LEADER Operating Rules

Rural Development Programme Ireland

2014 – 2020

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Department of Rural and Community Development

An Roinn Forbartha Tuaithe agus Pobail

'The European Agricultural Fund for Rural Development: Europe investing in rural areas'.

Department of Agriculture, Food and the Marine

An Roinn Talmhaíochta, Bia agus Mara

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Acronyms and Terms

AGM	Annual General Meeting
Agreement	The contract between each LAG and the Department
BTWEA	Back to Work Enterprise Allowance
Authorised Officer	Chief Officer or CEO of the LAG or officer delegated this responsibility for LEADER
CEDRA	Commission for the Economic Development of Rural Areas
CLLD	Community-Led Local Development
DAFM	Department of Agriculture, Food & the Marine
CAP	Common Agricultural Policy
CPR	Common Provisions Regulation (EU Regulation 1303/2013)
CRO	Companies Registration Office
CSO	Central Statistics Office
Department	Department of Rural and Community Development
EAFRD	European Agricultural Fund for Rural Development
ESF	European Social Fund
ESI Funds	European Structural & Investment Funds which includes the European regional Development Fund (ERDF), the European Social Fund (ESF), the Cohesion Fund, the European Agricultural Fund for Rural Development and European Maritime and Fisheries Fund (EMFF).
EU	European Union
FLAG	Fisheries Local Action Group
ICT	Information and Communication Technology
ISS	Inspection Services Section of the Department
LAG	Local Action Group

LCDC	Local Community Development Committees
LDS	Local Development Strategy
LEADER	Liaisons Entre Actions de Development de l' Economie Rurale i.e. Links Between Actions for the Development of the Rural Economy
LECP	Local Economic and Community Plan
LEO	Local Enterprise Office
Minister	The Minister for Rural and Community Development
NEETs	Young People who are Not in Employment, Education or Training
Network	Rural Development Network
OJEU	The Official Journal of the European Union
Programme	Rural Development Programme 2014-2020
Project Promoter	The beneficiary under the LEADER programme for the implementation of operations (not including administration and animation expenditure)
REDZ	Rural Economic Development Zones
SMEs	Micro, Small and Medium Enterprises
TCC	Tax Clearance Certificate

1 Introduction

LEADER is a community-led approach to local development funded through Ireland's Rural Development Programme 2014 -2020 (the Programme). It is funded under *Priority 6* of the Programme, which promotes social inclusion, poverty reduction and the economic development of rural areas. It supports locally identified initiatives (at local or sub-regional level) that seek to address locally identified needs and challenges. It is delivered by a network of Local Action Groups (or LAGs), which have been selected to implement Local Development Strategies (LDSs or Strategies) for their respective sub-regional areas.

These consolidated Operating Rules provide a governance framework for the implementation of LEADER, and LAG Local Development Strategies, in accordance with the Programme's priorities, relevant EU Regulations and national regulatory and governance requirements. They supplement the terms and conditions of the contract between each LAG and the Department of Rural and Community Development (the Department).

The Regulations in Section 2.4 provide the legal basis for the LEADER Operating Rules. In accordance with the terms of the Agreement, the Rules are binding on each LAG and project beneficiary. They may be amended from time to time at the discretion of the Department, which manages LEADER in Ireland.

The Rules should be read in tandem with the Agreement and the relevant EU and national regulatory requirements. Relevant EU Regulations are available on the European Network for Rural Development (ENRD) website, together with other guidance and support documentation.

All parties involved in the delivery of LEADER actions must be familiar with the Rules and the relevant regulatory requirements and should be aware of all amendments made over the Programme lifetime.

In matters of interpretation, the Department's decisions are final.

Department of Rural and Community Development

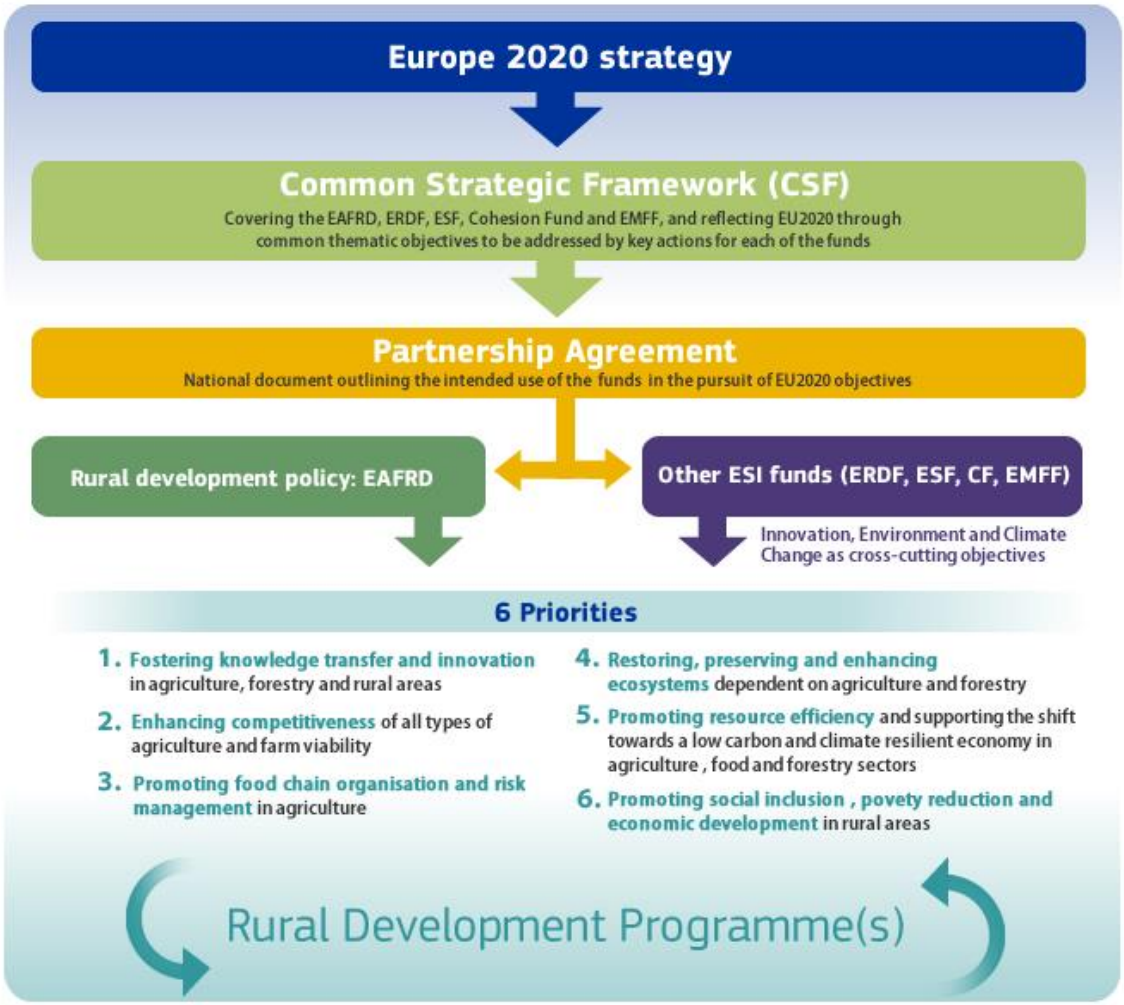
19th December 2017

2 Policy Context

2.1 Policy Framework

Rural development is a key component of the EU Common Agricultural Policy (CAP). It is supported through the European Agricultural Fund for Rural Development (EAFRD), which in turn is delivered through nationally co-financed Programmes. Three long term strategic objectives have been identified for EU rural development policy for 2014 -2020 –

- Improving the competitiveness of agriculture;
- The sustainable management of natural resources and climate action; and
- A balanced territorial development of rural areas.



These policy objectives are reflected in **six priorities** for rural development, as follows –

1. Fostering knowledge transfer in agriculture, forestry and rural areas;
2. Enhancing the competitiveness of all types of agriculture and enhancing farm viability;
3. Promoting food chain organisation and risk management in agriculture;
4. Restoring, preserving and enhancing ecosystems dependent on agriculture and forestry;
5. Promoting resource efficiency and supporting the shift toward a low-carbon and climate-resilient economy in agriculture, food and forestry sectors; and
6. Promoting social inclusion, poverty reduction and economic development in rural areas.

LEADER is programmed under **Priority 6 – promoting social inclusion, poverty reduction and economic development in rural areas – and** provides the basis for LEADER to address key challenges facing Irish society and deliver supports to address, for example, the increase in levels of poverty and social exclusion.

Each priority is targeted at a number of focus areas. Priority 6 focuses on three areas –

a. Facilitating diversification, creation of new small enterprises and job creation;
b. Promoting local development in rural areas; and
c. Enhancing access to, use and quality of ICT in rural areas.

LEADER seeks to build the capacity and skills of the local community and socio-economic actors in rural areas to tackle local development objectives. Accordingly, it contributes to focus area *6(b) – Promoting local development in rural areas.*

The Programme also focuses on key themes and sub-themes, which should underpin LEADER activities at a local level. These themes are drawn from the Programme consultation process, as well as consultation and research conducted by the Commission for the Economic Development of Rural Areas (CEDRA) in 2012 and 2013.

2.2 LEADER Approach

LEADER supports the delivery of local development actions in rural communities. It is a *Community Led Local Development (CLLD)* approach that involves the participation of rural communities in developing local responses to key economic, environmental and social challenges identified in their areas. To this end, LAG membership comprises public and private partners from the economic, social, cultural and environmental sectors.

The LEADER approach has a distinct methodology with the following features or specificities[1] –

1. Area-based Local Development Strategies;
2. Bottom up approach;
3. Public-private partnerships – the LAG;
4. Innovation;
5. Integrated and multi-sectoral actions;
6. Networking; and
7. Co-operation.

2.3 The Local Development Strategy

LEADER involves the design and delivery of LDSs by pre-selected LAGs. Each LDS is a community-led plan, developed and driven by rural communities through the LAG, to address the locally identified needs and to achieve a defined set of local objectives. All funding decisions taken by the LAG are underpinned by the LDS objectives and priorities.

2.4 Regulatory Framework

LEADER is governed by two EU framework Regulations –

- The *Common Provisions Regulation (EU Regulation 1303/2013)* sets out a single framework for implementing and co-ordinating the five European Structural Investment Funds[2], and
- *EU Regulation 1305/2013*, which details the types of supports for rural development, including LEADER.

