissions from buildings) and adaptation (enhancing resilience to climate risks), recognising that climate-resilient buildings are essential to achieving long-term sustainability and economic stability.

Mobilising finance at scale requires an enabling policy, regulatory, and institutional and market environment. Accordingly, this roadmap template combines financing actions with the enabling measures needed to unlock investment, build bankable project pipelines, and accelerate the transition to low-emission and resilient buildings. It also promotes the alignment of investments with both current and future climate conditions, helping ensure long-term performance and resilience.

Given that many building-related decisions and investments are implemented at the local level, effective multi-level governance and access to municipal finance are critical to achieving national climate objectives.

Relevance of sustainable / near-zero and resilient buildings in the country context:

- Strategies and climate goals (examples of sources could include: Climate Finance Vulnerability Index (CliF-VI), the Climate Action Tracker, Climate Change Performance Index, Climate Investment Action Plans under Net Zero Cities with data-collection templates, and investment planning tools, availability of sectoral net-zero targets (e.g. Green Buildings Strategy of Canada) and targets related to building energy use and fossil fuel phase-out ambitions (e.g. France))
- Size of the buildings sector and main characteristics (e.g. type of construction; energy consumption)
- Rationale for action.

1.1. Vision for the Buildings and Construction Finance Roadmap

The roadmap should be guided by a set of cross-cutting principles that inform its overall vision, priorities, and implementation approach. These principles should be reflected, as relevant, throughout the roadmap.

- Propose a vision for the country context that describes the end-state through a market transformation lens signalling a shift from pilots and incentives to a self-sustaining green buildings market, e.g. new and existing buildings are transformed through energy efficiency
- Define key goals

- Be investment-oriented and implementation-focused
- Support the development of bankable project pipelines
- Ensure social inclusion and affordability
- Align with national climate commitments (NDCs and LTS)
- Align with NAPs + adaptation finance frameworks (useful for donors).

2. State of the Market

2.1. Assessing the Current Status and Identifying Gaps

The assessment of the current status includes aspects such as “Policy, Regulation, and Enforcement Readiness” as well as “Market Demand, Capacity, and Value Chain Readiness”.

- Energy and other utility consumption by buildings, and greenhouse gas emissions
- Energy savings potential
- Current use of technologies, e.g. for heating or cooling, and key enablers
- Key gaps that hinder the adoption of sustainable building principles (e.g. building practices; existence of agreed upon standards; financial incentives; public awareness and skills)
- Policy environment and institutional readiness (policies and enforcement; institutional structures, mandates, and coordination mechanisms; data availability; public funding programmes designed to crowd in private capital; and the availability of local, regional, and national green building ecosystems)
- Exposure of buildings to climate hazards and risks (e.g. heat, floods, storms, water scarcity, landslides, wildfire, and subsidence)
- Vulnerability and adaptive capacity of the building stock (e.g. informal housing, ageing stock, and existing resilience measures)
- Expected climate impacts and strategies for managing and reducing identified climate risks.

2.2. Status of financing for low emission and resilient buildings

Overview of the finance landscape for buildings which shows the “Availability and Maturity of Green Finance”:

- Financial institutions and existing instruments and vehicles, by category (e.g. commercial banks, development banks, green funds, mortgage providers, guarantee schemes, and blended finance instruments)

- Availability and accessibility of public, private, domestic, and international climate finance, including adaptation finance, and the degree to which these sources are being taken up
- Availability of financial incentives
- Key financial parameters and market characteristics (e.g. lending conditions, affordability thresholds, risk and return profiles, and indicative financing terms, where available)
- Assessment of the extent to which existing financing solutions address the needs of different building owner and occupant groups (e.g. tenants, low-income homeowners, homeowners with limited borrowing capacity, and commercially financed owner-occupiers), including the availability of public, private, blended, and household financing options.
- Financing needs, climate finance flows, and investment gaps by building typology
- Role of DFIs/IFIs, public finance, and other key stakeholders in mobilising and scaling investment.

Policy and regulatory enabling environment:

- Availability of sustainable finance frameworks in the country (e.g. taxonomy, if available)
- Relevant policies, regulations, standards, and national frameworks supporting low-carbon and resilient buildings
- Responsible institutions, public investment plans, and coordination mechanisms for building-sector finance.

