An Roinn Caiteachais Phoiblí Bonneagair
Athchóiriúcháin Seirbhíse Poiblí agus Digitiúcháin
Department of Public Expenditure Infrastructure
Public Service Reform and Digitalisation

31 July 2026

To: Heads of Departments/Offices

Circular 25/2026

Updates to the appraisal and procurement requirements for Infrastructure Projects and Programmes

Purpose

1) This circular is relevant to all public bodies involved in activities related to the evaluation, planning and management of public expenditure.

2) The purpose of this circular is to inform departments and offices of updates to the requirements within the Infrastructure Guidelines and the Capital Works Management Framework.

3) It is the role of each department/office as the relevant funding department to implement the revised guidelines set out in this circular for projects and programmes within its sector.

Accelerating Infrastructure Report and Action Plan

4) The Critical Infrastructure Act provides for the designation, by order of Government, of certain projects and programmes as Critical Infrastructure Projects.

5) Action 23 of the Accelerating Infrastructure Report and Action Plan commits DPER to "Assign target timeframes to all approval gates and consents for projects listed in the Critical Infrastructure Bill".

6) Action 25 of the Accelerating Infrastructure Report and Action Plan commits DPER to 'enable the use of internationally recognised forms of contract where the project circumstances require a different approach to the standard public works contract'.

7) To implement these actions, the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitilisation have updated the requirements within the Infrastructure Guidelines and within the Capital Works Management Framework. These are detailed in this circular.

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Infrastructure Guidelines

Updates to the Infrastructure Guidelines

8) The Infrastructure Guidelines are designed to ensure that the State gets the best possible value from the resources at its disposal by applying best practices at every stage of the project lifecycle. They set out:

    a) The value for money requirements for the evaluation, planning and management of public investments
    b) The roles and responsibilities for Accounting Officers, Approving Authorities and Sponsoring Agencies
    c) Details on the requirements at each stage of the project lifecycle

9) All government departments, local authorities, the Health Service Executive, public bodies, and all bodies in receipt of government funding must comply with the obligations set out in the Infrastructure Guidelines.

10) From 1 August 2026, the following target project and programme approval timeframes at Approval Gates 1, 2 and 3, will apply. This timeframe spans from the Sponsoring Agency submitting the business case to the Approving Authority, to approval of the business case by the relevant Accounting Officer. <u>These timeframes are a requirement for all capital projects and programmes seeking approval</u>.

    i. Preliminary Business Case approval (AG 1) – no longer than 3 months (or 6 months for Major Projects). For major projects, this includes DPER and MPAG review; and seeking consent from Government.
    ii. Pre-Tender approval (AG 2) – no longer than 2 months (or 3 months for Major Projects).
    iii. Final Business Case approval (AG 3) – no longer than 1 month (or 2 months for Major Projects).

Principles to be applied when considering projects and programmes for approval under the Infrastructure Guidelines

11) Clear and predictable approval timelines support clearer pathways for critical infrastructure projects and programmes and provide greater certainty for project developers and the people of Ireland. Achieving these timelines requires streamlining of existing processes including early engagement with stakeholders, removing redundant or obsolete processes or steps and reducing duplication between Bodies.

12) Projects designated as critical under the Critical Infrastructure Act 2026 should be prioritised above all other projects and programmes when submitted for approval. For example, if two projects or programmes are to be considered by MPAG, it should be arranged that the Critical Infrastructure Project or Programme is reviewed first.

13) The Approving Authority /funding department and Sponsoring Agency should engage during the development of Business Cases at each stage of the project lifecycle to ensure that any concerns of the Approving Authority / funding department are addressed and the finalised business case is in compliance with the required elements of the Infrastructure Guidelines.

14) If the Approving Authority/ funding department, in their assessment, find elements of non-compliance with the Infrastructure Guidelines, they should recommend that either:

   a) The issue be addressed during the next stage of the project lifecycle.
   b) The Sponsoring Agency address the issue immediately prior to any further progress. The funding department should reach this conclusion and notify the Sponsoring Agency with urgency, to ensure the development of the business case is not unduly delayed.

15) If the funding department finds that, on an overall basis, the business case presented does not comply with the requirements of the Infrastructure Guidelines and the proposal does not represent value for money, they should make a decision, as promptly as possible, not to approve the proposal.