There are also a number of supporting Regulations –

[1] Further detailed information on the LEADER approach can be found on the ENRD website.
[2] These are: European Regional Development Fund (ERDF), European Social Fund (ESF), Cohesion Fund (CF); European Agricultural Fund for Rural Development (EAFRD), European Maritime and Fisheries Fund (EMFF).

Key EU Regulations relating to LEADER	
Regulation No.	**Summary**
1303/2013	The Common Provisions Regulation laying down common provisions on the European Regional Development Fund (ERDF), the European Social Fund (ESF), the Cohesion Fund, the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime Fisheries Fund (EMFF), also known as the European Structural and Investment Funds (ESI). https://ec.europa.eu/digital-single-market/en/news/regulation-eu-no-13032013-european-parliament-and-council
1305/2013	Regulation on support for rural development by the European Agricultural Fund for Rural Development http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:347:0487:0548:EN:PDF
1306/2013	Regulation on the financing, management and monitoring of the Common Agricultural Policy http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:347:0549:0607:EN:PDF
2988/95	*Regulation on the protection of the European Communities financial interests*. http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31995R2988:EN:HTML
966/2012	Regulation on the financial rules applicable to the general budget of the Union http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:298:0001:0096:en:PDF
480/2014	Supplementing Regulation EU No 1303/2013. Provides information on financial corrections. http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0480&from=EN
640/2014	Supplementing Regulation EU 1306/2013 with regard to the integrated administration and control system and conditions for the refusal of withdrawal of payments and administrative penalties applicable to direct payments, rural development support and cross compliance. http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0640&from=EN
807/2014	Supplementing Regulation EU 1305/2013 on support for rural development by the EAFRD. Provides further details relating to measures and intervention rates as outlined in 1305/2013. http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0807&from=en
808/2014	Lays down the rules for the application of Regulation EU No. 1305/2013 on support for rural development by EAFRD, including rules as regards the member state rural development programmes, information and publicity for rural development programmes, implementation of certain rural development measures, monitoring, evaluation and reporting. http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0808&from=en
809/2014	Lays down rules for the application of Regulation (EU) No. 1306/2014 with regard to the integrated administration and controls systems, rural development measures and cross compliance. http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0809&from=en
821/2014	Lays down the rules for the application of Regulation (EU) 1303/2013 for the transfer and management of programme contributions, reporting on financial instruments, technical characteristics of information and communication measures and systems to record and store data http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0821&from=EN
907/2014	Supplementing Regulation (EU) No 1306/2013 with regard to paying agencies and other bodies, financial management, clearance of accounts, securities and use of the euro. Details paying agency activities and accreditation requirements. http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0907&from=en

908/2014	Lays down the rules for the application of Regulation (EU) 1306/2013 with regard to paying agencies and other bodies, financial management, clearance of accounts, rules on checks, securities and transparency. http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0908&from=nl

3 LEADER Themes and Areas Eligible for funding

3.1 Applicable Geographical Areas

Rural areas are defined as all parts of Ireland outside the city boundaries of Dublin, Waterford, Cork, Limerick and Galway. All areas outside of these boundaries are eligible for LEADER support.

The Programme designated 28 LEADER sub-regional areas in Ireland. At least one LAG has been selected for each sub-regional area. Each LAG has defined the local areas within their respective sub-regional areas covered by their LDSs. All projects funded by LEADER must take place within Ireland, must be in line with the LDS, and must be to the benefit of the region covered by the respective LDS. Specific rules apply to funding provided to co-operation projects (see Section 7), which may take place outside of Ireland.

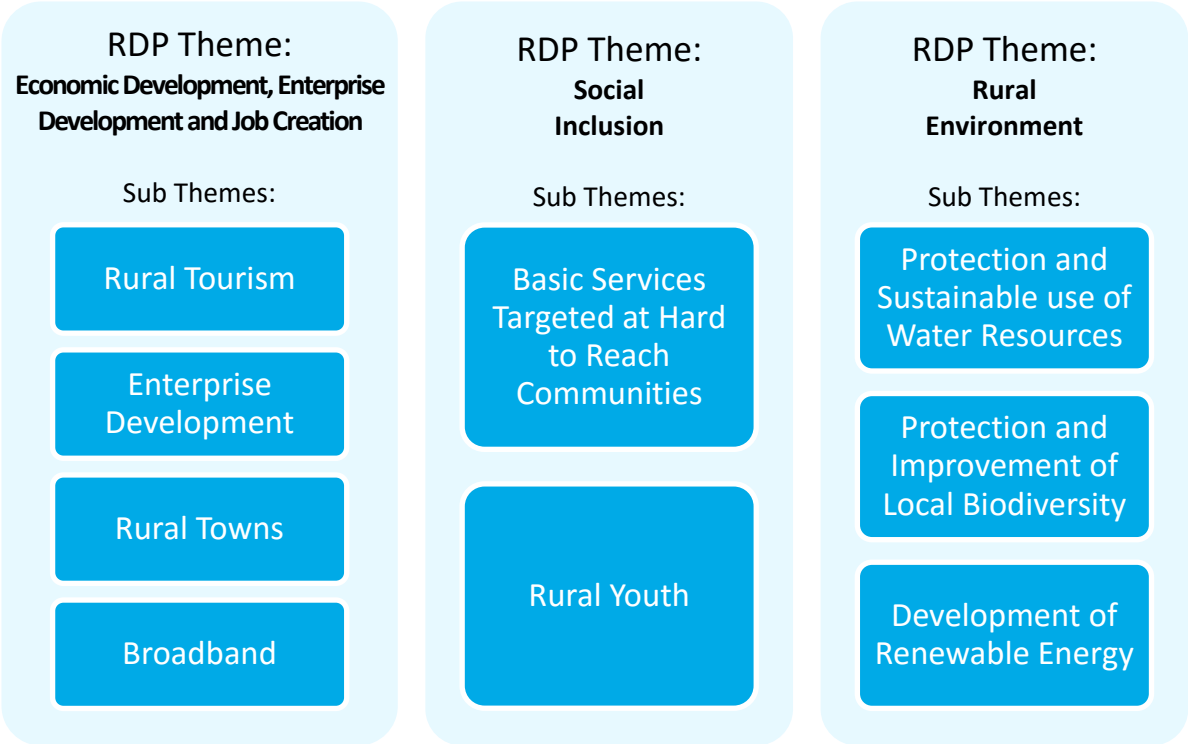
3.2 Programme Themes and Sub-Themes

The Programme includes themes that reflect the overarching needs of rural Ireland. They reflect the key challenges facing rural Ireland, with regard to economic recovery, employment creation, tackling social exclusion and reducing the impact of global warming and resource depletion.

Each theme contains a number of sub-themes (see *Figure 1 – Programme Themes and Sub-themes*), which are considered the key areas in need of the greatest support and have the greatest potential to promote the sustainable development of rural communities. The sub-themes are considered sufficiently broad and flexible to encompass the diversity of local needs and the actions required to address these needs through the LDS.

A brief overview of each sub-theme is provided in this section and some examples of potential actions are included below. Each LDS will identify the sub-themes and objectives relevant to a sub-regional area.

Figure 1 – Programme Themes and Sub-Themes



3.3 Theme 1 – Economic Development, Enterprise Development and Job Creation

Theme One focuses on driving continued local economic development, including diversification of the rural economy and the creation of employment opportunities for the local community, including those from disadvantaged groups.

Rural Tourism

Rural tourism provides a stimulus for enterprise and job creation. Tourism tends to exploit particular assets that are generally place-specific, for example, landscape and history. Accordingly, it offers significant potential, even in peripheral areas. Interventions under this sub-theme should focus on actions that have the potential to make the area more attractive for local, national and foreign visitors.

Examples of actions that may be supported include –

- feasibility studies to explore the tourism potential of an area;
- marketing initiatives;
- the creation of tourism hubs to facilitate a multi-sectoral approach~~,~~;
- activities that centre on the development and renovation of infrastructure, which contribute to historic and heritage based tourism. In exceptional circumstances, and in consultation with the

Department, this may include private dwellings where this can be shown to contribute to historic and heritage based tourism;

- actions that promote the development of cultural/heritage infrastructure of local significance and arts-based activities and events; and
- the provision of amenity and leisure facilities, which can support adventure/eco-based tourism.

LEADER supported tourism projects must comply with relevant Fáilte Ireland or other sectoral standards.

Enterprise Development

LEADER can support micro, small and medium enterprises as defined in Commission Recommendation 2003/361/EC[3].

Local Enterprise Offices (LEOs) have primary responsibility for micro-enterprise in Ireland. LEADER must complement rather than compete with LEO activity; effective systems of collaboration and consultation are required to ensure a co-ordinated and effective allocation of resources.

The respective areas of LEO and LEADER enterprise activity are outlined in the protocol between the Department and the Department of Jobs, Enterprise and Innovation. This protocol applies nationally, but allows sufficient flexibility to provide for an agreement at local level. (Protocol available from the Department on request).

The *CEDRA Report (2014)* identifies areas that might benefit most from LEADER support –

- Artisan and other food businesses;
- Renewable Energy;
- Marine diversification (to complement support provided by Fisheries LAGs funded under the European Maritime Fisheries Fund);
- Social Enterprises; and
- Creative Industries[4].

Supported actions might include investment support or sector-specific training programmes for aspiring entrepreneurs, early stage promoters, social enterprises, start-ups and established SMEs. In the context of

[3] Further guidance is available at http://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition/index_en.htm.

[4] e.g. traditional crafts, new media and design

Priority 6, developing inclusive models of business support will be key to realising the potential of groups who are underrepresented in enterprise, e.g. women, young people and people with disabilities.

Rural Towns

This sub-theme supports the regeneration of rural towns. It seeks to promote them as attractive places to visit, live and do business in. LEADER is particularly suited to revitalising rural towns through co-ordination of integrated approaches that build on the economic strengths and infrastructure of the area whilst addressing the key challenges for business, community and recreation.

Actions to support the regeneration of rural towns might include town renewal schemes that renovate derelict buildings in order to attract business to vacant properties. The building or refurbishment of community buildings also provides a multifunctional infrastructure for social, cultural and sporting activities and training for the local community. Developing and promoting unique social events and activities can provide an important stimulus to rural towns. LEADER projects in this area should complement and add value to other national supports for rural towns.