Market readiness and implementation capacity:

- Availability and maturity of bankable project pipelines (including criteria for defining bankable projects, aggregation mechanisms, and developer readiness)
- Local green building ecosystems, including developers, lenders, technical experts, and service providers
- Availability of technical assistance, workforce capacity, and supply chains
- Data, benchmarking, disclosure, certification, and monitoring systems that support investment and financing decisions.

2.3. Challenges and Opportunities

- Identification of country-specific issues
- Key challenges for accessing finance for sustainable/near-zero and resilient buildings, and the resulting investment gap by building typology
- Barriers in local banking systems

- Barriers to financing resilient construction and retrofits
- Cost of inaction.

2.4. Policy, Institutional and Financial Enabling Environment

List policies and strategies with relevance to sustainable buildings:

- **Multi-level governance and municipal finance:**
 - Role of municipalities in building regulation, permitting, and enforcement
 - Degree of fiscal decentralisation and access to financing at local level
 - Capacity of municipalities to design and implement green building programmes
 - Access to credit, grants, or blended finance for municipalities
 - Existing coordination mechanisms between national and subnational governments.
- **Sustainable finance frameworks:**
 - Existence of national or regional taxonomies
 - Alignment with international frameworks.
- **Financial sector capacity:**
 - Capacity of banks, insurers, and other financing actors to assess and support green building investments
 - Availability of ESG risk frameworks
 - Training and capacity gaps across financial institutions
 - Availability of dedicated financing mechanisms for buildings (e.g. private finance, self-financing, and cooperative financing models).

3. Buildings and Construction Finance Roadmap

Section 3 translates the diagnostic findings from Section 2 into a set of actionable, financeable measures through a structured implementation table, supported by enabling instruments and a financing strategy.

The Roadmap Implementation Table below translates identified challenges into actionable measures, linking targets, actions, responsible stakeholders, timelines, and financing needs to support delivery of national climate commitments (e.g. NDCs and long-term strategies).

3.1. Roadmap Implementation Table

Enabling environment (with prioritised objectives on top)			Concrete measures				
Objective & reference	Target & source	Linked challenge(s)	Action / measure	Responsible stakeholders	Timeframe (Short-term/ Medium-term/ Long-term)	Finance required & sources	Indicators ² , operations & monitoring
E.g. Decarbonise new buildings; aligned with NDC, LTS, national building strategy or building code	E.g. 80% of new buildings meet sustainable / net-zero standards by 2030	E.g. Limited standards and weak enforcement	E.g. Strengthen building energy performance standards (policy/enabling)	E.g. Relevant ministries, standards agency, local governments	E.g. Short to medium term	E.g. Public budget, technical assistance, concessional finance	E.g. Standard adopted; % of new buildings compliant; enforcement monitored by responsible authority

² The recommended indicators are illustrative and are intended to draw, where possible, on data already available within countries and/or on indicators that have been successfully applied in other countries and contexts. The selection of indicators should be adapted to the national context and existing monitoring and reporting systems.

Enabling environment (with prioritised objectives on top)			Concrete measures				
E.g. Decarbonise existing buildings through retrofits; aligned with NDC, LTS, retrofit strategy or energy efficiency plan	E.g. X% of existing buildings retrofitted by 2035	E.g. High energy use and limited retrofit finance	E.g. Establish retrofit financing programme (financial/implementation)	E.g. Ministry of Finance, development banks, commercial banks, municipalities	E.g. Medium term	E.g. Blended finance, green loans, guarantees, owner contributions	E.g. Number of buildings retrofitted; energy savings; programme administrator tracks results
E.g. Increase climate resilience of buildings; aligned with NAP, adaptation strategy or disaster risk reduction plan	E.g. 50% of buildings in high-risk areas meet resilience standards by 2035	E.g. Exposure to floods, heat, storms, water scarcity and other hazards	E.g. Develop and apply climate-resilient building standards (policy/enabling)	E.g. Environment or infrastructure ministries, local governments, disaster risk agencies	E.g. Short to long term	E.g. Adaptation finance, public budget, climate funds, donor support	E.g. % of buildings meeting resilience standards; local authorities monitor compliance
E.g. Improve thermal comfort and passive survivability in buildings; aligned with NAP, heat action plan, building code or housing strategy	E.g. 70% of new buildings designed for passive cooling by 2030	E.g. Rising heat stress, overheating risk and high cooling demand	E.g. Integrate passive cooling and climate-responsive design into codes and projects (policy/physical)	E.g. Housing ministry, municipalities, developers, architects, engineers	E.g. Short to medium term	E.g. Public budget, incentives, green loans, adaptation finance	E.g. % of buildings with passive cooling measures; reduced overheating hours; responsible entity monitors performance