Comply or Explain

16) In the prioritisation of designated critical infrastructure projects and programmes, the relevant Accounting Officer may determine that undertaking elements of the Infrastructure Guidelines, in particular the Major Projects Advisory Group review, does not justify the additional time required.

17) Where the Accounting Officer makes this determination and forgoes elements of the Infrastructure Guidelines, then the project or programme should be considered as a higher risk and the Accounting Officer should justify their rationale and the mitigations that are being put in place to address this risk.

Existing requirements for approval at each project stage

18) Under the Infrastructure Guidelines, project sponsors are required to seek approval from their relevant funding department at three stages prior to implementation:

   a) Preliminary Business Case/Approval-in-Principal Stage (AG1)
   b) Pre-Tender Stage (AG2)
   c) Final Business Case Stage (AG3)

19) The requirements for Major Projects (proposals with an estimated capital cost in excess of €200 million (or €500 million for Transport, Water and Energy sectors)) differ at each of these stages:

   a) At AG1, projects are required to undergo reviews by DPER and MPAG and be considered by Government prior to approval in principle being granted.

b) At AG2, projects are required to be approved by the Accounting Officer of the relevant funding department.
c) At AG3, projects are required to be considered by Government prior to approval being granted.
d) At each of these stages, Approving Authorities/ funding departments should carry out their own technical reviews to ensure that the project or programme proposals are in line with the Infrastructure Guidelines, sectoral specific guidelines and clear value for money criteria.

Capital Works Management Framework

Existing Requirements

20) Department of Finance Circulars 40/2002, 33/2006, 04/2008, 06/2010 and 07/2010 covering Construction Procurement Reform (the Circulars) set out obligations on certain public bodies and those whose projects or programmes are majority Exchequer-funded to comply with the Capital Works Management Framework (CWMF).

21) Under Section 1 of Department of Finance Circular 07/2010, Contracting Authorities proposing to use construction contracts or conditions of engagement for publicly funded projects other than those provided under the CWMF are required to obtain prior approval from the Government Construction Contracts Committee to ensure that such contracts and conditions of engagement are compliant with Government policy in relation to its public sector construction procurement reform initiative

Updated Requirement for Critical Infrastructure Projects

22) Where the Accounting Officer of one of those bodies identified in the Circulars determines that those projects or programmes that are designated as critical under the Critical Infrastructure Act need to avail of a different contracting approach to those provided under the CWMF the requirement to seek a derogation as set out in Section 1 of Department of Finance Circular 07/2010 is waived.

23) They may instead select a standard form of construction or consultancy contract that is in use internationally which may include the suite of contract forms published by the Institute of Civil Engineers – the New Engineering Contract (NEC) or those forms published by the Fédération Internationale Des Ingénieurs-Conseils (FIDIC).

24) The following conditions apply to this updated requirement:

a) Where amendments or supplementary conditions are required to the standard or core clauses of the contracts referenced at 23) above, they must be amended using the standard optional clauses available to the chosen form of contract, and bespoke conditions should only be included where absolutely essential and where justified by the project's or programme's circumstances.
b) The Accounting Officer should confirm that the necessary resources and supports are in place to adopt a different contracting approach.

Effective Date

25) These requirements will apply from 1 August 2026.

26) All new public investment proposals from 1 August 2026 onwards should comply accordingly with the changes outlined. For public investment proposals which are already progressing through the project expenditure lifecycle, Sponsoring Agencies and funding departments should ensure that these comply with the updated requirements as they move forward.

27) To support these required actions, funding departments should consider engaging the National Development Finance Agency (NDFA) to support timely technical reviews and process streamlining, where appropriate. DPER Circular 11/2026 sets out the process by which the NDFA can support departments and agencies.

Dissemination and Implementation

28) You are requested to bring this circular to the attention of:

   a) All staff in your department who might be involved in the evaluation, planning and management of public expenditure.

   b) All public bodies under the aegis of your department, and to ensure that arrangements are put in place for these public bodies to implement its terms.

Enquiries

29) Enquiries in relation to this circular can be addressed to the Infrastructure Delivery and Monitoring Unit, Department of Public Expenditure, Infrastructure, Public Service Reform, and Digitalisation, telephone +353 1 6767571, or email nio@per.gov.ie

Mise le meas,

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