Actions should be sustainable, and consider and incorporate all the needs of the area, i.e. standalone projects that deliver on one objective and do not seek to address multiple objectives should be avoided. Works that normally come within the remit of Local Authorities, such as large infrastructure projects, are not eligible for LEADER funding. Where it is not clear whether a project could be considered to come under the remit of the Local Authority (e.g. ornamental street lighting or footpaths), the LAG should consult with the Department before approving funding.

Broadband

Increased access to reliable and high-speed broadband is vital for the economic and social development of rural areas and communities. High-quality broadband enables businesses to set-up or continue to be based in rural areas, by overcoming barriers relating to access to markets and services. There is also a potential to create additional employment as access to broadband can support businesses to grow[5].

This sub-theme supports local actions that complement national initiatives aimed at developing a comprehensive rural broadband infrastructure. This sub-theme does not cover most broadband infrastructure, as this is covered under the National Broadband Plan. Actions that may be covered include basic ICT training to priority groups, for example, to enable older people and young people to stay

5 CEDRA, Energising Ireland's Rural Economy, 2014

connected. Other actions may focus on skills development for installing broadband, feasibility studies in relation to community broadband and funding for small scale equipment (such as boosters) and small scale infrastructure to allow local businesses access broadband. Funding in excess of €10,000 cannot be provided for broadband equipment or infrastructure.

3.4 Theme 2 – Social Inclusion

This theme focuses on promoting the cohesion of the sub-regional area, from both an economic development and social inclusion perspective. People may be excluded and marginalised from participating in activities that are considered the norm for others in society because of inadequate income and resources. In rural areas, in particular, the low density of population, high levels of out-migration and distance from urban centres, can often result in fewer employment options and lower levels of service provision than in urban areas. In rural areas, people's experience of exclusion is often compounded by physical isolation.

Provision of Basic Services Targeted at Hard to Reach Communities

This sub-theme focuses on improving access to basic services for people living in rural and remote areas and groups who are at risk of social exclusion. In some cases, it might involve the introduction of a new service or the re-introduction of a previously withdrawn service under the following categories –

- community;
- education/training;
- social/cultural; and
- recreation;

Examples of groups who may be at risk of social exclusion include, but are not limited to –

- those living in disadvantaged areas;
- those living in remote and less accessible areas;
- unemployed and underemployed people;
- fishermen or farmers on small holdings;
- women;
- children;
- lone parents;
- people with a disability;
- older people;
- people living alone;

- NEETs (Young People who are Not in Employment, Education or Training);
- migrants/new communities (including refugees/asylum seekers);
- Travellers; and
- Roma.

Rural Youth

The promotion of youth entrepreneurship and associated training can provide improved pathways for young people to access economic opportunities in rural areas. Actions that develop the social infrastructure of rural areas provide important opportunities for young people to realise their potential. These might include –

- the provision of youth clubs/cafés;
- improved access to ICT;
- sports/recreation activities;
- arts-based projects; and
- youth development programmes.

Young people, particularly those who may be vulnerable, also have distinct needs regarding the type of services they may need to access.

For the purposes of LEADER, young people are defined as people aged 15 to 35 years.

3.5 Theme 3 – Rural Environment

This theme seeks to maximise the potential of environmental actions to contribute to the sustainable development of rural communities. It focuses on utilising the landscape within a local area, its features and natural resources, while simultaneously creating a greater environmental awareness and improving environmental protection.

LAGs and project promoters must comply with all national and EU Legislation, as well as any restrictions or obligations imposed by Government Departments or the relevant Local Authority, which may apply to the proposed project. All projects must have the necessary permissions and licences in place before any work commences. Projects funded under the sub-theme must also comply with the relevant *Environment and Heritage rules* (see Section 6.4).

Protection and Sustainable use of Water Resources

Greater protection of local water resources is important for sustaining rural communities. Environmental schemes have the potential to play a pivotal role in addressing pressures on water reserves and in supporting the local community to conserve this valuable resource. Actions funded under this sub-theme may include –

- raising general awareness on water conservation issues,
- the development of local water conservation plans and feasibility studies;
- capacity building on the technical aspects of water recycling schemes; and
- initiatives that conserve water, for example, community programmes for rain water harvesting and the use of greywater for fertiliser and general washing.

Protection and Improvement of Local Biodiversity

Biodiversity encompasses natural wildlife, flora and fauna and is an important foundation to the healthy functioning of ecosystems. The protection of biodiversity is a growing concern, with the loss of various species of wildlife, flora and fauna as well as their natural habitat. Factors that impact on local biodiversity include human population growth, cutting hedgerows and changes in land usage.

Actions that promote local biodiversity might include –

- awareness raising and practical guidance on how to protect biodiversity domestically;
- feasibility studies and action plans in respect of larger scale projects that enhance and protect particular aspects of biodiversity; and
- local initiatives that support biodiversity and environmental improvements, for example, the upgrading of parks and river walks, establishment of nature corridors, habitat creation and planting of native species.

Development of Renewable Energy

Clean sources of energy have a lower environmental impact on nature than conventional energy technologies. This sub-theme seeks to mitigate the impact of recent environmental trends, including climate change. Community-based initiatives will play a key role in realising national and EU environmental targets, particularly in the reduction of carbon dioxide emissions through energy infrastructure. Renewable energy technologies may also generate new employment opportunities in rural areas.

Actions might include –

- general awareness raising on environmental issues and feasibility studies relating to green technologies;
- capacity building actions focusing on the installation and use of renewable energy technologies; and
- local projects involving technologies that deliver sustainable energy alternatives, for example, biomass heating, solar power, community wind farms and community-based heating systems.

3.6 Rural Economic Development Zones (REDZs)

REDZ are defined as functional rather than administrative geographic areas that reflect the spatial patterns of local economic activities and development processes, i.e. they are the sub-county zones within which most people live and work. A pilot initiative, supporting a localised strategic approach to the development of REDZ, commenced in 2015. The approach envisages full participation by communities at a local level in order to foster a sense of ownership of the REDZ development process.

Subject to the review of the pilot, it is intended to allocate an additional €5m to the mainstream implementation of REDZ through LEADER. A call for proposals will issue in due course.

3.7 Artisan Food Initiative

An additional €15m is also available to support an artisan (specialist) food initiative, which will be delivered through LAGs using the LEADER methodology. 'Artisan' businesses are micro-enterprises with a turnover up to €2m, employing fewer than 10 people and producing food in limited quantities using skilled craftspeople. The exact conditions for funding will be outlined upon the launch of the initiative.

It is intended to provide support for collaborative proposals that improve product quality, enhance relevant skills, and improve market access. This will be operated in conjunction with the Department of Agriculture, Food and the Marine, and further guidance will issue in due course.

3.8 Cross-Cutting Objectives

In addition to the themes outlined previously, consideration should also be given to projects that address the cross-cutting issues of environment, climate change and innovation in so far as LEADER interventions have the potential to complement and support such initiatives –

- **Innovation:** Funding may be provided to pilot new production methods that enhance the competitiveness of SMEs (Micro, Small and Medium Enterprises). The LAG can also act as a platform for social innovations to provide basic services for hard to reach communities. As CLLD strategies by definition are relatively small-scale, innovation does not necessarily relate to high-level technological development.

- **Environment:** Funding can be provided to protect the environment through greater awareness of environmental issues, efficient use of natural resources and heritage preservation. The local environment can also be promoted through rural tourism and local job creation afforded by demand for environmental goods/services.

- **Climate Change:** Funding can be provided to promote actions that reduce the carbon footprint of the community and local industry.

4 LEADER Implementation Structure

Managing Authority

The *Department of Agriculture, Food and the Marine (DAFM)* is the Managing Authority and lead Government Department for Ireland's Rural Development Programme 2014-2020.

The Paying Agency (and managing authority for LEADER implementation)

The Department of Rural and Community Development is the Contracting Authority with delegated Paying Agency functions and managing authority responsibility for LEADER. The Department is responsible for ensuring that the systems and processes that support this function are compliant with all regulatory requirements. This includes inter-alia monitoring LAG compliance with financial management and decision-making requirements, for example through the annual performance review and annual planning process. In addition, the Department is responsible for the on-going checks and controls in respect of LAG expenditure.

Pobal

Pobal provides technical and administrative support to the Department. It conducts Article 48 Administrative Checks on all LEADER expenditure on behalf of the Department. At the Department's discretion, these arrangements may evolve over the lifetime of the Programme.

Local Action Group

LAGs are the key body in the *Cascade.* There is a minimum of one LAG per each of the 28 designated sub-regional areas in Ireland. The LAG is responsible for designing and implementing the LEADER Local Development Strategy, making decisions on actions funded through the LDS and managing the funding allocated to the LDS.

The LAG membership is a balanced representation of public and private sector socio-economic interests from the relevant rural area[6]. Typically, a LAG includes local authority elected members and officials, business representatives, representatives from the community and voluntary sector, local development representatives, farming interests, local State agencies, etc.

[6] See Article 32 of EU Regulation 1303/2013 (the Common Provisions Regulation)

LAG Evaluation Committee

Each LAG has at least one *Evaluation* Committee established for the purposes of assessing and evaluating applications submitted by project promoters. The *Evaluation Committee makes* recommendations to the LAG as regards the suitability of projects for funding based on objective criteria **(**See Section 5.5).

LAG Financial Partner

Where the LAG is a partnership of bodies and interests, rather than a corporate entity in its own right, it selects a lead partner from within the LAG to manage administrative and financial operations.

The duties of the *LAG Financial Partner* are outlined in Section 5.2.

LAG Implementing Partner

The *LAG Implementing Partner* will deliver the majority of project and animation related actions associated with the implementation of the LDS. The *Implementing Partner* will manage calls for proposals up to, and including, the final submission of project recommendations for assessment by the *LAG Evaluation Committee*, and approval or otherwise by the LAG. The tasks assigned to the *Implementing Partner* will be decided by the LAG Members – please see Section 5.2 LAG Responsibilities.

Project Promoter

A project promoter is an individual, group or other body (e.g. company) that submits a funding application to the LAG and, where successful, is given a contract to deliver the approved project. The project promoter, as a designated beneficiary of funding under LEADER, is responsible for the delivery of the project. The LAG can also apply for LEADER funding as a project promoter – LAG-led projects called “in-house projects” and are dealt with in more detail in Section 6.6.