Guidance for the table: Each target should be linked to one or more challenges identified in Section 2. Actions should be specific, actionable, and, where relevant, sequenced and aligned with national institutional capacities. Financial needs should include indicative estimates and potential funding sources (public, private, concessional, blended finance, etc.).

3.2. Enabling Frameworks and Instruments

Include recommendations of tools and systems relevant for the country context to inform and support the actions identified in the Roadmap Implementation Table (Section 3.1). These instruments should help address the challenges identified in Section 2 and enable the achievement of defined targets through appropriate regulatory, financial, and institutional mechanisms. For each recommended instrument, the roadmap should specify its purpose, target stakeholders, links to the relevant challenges identified in Section 2, and the corresponding actions or measures identified in Section 3.1.

Countries are encouraged to prioritise and tailor these instruments based on the national context, ensuring alignment with identified challenges, institutional capacity, and available financing sources. Given the central role of municipalities in building regulation, infrastructure, and service delivery, the roadmap should ensure strong coordination across national and subnational levels. This coordination should be reflected across relevant activities, policies, tools, and financing mechanisms, including measures to facilitate access to finance for local authorities.

- **Regulations & Policy Frameworks:**

- Adopt regulations and policy focused on energy efficiency in buildings, including mandating the development of energy performance certificates (EPCs) for new buildings, renovations, and property transactions. Consider requiring all public buildings to display their EPCs publicly at the entrance
- Develop national ecodesign standards for buildings and cities, including lifecycle carbon considerations
- Make necessary changes to legislation to ensure municipalities are allowed to receive credits for energy efficiency and whole-life carbon management and reduction, and are allowed to use the resulting energy savings to repay investments
- Strengthen coordination mechanisms between national and municipal authorities
- Ensure building codes incorporate relevant climate mitigation and resilience requirements
- Strengthen municipal capacity, tracking systems, and accountability to monitor compliance with and enforce building codes
- Climate-resilient building codes (flood, heat, seismic, etc.)
- Building certifications: Ensure the policy framework and regulations include and reinforce international or national climate-driven building certifications.

- **Information Systems & Data Infrastructure:**

- Create a national database that keeps track of all EPCs, building performance data, and accredited energy auditors
- Develop digital platforms to track building energy use, emissions, and retrofit progress, potentially in partnership with national energy companies or utilities, subject to appropriate data-sharing and privacy arrangements
- Improve data availability of environmental performance data and cost-related data, which could be useful for approaches such as Life-Cycle Costing (LCC) to support investment decision-making and pipeline development
- Climate risk maps for buildings linked to the digital cadastre.

● **Capacity-Building / Tools & Methodologies:**

- As a transition period until the adoption of a national mandatory energy efficiency calculation methodology for buildings, promote the use of existing online platforms (e.g. EDGE app) or dynamic simulation software (e.g. IES VE PRO, DesignBuilder, EnergyPlus, etc.) or established methodologies from neighbouring countries
- Develop national calculation methodologies for building energy performance and lifecycle emissions, or adopt internationally accepted methodologies.
- Strengthen technical capacity across the value chain (architects, engineers, municipalities)
- Build capacity within financial institutions to assess and finance green buildings, including training on risk assessment, energy efficiency lending, and ESG considerations
- Develop standardised project preparation and appraisal tools to support bankable project pipelines
- Train on climate-resilient design
- Mainstream energy efficiency among homeowners and tenants, including how to reduce utility bills and the correlation between economic savings and climate action.

