Chambers Ireland
Advancing business together



Impact of Circular 17/2025 on SMEs

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About Chambers Ireland

Chambers Ireland is an all-island business organisation with a unique geographical reach. Our members are the Chambers of Commerce in the cities and towns throughout the country – active in every constituency. Each of our member Chambers is central to their local business community and all seek to promote thriving local economies that can support sustainable cities and communities.

Questions

1. Overall, how would you characterise the impact of GPP requirements included in Circular 17/2025 on SME participation in public procurement?

The current implementation of GPP requirements constitutes unnecessary gold-plating which takes away from their objectives and places a disproportionate burden on smaller businesses, particularly those employing fewer than 50 people. These firms are very unlikely to have dedicated sustainability expertise, environmental management systems or the administrative or financial resources required to interpret and respond to detailed criteria. In particular, the broad SME definition does not adequately reflect the significant difference between a micro or small business and a company employing up to 250 people. Greater consideration should therefore be given to the capacity of smaller bidders when GPP requirements are designed and applied.

The application of these requirements from the €50,000 threshold is a particular concern. This is a domestic threshold linked to advertising contracts on eTenders rather than an EU requirement for GPP. Raising it to the relevant EU procurement threshold of €140,000 would reduce the burden on smaller firms while allowing GPP criteria to remain focused on contracts where they can deliver a meaningful environmental benefit.

2. How clear do SMEs find the GPP requirements in tender documents issued since the publication of Circular 17/2025 (21 July 2025)?

While the EPA's guidance is generally clear and well written, the volume and technical detail can make it difficult for smaller businesses to identify what is required in an individual tender.

Additionally, while some sectoral guidance is extensive, a business with only a small number of employees may not have the time or specialist expertise needed to work through material of this scale, particularly when bidding for a lower-value contract.

Requirements should be proportionate to the value, subject matter and likely environmental impact of the contract. Practical guidance that is easy to understand, in addition to standardised templates for lower-value procurements would make it easier for smaller businesses to provide relevant information without weakening the underlying environmental objectives.

3. Have any member SMEs decided not to bid, or considered withdrawing, due to GPP requirements included in tenders?

The complexity of the requirements can encourage generic responses rather than meaningful proposals tailored to the contract in question. There is an additional risk that businesses without access to appropriate advice or digital tools may be placed at a disadvantage; this is notwithstanding the fact that they may otherwise be capable of delivering the contract. Further evidence should be gathered directly from micro and small businesses on the time, cost and internal resources required to complete GPP sections.

Market Engagement

4. Based on member experience, to what extent are public bodies engaging the market in advance of planned procurements and GPP requirements included in tenders?

There appears to be limited pre-market engagement with smaller businesses on the design and application of GPP requirements. Market consultation is more commonly associated with large and complex procurements that have an additional high-risk element, which are not generally the contracts for which SMEs compete. As a result, GPP criteria may be introduced without sufficient testing of whether they are accessible or practical from a supplier's perspective.

We would encourage greater engagement by public bodies with SMEs before introducing new or significantly revised requirements. This would help identify unnecessary barriers at an early stage and improve the quality and relevance of the criteria ultimately included in tenders.

Overall Assessment

5. In your view, does the current implementation of Circular 17/2025 strike an appropriate balance between the inclusion of GPP requirements and SME participation in public procurement?

The current approach does not yet strike an appropriate balance between advancing GPP and maintaining accessible procurement opportunities for smaller businesses. We fully support the use of public procurement to advance the State's climate objectives. However, requirements should be concentrated on contracts where the procurement decision can produce a demonstrable environmental benefit in addition to not being overly-onerous on the business involved.

Critically, applying extensive GPP requirements to lower-value professional or services contracts can create additional administration without delivering a material reduction in emissions. A more targeted approach would prioritise areas such as construction, public works, transport, retrofitting and building renovation; such areas where procurement decisions have greater potential to influence carbon outcomes.

The €50,000 threshold should not be retained. Applying additional requirements below the €140,000 threshold would amount to unnecessary gold-plating and risk imposing disproportionate conditions on smaller contracts and bidders. The threshold should therefore be increased to €140,000.

6. Do you have any other feedback on supporting SMEs to meet GPP requirements in public procurement?

A stronger programme of practical training and awareness is needed to help smaller businesses understand and respond to requirements imposed by GPP. Based off feedback received, much of the training and communication to date has focused on public bodies rather than suppliers. Accessible training should be provided to SMEs; this could be funded through the National Training Programme.

Of note is the Department of Enterprise, Tourism and Employment's free carbon-footprinting tool, which is effective and should be promoted more widely. This has proven to provide businesses with a practical way to calculate and understand their carbon footprint and give them a stronger basis for responding to relevant tender requirements.

In addition the EPA's existing guidance should also be revised in light of implementation experience and expanded beyond the current sectoral coverage. Further practical guidance is particularly needed for carbon-intensive areas such as public works, transport, retrofitting, housing and building renovation where procurement can support more substantial carbon reductions.

Should the approach ultimately involve gold-plating, with which we fundamentally disagree, any additional requirements, including social considerations, should be subject to formal consultation and market testing before their introduction. In particular, applying further criteria from the €50,000 threshold would create obligations that are unrealistic for businesses employing fewer than 50 people. Any new approach should be tested with smaller suppliers before publication and should distinguish between micro and small businesses and larger firms within the wider SME category.

Finally, the Department should clarify how Circular 17/2025 and any further domestic guidance will interact with the proposed reform of the EU procurement framework. Best practice dictates that domestic requirements should anticipate, rather than be overtaken by, changes at EU level.