5 Local Action Groups Governance and Management Arrangements

5.1 Key LAG Implementation Tasks

At a minimum, LAGs are responsible for the following tasks[7] –

- building the capacity of local actors to develop and implement operations including fostering their project management capabilities;
- drawing up a non-discriminatory and transparent selection procedure and objective criteria for the selection of operations, which avoid conflicts of interest, ensure that at least 50% of the votes in selection decisions are cast by partners which are not public authorities, and allow selection by telephone, video conference facility and written procedure;
- ensuring coherence with the community-led LDS when selecting operations, by prioritising those operations according to their contribution to meeting that strategy's objectives and targets;
- preparing and publishing calls for proposals or an on-going project submission procedure, including defining selection criteria;
- receiving and assessing applications for support;
- selecting projects and fixing the amount of support and, where relevant, presenting the proposals to the body responsible for final verification of eligibility before approval; and
- monitoring the implementation of the community-led LDS and the projects supported and carrying out specific evaluation activities linked to that strategy.

Additional tasks as may be assigned by the Department as it deems appropriate.

The LAG must, when performing its functions, have systems in place that ensure:

- Good governance;
- Transparency;
- Sound financial management;
- Informed decision-making; and

[7] Article 34 of EU Regulation 1303/2013

- Accountability to stakeholders.

These systems and processes must be detailed in the LAG's procedures manual.

5.2 LAG Responsibilities

The roles and responsibilities of LAG partners are set out in the LAG's LDS. The LDS will, where appropriate, identify the *LAG Financial Partner* and the *LAG Implementing Partners*.

The LAG may assign a more operational role in the delivery of LEADER or may delegate responsibility for certain tasks to a LAG member as an *Implementing Partner* (e.g. animation, administering calls for projects, processing applications, monitoring project implementation). Management oversight will continue to be provided by the LAG.

The tasks delegated to the *Implementing Partner* are at the discretion of the LAG, **with the exception of the decision making function which cannot be delegated**. The LAG must formally approve all decisions on projects. The LAG's procedures manual must detail the separation of duties between it and the various LAG members i.e. the duties of the LAG, the *LAG Financial Partner* and the *LAG Implementing Partner*.

LAG Implementing Partners must have the capacity, capability and systems in place to support the LDS implementation. In the first instance, the LAG is responsible for ensuring that each *Implementing Partner* has the required experience and capacity (systems, procedures etc.) to undertake the tasks delegated to it. In addition, the Department must also be satisfied that all entities involved in implementation, including Implementing Partners, are capable of carrying out the roles and tasks assigned to them by the LAG.

LAGs may change the Implementing Partners during the programming period subject to the **prior written approval of the Department.** Proposals to change *Implementing Partners* must include a rationale outlining the reasons for the change and an assessment of the capacity and capability of the proposed new *Implementing Partner*. In reaching its decision, the Department will afford the Implementing Partner the opportunity to respond to the position outlined by the LAG.

Where a *LAG Financial Partner* is assigned, it has administrative and financial responsibility for the implementation of the LDS and the management of LAG operations generally. The administrative/financial tasks associated with this role, include *inter alia* –

- underwriting the LEADER related activities of the LAG and its members;

- providing advance administration and animation funding to support the activity of the LAG;
- making payments to promoters on behalf of the LAG;
- submitting composite expenditure returns to the Department;
- undertaking, where designated, Article 48 Administrative Checks; and
- submitting claims to, and requesting drawdown of monies from, the Department.

5.3 LAG Governance

A corporate governance and accountability training plan should be developed and implemented for all LAG members to ensure the proper management and governance of the LAG. Training must also be provided to any new members joining the LAG. The cost of providing such training can be met from the LAG administration budget.

LAG Membership and Decision-Making Requirements

In line with Government policy, each LAG should aim to secure a balanced gender representation.

LAGs decision-making procedures must ensure that neither the public sector nor any **single interest group** represents more than 49% of the LAG voting rights. For example, in a 19 person LAG, there must be no more than nine public sector members and a minimum of 10 private sector members.

The following conditions must be met for all decisions regarding the selection of projects, after all conflicts of interest have been declared.

LAG Meetings

A quorum of 50% (rounded up to the nearest person) must be present for a meeting of the LAG to take place. Every effort should be made to ensure LAG members are physically present at meetings. However, a LAG may decide to allow members attend meetings and take decisions via telephone or other video conferencing facility and this attendance may be included to meet the quorum requirement of 50%. This should be the exception rather than the norm. The member(s) attending by telephone / video conferencing facilities must be capable of speaking to and be heard by all attendees. The minutes of the meeting should record the names of those who attend via telephone or video conferencing facility and the pillar they represent. In this regard, the **LAG Decision Meeting Attendees form** (**Appendix 12)** must be used to record attendance and representation details. For projects where there is a conflict of interest, the **LAG Decision Meeting Abstainers form** (**Appendix 13**) must be completed for each project where a conflict of interest has been declared by a member.

The use of a written procedure to facilitate participation in the meeting cannot be used to meet this 50% quorum requirement. A meeting should be postponed and rescheduled if a quorum cannot be raised. In a 17 member LAG, a minimum of 9 members must be present to meet the quorum requirement.

LAG Decisions

For the purposes of securing an inclusive and representative decision-making process, any decisions taken by the LAG must –

- be voted on by at least 50% (rounded up to the nearest person) of LAG members – this applies to decisions validated by the LAG membership after all relevant conflict of interest issues have been addressed; and
- be voted on the basis that at least 50% of those voting on a decision are non-public sector partners; and
- be carried by majority vote; and
- be non-discriminatory and transparent

The Chairperson does not have a casting vote. Where there is a tied vote, a motion is deemed not to be carried.

Written Procedure

The largely voluntary status of LAG members is recognised. Accordingly, the LAG decision-making arrangements may facilitate voting by written procedure[8], thus ensuring participation in the decision-making by LAG members who are unable to attend the relevant LAG meeting. Moreover, it makes it easier to satisfy the 50% requirement for decision making. Individual LAG members can only vote by written procedure in a maximum of one out of every four consecutive LAG meetings, LAG members must be provided with the relevant documentation and indicate their vote in advance of the meeting.

Decisions taken where the above governance requirements are not met will be deemed invalid. Where the above governance requirements are not in place, the decision should be postponed until such time as these governance requirements are in place.

LAG Procedures

LAGs must detail, in their respective procedures manuals, how the above requirements will be implemented. The Chairperson is responsible for ensuring that these requirements are met and that all

[8] See Article 34 of EU Regulation 1303/2013 (the Common Provisions Regulation)

decision-making is appropriately documented. All decisions and deliberations of the LAG (and the Evaluation Committee should be recorded in the relevant meeting minutes (see Appendix 09, 10,11 12 & 13 for templates).

The LAG minutes must confirm –

- in respect of each decision, that the appropriate public/private member balance has been achieved; and
- the sectors represented by the members attending the LAG meeting.

5.4 Conflict of Interest

LAGs are prescribed public bodies under the Ethics in Public Office Acts by virtue of S.I. 678 of 2006[9]. LAGs shall ensure that they meet their obligations under the Ethics in Public Office Acts 1995 and 2001.

The LAG procedures manual must include procedures for managing potential and actual conflicts of interest. Procedures must provide for LAG members to declare, and have recorded, conflicts of interest. Where a LAG decision is deemed invalid due to a conflict of interest, all funding will be deemed ineligible and must be repaid by the LAG to the Department – no liability will accrue to promoters in such cases.

LAG members, LAG Evaluation Committee members, and the staff of LAGs/Implementing Partners must complete an annual conflict of interest declaration **and** a register of interests declaration. The Authorised Officer is responsible for ensuring compliance with these requirements.

A LAG member / LAG Evaluation Committee member shall be deemed to have an interest in a particular matter where a person connected with that LAG member / LAG Evaluation Committee member has such an interest and the LAG member / LAG Evaluation Committee member could be expected to be reasonably aware of the existence of that interest. For this purpose, a person is connected with a LAG member / LAG Evaluation Committee member if that person is –

- a spouse, parent, brother, sister, child or step-child, other relative or co-habitee of that LAG member; and/or
- a body corporate controlled by a LAG member within the meaning of Section 220 (3), (4), (5), (6), (7) and (8) of the Companies Act 2014; and/or

[9] http://www.irishstatutebook.ie/eli/2006/si/678/made/en/print

- a person acting as the trustee of any trust, the beneficiaries of which include the LAG members or the persons/organisations acting as a LAG partner.

Upon appointment, and where any change occurs, each LAG member / LAG Evaluation Committee member shall furnish full particulars of their interests. These interests shall include their employment, all business interests and community involvement, including voluntary work for charities hereinafter referred to as 'Interests', which might involve a conflict of interest or might materially influence the LAG member / LAG Evaluation Committee member in relation to the performance of their functions, or their partiality. This duty to disclose is without prejudice to the on-going obligation to make specific disclosure of interests relating to any project being considered by the LAG.

Conflict of interest matters must be included on the agenda of the LAG **and** Evaluation Committee meetings. LAGs must ensure, and record, that conflicts of interest have been managed correctly by LAG **and** Evaluation Committees.

LAG and Evaluation Committee members must declare at each meeting the nature of his or her interests in -

- any application to the LAG for financial or other support; and/or
- any initiative taken by the LAG; and/or
- any contract or proposed contract with the LAG in which a LAG member, or a connected person is directly or indirectly involved; and/or
- any matter from which the LAG member, or a connected person, may stand to benefit directly or indirectly from his or her position as a LAG member or from the operation of the LAG.

Where a Conflict of Interest is declared, that person must absent themselves from any deliberations where such a declaration is made. This declaration must be formally recorded in the LAG / Evaluation Committee minutes.

The requirement to declare a conflict of interest applies to all persons involved in processing an application for support, as well as the evaluation of that application. In instances where there is a conflict of interest from a staff perspective, this should be noted and the staff member should not be involved in working on the project where the conflict occurs.

5.5 LAG Evaluation Committee

The LAG must establish at least one Evaluation Committee to assess and evaluate all applications for LEADER funding. The Evaluation Committee will be solely responsible for making recommendations for funding, or otherwise, to the LAG.

The structure, membership and specific arrangements for the Evaluation Committee are a matter for the LAG, however, the LAG must ensure the integrity of the evaluation process and put in place arrangements that are –

- fair and non-discriminatory – all applicants must be treated equally; and,
- open and transparent – applicants must be informed of the methodology and approach to evaluating each application, and the results of the evaluation should be made available to the applicant together with the LAGs final decision.