● **Sustainable Finance Frameworks & Taxonomies:**

- Develop or align with national or regional green taxonomies to define eligible green building investments, drawing where appropriate on recognised green building certification schemes (e.g. Green Star, LEED, BREEAM, EDGE, HQE, DGNB, Green Mark, and others) as practical eligibility criteria
- Promote the adoption of taxonomies by financial institutions as a basis for lending and investment decisions
- Align public financial incentives and procurement frameworks with taxonomy criteria
- Support the integration of taxonomy-based reporting and disclosure

- Incentivise resilient construction and retrofits
- Support neighbourhood- and macrogrid-level investments, promoting city- and neighbourhood-scale bankable projects.

- **Carbon Pricing & Valuation Mechanisms:**

- Introduce or strengthen carbon pricing instruments (where applicable), including carbon taxes or emissions trading systems
- Promote the use of a social cost of carbon (shadow pricing) in public investment decisions
- Integrate carbon valuation into cost-benefit analyses for buildings and infrastructure projects.

- **Fiscal Policy & Financial Incentives:**

- Where appropriate, apply VAT reductions or tax incentives for the purchase of real estate certified under a recognised green building certification scheme and achieving a Class A EPC rating
- Encourage municipalities to provide local tax reductions and incentives for green-certified buildings
- Establish grant schemes for existing residential building blocks to support homeowners' associations in improving the energy efficiency and insulation of buildings
- Provide a support scheme (e.g. grant) for energy audits of state-owned buildings and financial mechanisms to implement the prescribed measures
- Develop targeted subsidy schemes to de-risk early-stage investments and support market transformation
- Enable municipalities to access financing (loans, bonds, guarantees) for green /sustainable buildings
- Establish intergovernmental fiscal transfers linked to climate performance.

- **Benchmarking, Disclosure & ESG Frameworks:**

- Encourage the use of benchmarking and ESG reporting frameworks and credible rating schemes for the built environment (e.g. GRESB, CRREM, LEED, and similar frameworks) to support benchmarking, disclosure, and transition finance
- Promote alignment with climate target-setting initiatives, such as the Science Based Targets initiative (SBTi), for buildings and construction actors
- Develop national benchmarking systems aligned with international best practices
- Strengthen transparency through disclosure requirements on building performance and emissions.

- **Public Sector / Implementation Support:**

- Provide support schemes (e.g. grants and technical assistance) for energy audits of new and retrofit residential buildings and incentives for implementing the recommended measures
- Support municipal-level project aggregation mechanisms (e.g. bundled retrofit programmes) to attract investment
- Facilitate public-private partnerships for large-scale building renovation and construction programmes
- Provide technical assistance to municipalities for project preparation and implementation.

- **Private Sector Engagement:**

- Identify key private sector actors in the buildings sector, including developers, building owners, commercial real estate actors, homeowners' associations, financial institutions, ESCOs, contractors, and technology providers
- Develop policies and financing mechanisms to mobilise private investment in green, net-zero, and resilient residential and commercial buildings
- Strengthen engagement mechanisms between public authorities and private sector actors to support project pipeline development, implementation, and market uptake
- Clarify the roles of private sector actors in implementing roadmap actions, including their interaction with public incentives, regulations, and financing programmes.

3.3. Financing Strategy

This section outlines how the actions identified in the Roadmap Implementation Table (Section 3.1) will be financed, including the mobilisation of public and private capital, the use of de-risking instruments and the enabling conditions required to attract and scale investment. It should present a coherent financing strategy that aligns financial resources with national climate and development priorities, supports market transformation, and facilitates the implementation of sustainable, near-zero, and resilient buildings.

For each action or measure in the Implementation Table, the Roadmap should identify:

- Estimated financing needs
- Potential financing sources
- Appropriate financing instruments and delivery mechanisms
- Responsible financing institutions and stakeholders
- The source of information and assumptions used.

The strategy should also identify financing gaps, opportunities to leverage public finance to mobilise private investment, and measures to strengthen access to finance for different market segments, including households, businesses, developers, and subnational governments.