The Evaluation Committee membership may vary according to theme, call for applications, etc. Evaluation Committee members **cannot** be LAG members. Similarly, where the LAG has assigned implementing responsibility to an *Implementing Partner*, no person associated with the *Implementing Partner* can be a member of an Evaluation Committee considering a LAG / Implementing Partner in-house project. i.e. no staff member, no Board member, etc. can be a member of the Evaluation Committee.

Members can be rotated, however, between the Evaluation Committee and the LAG, as required. This will help retain expertise within the LAG and the Evaluation Committee in the medium term.

Evaluation of Projects

The Evaluation Committee must complete a formal evaluation scoring record, based on objective criteria (see scoring template in Appendix 11). This scoring record must be signed and dated by the Chairperson of the Evaluation Committee and then submitted to the LAG for final decision. The LAG may adapt the evaluation scoring template to suit its own local needs, provided that all of the project assessment criteria in the template are retained.

A project must score a minimum of 65% of the total marks to be recommended for approval to the LAG. Where there is a targeted call for applications, projects should be ranked in order of highest to lowest as per the scoring record and funding distributed according to this ranking.

The final evaluation score and recommendations agreed by the Evaluation Committee in respect of a project application must be signed and dated before submission to the LAG and must not be amended or rejected by any other person, group or body prior to their submission to the LAG.

A detailed record of the Evaluation Committee's assessment and recommendations must be maintained on the project file (see Appendix 10). This record must include a clear rationale for each recommendation, as well as the recommended rate of aid, grant ceiling and any conditions the Evaluation Committee recommends should attach to the project. Signed minutes of all Evaluation Committee meetings must be retained on a dedicated file by the LAG.

The LAG may ask the Evaluation Committee to reconsider its recommendation or seek further information on the project before reaching a decision. The LAG is not obliged to accept a recommendation of the Evaluation Committee. Where the LAG rejects a recommendation, it must clearly record the rationale for its decision. Where the LAG rejects a recommendation not to award funding to a project, it must complete a single scoring record and ensure that the minimum aggregated threshold of 65% is reached

5.6 Amendment to Local Development Strategy-

All amendments to the LDS must be approved in advance by the Department. Any amendment must be based on an evaluation of the implementation of the strategy. The LDS can only be amended after a sufficient level of project delivery has been achieved in each area. LAGs will be advised by the Department of the specific arrangements in this regard.

LAGs will, however, be provided with flexibility to deviate from the specific actions outlined in the LDS Action Plan without amending their strategy. LAGs will be advised by the Department of the process to be followed in this regard.

6 Project Application and Assessment Arrangements

6.1 Expressions of Interest (EOI) and Application

An Expression of Interest (EOI) must be recorded on the LEADER IT system in respect of all potential applicants prior to the applicant submitting an application for support. This process facilitates an initial engagement with the applicant on the details of the project, its consistency with the LDS objectives and the steps involved to bring it to fruition.

The LAG can decide whether to:

(i) Require potential applicants to complete an Expression of Interest form (see Appendix 7) or

(ii) Directly record the details of the potential applicant on the LEADER ICT system itself, without requiring the applicant to complete the EOI form.

In the case of (ii), the LAG must ensure that the mandatory information required on the LEADER IT system is obtained and inform potential applicants that their details will be recorded on the LEADER IT System. The LAG may decide to apply one system for particular applicants [e.g. all applicants or applicants under a specific call] or allow staff members in the LAG or IP to decide the approach on a case by case basis.

Many EOIs will not progress to full application stage e.g. the project involves ineligible activities, the project is not in line with the terms of the call for EOI's, or the project is not in line with the LDS objectives. To avoid unnecessary delays in the process, the decision to approve or reject an EOI can be made by staff members in the LAG or Implementing Partner. The decision must be recorded on the LEADER ICT system.

To ensure equal treatment for all applicants, EOI's that are considered ineligible must be periodically notified to the LAG members. Accordingly, a list of all EOIs received in the relevant period and considered ineligible by a member of staff must be submitted to the LAG meeting at least on a quarterly basis, together with a short description of each EOI and reasons why it is considered to be ineligible. The LAG members can decide whether or not to review the list of ineligible EOI's prior to ineligible applicants being informed, however every effort should be made not to delay the process.

The list of ineligible EOI's submitted to the LAG must be recorded in the meeting minutes. LAG members may request that additional information be provided in respect of any EOI. The LAG may reject the initial assessment of any individual EOI that was deemed to be ineligible and direct that an applicant be given the opportunity to submit an application for full evaluation and consideration by the LAG.

Where the LAG decides to reject the initial assessment of any individual EOI, this must be considered and recorded in the same way as all other LAG decisions, including the declaration of any conflict of interest in respect of the individual EOI.

In the case of targeted calls, where the LAG decides to review the list of ineligible EOI's after the successful applicants have been informed, and overturns a decision to reject an EOI, the applicant/promoter should be provided with additional time to prepare an application so that the promoter is not disadvantaged *vis a vis* other applicants under the same targeted call. This application can proceed outside of the targeted call process if necessary. To avoid this situation, it is suggested that the closing date for targeted calls should coincide with a LAG meeting so that the list of ineligible EOIs can be considered by the LAG immediately and the ineligibility decision amended where necessary.

6.2 Targeted and Rolling Calls for EOIs

The LAG must undertake animation activities targeted at the areas and communities that have been identified in the LDS as in greatest need of funding. Some EOI applicants may not have the necessary skills to deliver projects. These applicants should be provided to the extent possible, with training and capacity building to assist them to submit an application. .

LAGs may accept EOIs on a 'rolling call' ('first-come, first served') basis or on a 'targeted call' (competitive) basis. LAGs must undertake at least one targeted call in each year from 2017 to 2020. The targeted call should, in particular, focus on innovative funding areas, cross-cutting objectives and strategic areas that can inform best practice under LEADER and wider community development.

Where the required minimum of one targeted call per year is not undertaken in any of the years 2017-2020, the Department will deduct 5 % from the LAGs LDS allocation and redistribute to other LAG areas.

Targeted and rolling calls must be widely publicised, e.g. on the LAG's website, at information meetings and/or in the local media.

Where an EOI is eligible, the potential applicant must be informed of the qualifying criteria and marking scheme to be used in assessing their full application. All EOI applicants must be informed if their Expression of Interest is ineligible. Unsuccessful applicants at EOI stage or application stage, under both targeted and rolling calls, can appeal the decision to the LAG (see Section 21 for details).

Specific arrangements for Targeted Calls

The purpose of targeted calls for EOIs [and the subsequent application] is to allow LAGs to target funding at areas where it can deliver the most value, and where a comparative assessment is considered appropriate.

LAGs should take the necessary steps to ensure that targeted calls are attractive to potential applicants. For example, the LAG could:

- Provide additional supports to applicants under targeted calls.
- Ring-fence amounts of funding under a targeted call.
- Deem that, for a defined period, certain types of projects are only eligible for funding through a targeted call.

The two stages of the targeted call include the following:

Stage 1 –Call for EOIs

Stage 1 must detail:

- the theme or themes under which the call is issued;
- the proposed overall budget for the call;
- the maximum level of funding available to any individual project;
- the closing date for the receipt of such EOIs; and
- any additional qualifying criteria to be used to decide EOI eligibility, together with the timeframe for assessing and notifying EOI applicants of the results of the process

Stage 2 – Application stage (submission of application form):

Those successful at EOI stage will be eligible to submit an application as part of the second stage of the targeted call. EOI's that progress to stage 2 must be informed of the indicative timeframe for assessing and notifying applicants of the results of the process.

Application Fees

The charging of application fees or other fees to applicants is not permitted.

6.3 Eligibility of the Beneficiary

It is necessary for the LAG to decide on the eligibility of the beneficiary for LEADER funding. A beneficiary is a natural / legal person or a private/community based group responsible for initiating and implementing the LEADER project.

The LAG must check that at the time of application:

1) the beneficiary meets the de-minimis requirements in relation to previous State Aid. If funding is provided to a project applicant by other Funding Agencies the LAG must contact these Funding Agencies to ascertain if this funding is considered State Aid. These Funding Agencies should advise the LAG if the funding they provided is De minimis / State Aid as well as the amount(s) and relevant dates for this funding (Section 11 and Appendix 8 of Operating Rules). If State Aid is not applicable, this must be clearly recorded on the project file; and
2) the beneficiary is not excluded under Article 35 (5) of Regulation 640/2014 (i.e. if it is established that there was a serious non-compliance previously under LEADER, the beneficiary shall be excluded from the LEADER Programme for the calendar year of the finding and for the following calendar year) and or Article 35 (6) of Regulation 640/2014 (i.e. where a beneficiary under a previous LEADER project is found to have provided false evidence or failed to provide information due to negligence. In this case, the beneficiary shall be excluded from receiving support under LEADER for the calendar year of the finding and for all of the following calendar year) unless otherwise agreed with the Department and
3) the beneficiary is solvent; and
4) there is no current outstanding debt associated with the support provided to the beneficiary under this or any previous LEADER Programme. In cases where there is a debt, and the beneficiary is not actively repaying this debt in line with a repayment schedule agreed with the Department, the beneficiary is not eligible for support.

For the purposes of point 2 above the LAG/IP must check that the applicant is not excluded from receiving funding on the basis of serious non-compliance or providing false evidence under this or the previous LEADER programme delivered in the LAG area. Where there is evidence that the promoter may have been funded previously in another LAG area, the LAG/IP must obtain assurances from the LAG/IPs in that area.

6.4 Project Assessment

Assessing the Eligibility of Projects

In determining the eligibility of a project the LAG must, in the first instance, assess if the project constitutes an eligible activity as per –

- the relevant EU Regulations; and
- the Rural Development Programme 2014-2020, programme objectives and the specific theme and sub theme for which funding is sought; and
- the Partnership Agreement; and
- the Operating Rules; and
- the objectives and actions identified in the LAG's LDS.

All interventions funded under LEADER must be considered in the context of national policy frameworks and support programmes e.g., the National Broadband Plan (broadband support through LEADER will be for ancillary broadband services and not infrastructure).

A project must **comply with all the requirements above** to be considered eligible for funding.

If the project satisfies these requirements, the LAG must then complete the standard Project Assessment Report and Project Checklist.

Ineligible Sectors and Activities

Aid **shall not** be awarded or paid in respect of the following areas –

- Agriculture[10];
- Fisheries;
- Conventional retail operations, excluding community based shops and farm shops selling locally produced produce;
- Courses of instruction or training which form the part of normal education programmes or systems at secondary or higher levels. Note: This **includes** the rural development diploma and degree;
- Loans;
- Working capital (including stock);
- Operational Costs of Project Promoters – salary/overheads etc.
- Insurance for project promoters;

[10] LAGs should firstly ascertain if the activity/animal has been covered by any current **or previous** DAFM scheme. Furthermore, if the activity does not qualify for DAFM funding, that does not automatically mean that it will qualify for LEADER funding as the core activity may still be deemed to be "agriculture" e.g. goat farming, poultry production, fruit, small scale market gardens etc.

- Horticulture (including bee-keeping);
- Payments for gifts, donations or personal entertainments;
- Statutory fines and penalties, criminal fines and damages;
- Legal expenses in respect of litigation (except for those provided for under Section 13.5);
- Costs associated with meeting a legislative or statutory requirement;
- Planning application fee;
- Reclaimable VAT;
- Improvements/refurbishment of private residential property;
- Projects that already have other EU funding either directly or through a national programme;
- Conventional motor vehicles, including cars, industrial/farm/construction vehicles, trailer to transport such vehicles, vans and buses;
- General maintenance works of public bodies;
- Childcare;
- Health Care & Health Care equipment; - unless in exceptional cases where approved by the Department.
- Nursing homes;
- Housing;
- Race and sport horse industries*; (with the exception of ancillary activities for the provision of services to those industries);
- Greyhound Industry.

Capital Investment Operations

The following investments operations are eligible for funding[11] –

a. construction, acquisition or improvement of immovable property;
b. purchase of new machinery and equipment up to the market value of the asset;
c. general costs linked to expenditure referred to in points (a) and (b), such as architect, engineer and consultation fees, fees relating to advice on environmental and economic sustainability, including feasibility studies. Feasibility studies shall remain eligible expenditure even where, based on their results, no expenditure under points (a) and (b) is made;
d. intangible investments such as the acquisition or development of computer software and acquisitions of patents, licenses, copyrights, trademarks.

[11] As per Article 45 of 1305/2013

Other eligible costs include:

- Marketing and promotional costs associated with a specific project.
- Hire of equipment deemed necessary to deliver a Project.

Professional costs

Professional costs such as the fees of architects, archaeologists, engineers and consultants, shall be eligible for funding up to a ceiling of 12% of the capital costs of such projects. This ceiling is the cumulative limit for all professional fees associated with a project and the percentage should vary depending on the work carried out. Professional fees associated with a capital project e.g. an architect preparing plans for planning permission, are not eligible as a standalone project. In light of the level of complexity involved in these types of projects, the 12% limit on professional costs does not apply to heritage and environment projects as defined in the Operating Rules for Heritage Projects (this was Appendix 1 in Version 1.0 of the LEADER 2014 – 2020 Operating Rules issued on 8th July 2016) and is now available from the Department on request. Professional costs are not permitted as a stand-alone project unless they come under the definition of analysis and development (see section 6.4).

Deadweight

LAGs must not grant-aid projects that are capable of proceeding without LEADER funding (i.e. where '*deadweight*' would apply). The analysis of deadweight is an integral part of the evaluation process. It must be considered by the LAG in all applications. Moreover, applications must be accompanied by a declaration by the promoter that the project is not capable of proceeding without LEADER funding. The declaration does not obviate the need for the LAG to examine deadweight and determine whether the project could proceed without Programme funding. The rationale underpinning the assessment of deadweight must be recorded in the LAG and Evaluation Committee minutes.

Displacement

Displacement occurs where an activity funded using public funds impacts negatively on activity elsewhere. It may often lead to market distortion. Funding must not be awarded if it will result in an unacceptable level of displacement e.g. closure or loss of business for another enterprise elsewhere, whether it is within the LAG's area or a neighbouring LAG's area.

Funded activities do not need to be identical to activities already in existence to result in displacement. Displacement must be considered on a case-by-case basis. The LAG should consider *inter alia* –

- the market for the product or service in question; and

- the competitors in that market; and
- the potential impact of the new product/service in that market.

Displacement often affects bigger areas than the LAG region e.g. it may impact in other jurisdictions such as Northern Ireland and other Member States.

The issue of displacement must be assessed in every case. The rationale for the decision made on displacement must be recorded in the LAG and Evaluation Committee minutes.

Engagement with other funding sources

Generally, the LAG should direct its operations, in the first instance, towards aiding projects where the integrated nature and method of implementation or delivery of the projects represent new and locally innovative approaches. Having said that, there may be overlap between types of activity that could be supported from a number of funds, including LEADER.

LEADER must not double fund an item of expenditure that is funded from another public source. In order to avoid double funding, the LAG must check whether the project being considered for support is in receipt of funding from any other public source (See Appendix 8). Documentary evidence confirming this check must be held on the project file, e.g. written evidence of contacts made and responses received must be retained on file. To ensure there are no undue delays when processing applications, the LAG may set a reasonable timeframe by which a funding body or agency is expected to respond. In any event, this should be no less than 10 working days. The LAG may proceed to evaluate the project where no response is received within the timeframe. The LAG must, however, act upon any responses received post-deadline (e.g. where it emerges that the same items are being funded by another programme).

Furthermore, the project promoter is required to declare any other public funding sources applied for, or received, for the items for which grant aid is being sought, both at application stage and at each grant payment stage. The LAG must bring these requirements to the attention of each project promoter and a declaration to this effect should be added to the LAG application and payment request forms.

The requirements related to double funding do not preclude other public matching funds being used to co-finance the project where this is identified and approved by the LAG at the outset of the project in accordance with Section 10.3 of the LEADER Operating Rules.

Local Enterprise Office Supports

The LEOs are the 'First Stop Shop' for anyone seeking information and support on starting and growing a business in Ireland. LEADER must complement rather than compete with LEO activity. Effective systems of collaboration and consultation between the LEO and the LAG should be put in place to secure co-ordination, to avoid duplication, to secure the effective use of public monies and to deliver a more streamlined service to applicants/promoters. A Local Agreement and co-operation mechanism must be established and signed off locally between the LEO, the LAG and the Implementing Partners as required in the Protocol between the Department and the Department of Jobs, Enterprise and Innovation.

European Maritime Fisheries Fund (EMFF)

LEADER must not support the fisheries sector or aquaculture production facilities. LEADER may complement actions, however, under the EMFF by providing support for individual projects in coastal communities that are not receiving funding from the EMFF.

Where the potential for overlap or double funding exists on projects, the LAG must discuss funding arrangements with the Fisheries Local Action Group (FLAG), the responsible implementing body for the EMFF, to ensure, at a minimum, that there is no double funding. Written confirmation that there is no double funding must be retained on file. Ideally, the LAG should develop a local protocol or memorandum of understanding with the FLAG to clarify roles and funding arrangements.

Capability of Promoter

The evaluation of projects must include an assessment of the applicant's capacity to implement the project (qualifications, training, skills, etc.). Grant aid must not be awarded if the promoter does not have the capacity to bring the project to completion and to sustain it into the future. Where appropriate, the LAG should work with the promoter to address any gaps identified.

Sporting Facilities

Where LAGs are considering funding a facility on the grounds of a sporting organisation e.g. GAA or soccer club, the award of funding must be conditional on the promoter developing and implementing an *inclusion strategy* to ensure use of the facility by the entire community. It is not sufficient to state that the community centre is open to all. Active efforts should be made to market the centre to all segments of the community. It should include details of their activities under the inclusion strategy, as well as outlining the use of the centre.

The Department will perform ex-post checks to verify adherence with this requirement.

Analysis and Development support

The LAG may offer funding for analysis and development type projects in respect of the following –

- actions to promote analysis and development of rural (rurally-sourced) products;
- feasibility studies;
- development plans;
- resource audits; and
- development of prototype products and services.

The LAG must ensure, before offering funding to an applicant, that –

- the activity in respect of which the research, analysis, etc. is being undertaken is also an eligible activity under the Programme;
- a clear need has been demonstrated by the applicant; and
- the relevant analysis or development has not already been undertaken.

Where an analysis or development project has been undertaken by a promoter (whether or not funded by the LAG), the LAG must not give a funding commitment in respect of any project that may arise on foot of the analysis or development work until an application for that subsequent project has been received and approved by the LAG. It must be a condition of the funding offer that a copy of the resulting report is provided to the LAG, so as to avoid duplication and overlap in the area. The LAG must provide a copy of the report to the LEADER Network, where appropriate.

The LAG may not offer funding under analysis and development for the preparation or publication of historical books or other media, including the development of websites.

Ancillary activities for the provision of services to the race and sport horse industries

In addition to the general requirements of the programme, where Ancillary activities include infrastructure, this infrastructure must be primarily for public use, regardless of whether a fee is charged or not, and the infrastructure must be in keeping with the Local Development Strategy. The LAG must satisfy itself, prior to approval, that the infrastructure is primarily intended for public use e.g. it is tourism related or it has secured commercial planning permission.

The LAG must require annual confirmation from the promoter that the facility is being used for the intended purpose – this may include a register of public users, annual accounts showing income from external users or advertisement/publicity that demonstrates the public use of the facility. The Department will perform ex-post checks to verify adherence with this requirement.

Examples of Ancillary activities

- Equestrian Centre/ Riding school/Livery yard capital projects;
- Measures that further promote rural tourism such as agricultural shows and other events;
- Measures that enhance access to bridle ways on public and private lands.

Training Courses

LAGs are encouraged to use facilities previously funded by LEADER where rental costs might not arise. In respect of training provision, a record must be retained of the following –

- training provider details;
- course participants (supported by signed attendance sheets by attendees and course co-ordinator/course facilitator with dates of attendance for each day that the course is run);
- the training location; and a report must be produced and submitted by the trainer outlining the participants' achievements (e.g. certification);
- contact details of trainees;
- Training plan / course outline

Mentoring

Mentoring and other animation activity must be funded out of the LAG Administration and Animation Budget.

Where a LAG identifies a particular need within a community/area, it may provide a training course which is open to all relevant individuals/groups in the area to attend. Where an enterprise or group is exploring a particular project or investment, the LAG may provide support for a feasibility study or development plan.

Contingencies

It is not permitted to increase the eligible project costs through the addition of an amount for contingencies. However, a contingency figure may be a component of the tender submitted as part of the procurement process. Where contingency provision is included in the tender response, it must be itemised as part of the ex VAT tendered price.