Key elements include:

- **Financing sources and roles:**
 - Public finance (national and subnational budgets)
 - Private finance and private sector investment mechanisms for sustainable, near-zero, and resilient buildings
 - Domestic financial institutions, including commercial banks, mortgage providers, and institutional investors
 - Concessional finance, climate funds, and international development finance
 - Roles of multilateral development banks (MDBs), international financial institutions (IFIs), and development finance institutions (DFIs)
 - Public finance mechanisms to crowd in and leverage private capital
 - Financing for adaptation and resilience investments.
- **Financing instruments and structures:**
 - Blended finance approaches
 - De-risking instruments, including guarantees and first-loss mechanisms
 - Green bonds and sovereign instruments
 - Insurance mechanisms and risk transfer.
- **Project development and access to finance:**
 - Aggregation mechanisms (e.g. bundled retrofit programmes)
 - Development of bankable project pipelines
 - Strengthening access to finance for subnational governments, including municipal credit mechanisms, green municipal bonds, and blended finance solutions.
- **Financing governance and monitoring**
 - Coordination between public authorities, financial institutions, and development partners
 - Mechanisms to monitor finance mobilisation, investment flows, and implementation progress
 - Periodic review and adjustment of financing priorities in line with evolving national policies, market conditions, and climate objectives.

4. Roles and responsibilities for roadmap implementation

A successful Climate Finance Roadmap for Buildings and Construction for the country will require the involvement of a diverse range of stakeholders from both the public and private sectors. These stakeholders should be aligned with and mapped to the "Responsible Stakeholders" column in the Roadmap Implementation Table (Section 3.1), with their roles and responsibilities clearly linked to the corresponding actions and measures identified therein. They will play crucial roles in shaping, implementing, and sustaining the Roadmap through policy development, investment, technological innovation, capacity building, and regulatory compliance.

4.1. Public Sector Stakeholders

List and describe key stakeholders (e.g. ministries, regulatory authorities, municipalities, public agencies), including their respective roles and responsibilities in advancing green building finance and supporting roadmap implementation. This may include contributions to policy development, regulation and enforcement, public investment, project preparation, data provision, technical support, market development, and coordination with private sector and development finance actors.

4.2. Private Sector Stakeholders

List and describe key stakeholders (e.g. developers and construction companies; ESCOs; financial institutions and investors; certification bodies; renewable energy providers; architects and engineering firms; construction material manufacturers; utilities and energy distributors), including their respective roles and responsibilities in mobilising investment, project development and delivery, innovation, technology deployment, market transformation, and implementation of roadmap actions.

4.3. Academic and Research Institutions

List and describe key stakeholders (e.g. universities and research centres; technical training institutes), including their respective roles and responsibilities in research and innovation, evidence generation, technical support, capacity building, workforce development, and knowledge dissemination.

4.4. International Organisations and Development Partners

List and describe key stakeholders (e.g. multilateral financing institutions; development banks; UN entities; climate funds), including their respective roles and responsibilities in technical assistance, concessional finance, capacity building, policy support, and knowledge exchange.

4.5. Public Engagement and Community Involvement

List and describe key stakeholders (e.g. community organisations; resident associations; NGOs), including their respective roles and responsibilities in awareness raising, behavioural change, stakeholder engagement, social acceptance, and support for the implementation of roadmap actions.

4.6. Roadmap Governance

Effective implementation of the roadmap requires a governance mechanism responsible for coordination, implementation, monitoring, and periodic review. Countries should establish or designate a dedicated coordination mechanism—such as an inter-ministerial steering committee or technical working group—with a mandate that extends beyond the roadmap development phase to support sustained implementation and multi-stakeholder engagement. The governance arrangement should clearly define the roles and responsibilities of all participating stakeholders and establish mechanisms for coordination, decision-making, reporting, and accountability throughout implementation.

This should define:

- Lead coordinating entity (e.g., the responsible ministry or government agency)
- Steering committee or equivalent oversight body
- Technical working groups, as appropriate
- Roles and responsibilities of participating institutions
- Reporting and coordination arrangements
- Monitoring and review processes, including the frequency of progress reporting
- Roadmap review and update cycle to ensure continued relevance and alignment with evolving national priorities.

5. References

Include all references, data sources, policy documents, strategies, reports, databases, and other materials used to inform the roadmap. Contributors should provide country-specific references and supporting evidence used throughout the assessment and roadmap development process.

Finance Roadmap

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