Procedures for building and land-use change

To be eligible for LEADER funding, investment operations must be preceded by an assessment of the potential environmental impact (specific to that kind of investment) where the investment is likely to have negative effects on the environment.[12]

Generally, planning permission is required for any development of land or property, unless the development is specifically exempted from this need. Many types of exempted development may lose their exempted status if it is determined that an *Appropriate Assessment* or an *Environmental Impact Assessment* is required – this applies both within and outside designated European sites. Certain works at archaeological monuments may require planning permission in addition to requirements under the National Monuments Acts 1930-2004. The usual exemptions from planning permission may not apply in the case of protected structures and buildings in architectural conservation areas.

Projects must comply with the Planning and Development Regulations 2001 (as amended) vis-à-vis the mandatory thresholds above which Environmental Impact Assessment is required for various types and scale of development proposals.

Proposed LEADER projects that involve development within the meaning of section 3 of the Planning and Development Act, 2000 (as amended) must secure Planning Permission or a documented exemption from Planning Permission. If an exemption from Planning Permission is being claimed for the development, a *Section 5 Declaration (Notice of Exemption) of the Planning and Development Act 2000* must be obtained from the relevant planning authority~~;~~. However, as an alternative, a formal written opinion, signed by the relevant personnel in the planning section of the Local Authority, may be used to verify that the project does not require planning permission or any other consent. This includes any building, demolition, alteration on land or buildings, and the making of a material (i.e. significant) change in the use of lands or buildings.

The LAG should seek advice from the planning authorities on other consent requirements as part of the *Section 5 Declaration* process. It is a matter for the LAG and the project promoter, however, to ensure that all the required consents are in place before a contract is offered to a project promoter. Where a project is found not to be compliant, it will be deemed ineligible for LEADER funding.

[12] Article 45 of Regulation (EU) No. 1305/2013

The promoter must also have all the necessary consents for the development in place. These consents must be retained on the project file, together with a list of consents that were sought for the project. For example, certain activities (including some types of exempted development), in a Special Area of Conservation (SAC) or Special Protection Area (SPA) (i.e. Natura 2000/European site), require consent from the National Parks and Wildlife Service of the Department , if it is listed as an activity requiring consent for the SAC/SPA in question. Further details are set out in the Heritage Project Requirements Section below.

Heritage Project Requirements

Specific *Heritage Project Requirements* apply in the case of projects affecting heritage (these are available from the Department). These projects are defined as those that will impact, or have potential to impact, upon structures, places or sites of heritage interest including those listed 1-5 below. Heritage projects will be reviewed for consistency with the requirements prior to approval by the LAG. Compliance with the Heritage Project Requirements must be certified by the expert designated in the application (e.g. archaeologist, architect, ecologist) prior to every payment from the LAG.

Project promoters should establish (including through the use of the online resources made available by the authorities listed below) if the proposed project may affect heritage. Project promoters should submit information on the project so that the relevant authorities may advise if their consent/licence is needed, in accordance with the procedures set out on the relevant websites. The level of information required will be specified by the authority in question.

1. **Monuments and places protected under the National Monuments Acts 1930-2004.**
   Check the map viewer on www.archaeology.ie *(Archaeological Survey Database). If the project relates to a heritage site, the promoter must notify the National Monuments Service of the Department who will advise if the project has archaeological requirements and whether Ministerial Consent is required.*

2. **Protected structures, and proposed protected structures, within the meaning of the Planning and Development Acts.**
   Check the relevant local authority development plan, in particular the record of protected structures. If the project relates to a protected structure or proposed protected structure, the Architectural Conservation Officer, or other relevant officer, employed by the local authority can advise on the requirements for planning permission.

3. **Architectural conservation areas within the meaning of the Planning and Development Acts.**

Check the relevant local authority development plan. If the project relates to an architectural conservation area, the Architectural Conservation Officer, or other relevant officer, employed by the Local Authority can advise on the requirements for planning permission.

4. **Certain types of activities within protected nature conservation sites.**

Check the map viewer on www.npws.ie/maps-and-data to see if the project is located within an SAC, SPA, or Natural Heritage Area (NHA) in the first instance. Information on the types of activities that require Ministerial Consent in these areas is available on www.npws.ie. The local offices of the National Parks and Wildlife Service of the Department can be contacted to seek Ministerial Consent (Freephone 1800-405000). .

5. **Disturbance of protected species of flora and fauna and their key habitats.**

The Licensing Section of the National Parks and Wildlife Service of the Department can advise if the project may require a licence, e.g. if disturbance to protected species of flora and fauna may be caused. Check www.npws.ie/licences for further detail on the types of licences that may be required for such projects.

The Heritage Project requirements should be followed in all of the above instances. Contact details for obtaining advice and consents in relation to projects affecting heritage are contained in the document ***"The Operating Requirements for Projects affecting Heritage"*** (this was Appendix 1 in Version 1.0 of the LEADER 2014 – 2020 Operating Rules Version 1.0 issued on o8 July 2016) and is now available from the Department on request.

The 12% limit on professional fees does not apply to projects concerning heritage given the increased level of appropriately qualified oversight essential for such projects. LAGs and Project Promoters are advised to avail of 'analysis and development' funding in order to progress such proposals.

Project promoters must have due regard for all environmental considerations upon receipt of LEADER funding. The project promoter must ensure that they have complied with all relevant statutory obligations and obtained all necessary approvals. The project promoter must comply with all standard and special conditions attaching to the formal letter of offer issued by the LAG. A sample of LEADER projects may be selected each year to verify that statutory requirements are being met and that the Heritage Project Requirements are being adhered to.

Summary

In all cases, the Project Promoter must contact the relevant Local Authority to ascertain whether planning permission is required or not. The Project Promoter must also ascertain whether or not consents are required from the appropriate Government Departments or other Agencies; this will depend on the project type and location.

The Project Promoter must provide documentary evidence that they have ascertained whether an Environmental Impact Assessment and / or consents are required or not (this documentary evidence must be placed on the Project File) and, in cases where they are required, copies of the consents must be placed on the Project File.

The Department reserves the right to refuse grant aid where it is of the opinion that the works proposed would cause damage to an environmentally sensitive area or to a structure or area of historical or archaeological importance

6.5 Fragmentation of Projects

The deliberate artificial fragmentation of projects to avoid exceeding any prescribed thresholds is prohibited. A project must be stand-alone and operable in its own right to be deemed eligible as a 'phase' of another project. For example, the LAG must ensure that projects are not fragmented to avoid procurement thresholds that might apply.

Moreover, projects must comply with *Council Regulation (EC, Euratom) No. 2988/95 on the protection of the European Communities financial interests*. The LAG must pay particular attention to Article 4.3 which states –

> ***Acts which are established to have as their purpose the obtaining of an advantage contrary to the objectives of the Community law applicable in the case by artificially creating the conditions required for obtaining that advantage shall result, as the case shall be, either in failure to obtain the advantage or in its withdrawal.***

6.6 LAG as Project Promoter or 'In-house' Projects

The LAG may be a beneficiary and implement projects under the LDS. These projects are known as 'in-house' projects and arise where the LAG or an *Implementing Partner* delivers a LEADER project. The LAG must adhere to normal application processing procedures for in-house projects, i.e. completion of grant

application, assessment, LAG approval, commitment of funds, application for payment, inspection of completed project and payment against vouched documented and certified claims.

The LAG must apply the same evaluation process to in-house projects as it does to other projects (see section 5.5). The LAG must also ensure that robust arrangements are in place to manage conflicts of interest, that the proper procedures are followed at all times and that no actual conflict of interest arises. Accordingly, the LAG must ensure an appropriate segregation of duties between –

- staff involved in the project application and delivery elements; and
- the staff involved in project evaluation and administration processes.

Similarly, an *Implementing Partner* may not have a role in the formal evaluation of projects prior to their submission to the LAG (i.e. staff or board members should not be members the Evaluation Committee).

Value for Money and in-house projects

The LAG must be mindful of the need to secure value-for-money at all times. To this end, the LAG must perform a check on all in-house project applications to confirm that a more cost effective delivery approach is not available e.g. are there other providers that can deliver the project more cost effectively.

6.7 Approval and Refusal of EOIs and Project Applications

Only LAG members may approve or refuse an application for funding and the rationale for the decision should be clearly recorded in the LAG minutes. The LAG must notify in writing all project applicants of its decision, setting out clearly the rationale for the decision. This notification should also include the applicant's right to have the decision reviewed by the LAG (see Section 21.2 - Decisions taken by the LAG). The LAG must record all applications on the LEADER ICT System, together with the decision to refuse or approve.

7 LEADER Co-operation Projects

7.1 Co-operation

A national allocation of €10m is ring-fenced for trans-national and inter-territorial (within Ireland) co-operation projects. Funding will be allocated to LAG LDSs for co-operation projects by the Department on the basis of an open call to all LAGs. Funding will be available for co-operation projects involving partners in other LAG areas, EU Member States, EU candidate states and EEA states. Projects outside of these areas may also be eligible for funding subject to prior approval by the Department. Co-operation projects between LEADER LAGs and non-LEADER Groups may also be eligible for funding where the proposed project is led and co-ordinated by the LAG.

Co-operation projects must demonstrate genuine added value for the territories concerned. The key drivers of co-operation projects will often be –

- the need to achieve the critical mass required for a joint project to be viable and encouraging complementary actions; and
- the pooling of know-how or human and financial resources dispersed across the territories concerned.

Inter-territorial co-operation has the twin aims of achieving the critical mass necessary for a joint project to be viable and encouraging complementary actions in adjoining LAGs. The rates of grant aid and maximum funding levels for full co-operation projects are as per all LEADER projects as set out in Section 9.2 – Table 2.

7.2 Selection of Inter-territorial and Transnational Co-operation Projects

The LAG may detail the co-operation methodology in its LDS at the start of the Programme, with an outline of proposals for co-operation projects. The LAG must apply the same process for the selection and approval (or rejection) as it does for other projects, i.e. consideration by the Evaluation Committee and ultimate decision by the LAG; however, consideration by the Evaluation Committee and the LAG must *inter alia* focus on value-added by the proposed co-operation project. The value-added must be clearly demonstrated and documented.

Guidance on co-operation projects and activities can be accessed through the following link http://enrd.ec.europa.eu/sites/enrd/files/leader_conference_coop_guide_20141119.pdf.

The Department has produced separate guidance for Co-operation Projects (available on request from the Department).

8 Commitment of LEADER Funding

8.1 Grant offer

A valid commitment of LEADER funding to a project applicant only exists when –

- the LAG has made its decision; **and**
- a letter of offer or contract, **clearly stating the funded activity or items**, has issued to the applicant; **and**
- the offer or contract has been accepted in writing and returned by the applicant within the period prescribed by the LAG in the letter of offer – 15 working days from the date of the offer is suggested.

Where an offer cannot be accepted by the prescribed date, the acceptance date may be revised in writing by the LAG. The LAG must only offer funding in respect of specified costed investments for which the beneficiary has sought grant aid, which must be detailed in the letter of offer. The LAG must also detail the rate of aid **and** the maximum grant amount in the letter of offer. The theme and sub-theme must be stated in the letter of offer.

The notification of award of LEADER funding to the project promoter must also note that the scheme is being financed under LEADER as part of Irelands' Rural Development Programme which is part-financed under Priority 1B of the Rural Development Programme by the European Agricultural Fund for Rural Development. In addition, it should note that LEADER aims to foster local development in rural areas.

The LAG may issue a funding offer subject to signing of a lease agreement; however, all details of the lease, including its cost and duration, must have been provided previously and approved by the LAG as part of the project application. The LAG must ensure that the signed lease agreement is in place prior to the submission of the first claim for payment (see section 14.4).

The LAG must notify all applicants (in the letter of offer) that they will have to repay all or part of the funding[13] amount if the duration of the investment does not persist for a minimum of five years from the date of last LEADER grant aid payment e.g. if a funded facility or enterprise closes within the five-year period or if the funded asset is sold or not used for the purpose for which it was funded (*See Section 14.5 – Durability of investments*).

[13] Article 71 of EU Regulation 1303/2013 (the Common Provisions Regulation)

8.2 Project commencement

Project activity undertaken or commenced, or the purchase of goods or services engaged by a project applicant or LAG (as project promoter) prior to the date of the contract, **shall not be eligible** for LEADER funding. The LAG must notify the project applicant, when acknowledging receipt of the application, that retrospective approval of projects by the LAG is prohibited and that any activity commenced prior to the contract date shall be ineligible for funding.

Where a project is not completed, any funding paid to the promoter must be recouped by the LAG and reimbursed to the Department.

The LAG must verify that the applicant has not commenced work prior to date of acceptance of the grant offer. To this end, the LAG must obtain a declaration from the applicant that activity has not commenced and must record the steps taken to verify this e.g. a site visit for construction works.

Where the LAG approves an element or phase of activity as a distinct project, and the element or activity has not commenced prior to acceptance of the funding offer, expenditure relating to this activity may be eligible, notwithstanding that other elements or activity connected with project have commenced.

8.3 Revising Funding Allocations

The LAG may not award an increase in funding to an applicant in any circumstances, notwithstanding that costs may prove higher than anticipated. The LAG must notify the applicant in the letter of offer that no increase can be given. Any increase in funding awarded by the LAG shall be deemed ineligible under the Programme. The proper evaluation of projects by the LAG and the Evaluation Committee should obviate the need for additional funding.

Funding may be reallocated across the various cost elements of a project, up to a maximum of 10%, provided that the original project, as approved for funding, will still be delivered and that the procurement process undertaken is not compromised. This request for a reallocation of awarded funding must be applied for in writing to the LAG by the project promoter. A reallocation of less than 5% is subject to prior approval in writing by the Authorised Officer. A reallocation in excess of 5%, and subject to the overall limit of 10%, must be approved in advance by the LAG Decision Making Members, and the decision must be recorded in the meeting minutes. Funding may only be reallocated to items approved by the LAG Decision Making Members and as per the original funding offer i.e. the LAG Decision Making Members may not reallocate funding to new cost elements**.** The re-allocation of funds as a result of the non-delivery of an approved project element is not permitted.

Regarding community projects only, additional funding may be considered where new activities or items critical to the completion of the project arise. This may be particularly relevant for heritage projects where unforeseen costs may arise. The LAG must treat any request for additional funding for these activities or items as a new application. In this instance, an EOI is not required. The application must be progressed through the normal evaluation and decision-making process.

8.4 Expiration of Contracts

The LAG must impose a completion date for all funding commitments (i.e. in the contract or funding offer). The completion date clause will prevent funding being tied up needlessly in projects that are not proceeding. The completion date is a matter for LAG Decision Making Members determination.

The LAG may not extend a completion date by more than 12 months in total. In all cases, the LAG must notify the promoter in writing that the contract has been extended and a new completion date agreed. The LAG must check the promoter's solvency before any extension is given (unless it has been checked in the previous 12 months).

A completion date may be extended by up to six months by the LAG Authorised Officer on foot of a written request from the promoter. The LAG Decision Making Members must approve all extensions which are greater than 6 months from the agreed completion date. The LAG must ensure that a clear rationale for the extension is recorded on the project file. Details of all extensions must be noted by the LAG and recorded in the relevant meeting minutes.

The LAG should monitor and review the progress of all projects and engage with promoters, as appropriate. Expenditure incurred outside the contract timeframe, i.e. incurred between the conclusion of a contract and the date the LAG approves the extension, is ineligible.

8.5 Revocation of the Funding Offer

When revoking a funding offer, the LAG must –

- issue a **registered letter** to the project promoter detailing the specific issues to be addressed and giving a specific time and date by which a response must be received. This date should be two weeks (i.e. 10 working days) from the estimated date of receipt of the letter. The letter shall state

clearly that failure to address the issues identified will lead to a revocation of the original funding offer;

- if no response is received, or the project promoter fails to satisfy all terms and conditions of the funding offer, a second **registered letter** should issue informing the project promoter that the funding has been revoked by LAG decision.

The funding offer may only be revoked on foot of an appropriately documented LAG decision. The LAG may only revoke the LAG offer in accordance with the terms of the contract with the project promoter. A decision to revoke a funding offer may be appealed as per the appeals procedure outlined at Section 21.

9 Funding (Grant) Amounts

9.1 Minimum Funding (Grant) Threshold

LAGs may not approve funding of less than €1,250 for a project. LAGs may apply a higher minimum funding threshold, which in any event may not be higher than €5,000.

9.2 Project Grant Aid

Rates of Aid – General

The LAG may award funding under all themes and sub themes to a maximum of 50% of the total project cost. This percentage may be increased to 75% for analysis and development type projects and to 100% for training type projects. These are maximum rates of aid and the LAG may award lower rates of aid as it considers appropriate. The LAG should consider the rate of aid offered on a project-by-project basis.

Rates of Aid – Community Applicants

Higher maximum rates of aid may be applied for community-based projects where there is no commercial basis for the project as follows –

- community body or applicant – 75%;
- community body or applicant under the basic services targeted at hard to reach communities sub-theme – 90%. [The use of this aid rate will be carefully monitored and the interpretation of this sub-theme will be strictly applied];
- community body or applicant undertaking analysis and development – 90%;

The LAG must ensure, before offering the higher rate of aid, that the community applicant is –

- a non-profit distributing group; and
- institutionally separate from the State; and
- coming together, or has come together, to pursue a common cause or interest for the good of their community; and
- autonomous and engaged in voluntary activity; and
- promoting the interests of the wider community rather than the commercial interests of its members; and
- a group, or project, whose membership does not consist of any secondary economic beneficiaries e.g. local business people coming together as a 'community body' to apply for funding to bring

tourists into an area – business people acting in a private capacity on a community body are not considered secondary economic beneficiaries.

Level of Aid

The LAG may offer funding to an applicant of no more than €200,000, which is within the *de minimis threshold* established for State aid (see Section 11).

Funding of up to €500,000 is permitted for community projects that do not involve an economic activity as follows:

(i) Projects seeking to develop cultural and leisure facilities, and to promote social and information networks in local communities e.g. :

- Amenity and leisure facilities;
- Support for cultural activities;
- Certain arts facilities;
- General community and recreational infrastructure;
- Innovate activities in local communities, such as social and information networks;

(ii) Projects seeking to enhance the attractiveness of small towns, villages and the surrounding countryside e.g. –

- Environmental upgrading of parks, civic areas, river walks etc.;
- Public utilities such as street lighting where there is clear added value from LEADER involvement;
- General surface upgrading and renovation of derelict buildings, excluding traditional farm buildings.

The LAG must ensure that any equipment, activities or infrastructure funded will be available and accessible to all age and social groups in the community concerned. All facilities must be open to the public free of charge. A nominal charge can be applied to cover costs associated with the provision of associated services e.g. for lighting and heating, but no net revenue shall be generated by the activity.

The LAG must demonstrate that the project meets all of these requirements.

The maximum rate of aid for projects receiving grant aid valued between €200,000 and €500,000 is 75%.

Table 2

Summary of Current Funding Ceilings and Support Rates			
Type of Project	**Applicant**	**Maximum Rate of Aid**	**Maximum Funding**
Community Projects not involving Economic Activity	**Community**	Up to a maximum of 75%	€500,000
Investment & other supports (including promotion undertaken as part of the implementation of a project)	**Private**	Up to a maximum of 50%	€200,000
	Community	Up to a maximum of 75%	
	Community under basic services targeted at hard to reach communities sub-theme	Up to a maximum of 90%	
Analysis and Development	**Private**	Up to a maximum of 75%	€30,000
	Community	Up to a maximum of 90%	
Training	**Private or Community**	Up to a maximum of 100%	€200,000

The above ceilings must be adhered to in all instances unless expressly provided otherwise by the Department.

10 Project Matching Funding

10.1 Sources of Matching Funds

Generally, LEADER funding is a contribution to the cost of delivering a project and should be matched by non-Programme funds to meet the full costs of a project. *Matching funding* can be sourced privately or from other public funds. In this regard –

- *Private matching funding* is all funding that is not obtained from public sources (see Section 10.2);
- *Public matching funding* is funding from all public sources other than EU funds *(see section 10.3)*.

The LAG must assess the matching funds and verify the eligibility of this funding at project approval stage; otherwise the LAG may be liable for any ineligible expenditure where a project encounters difficulties.

10.2 Private Matching Funds

Private matching funds include –

- Cash contribution to the project by the applicant – at least 5% of the total project cost must be met by a private matching cash contribution (wherever sourced by the applicant), other than for training projects that are funded at 100%; and
- Contribution-in-kind – eligible for community-led projects only, with the exception of farm diversification projects where the farmer's own labour may be accepted as a benefit in kind (*Section 10.5*).

10.3 Public Matching Funds – (applicable only to applications submitted by Community Bodies)

Where LEADER is working in tandem with other public funding streams, the aim, in the first instance, should be to identify separate projects, or parts of projects, to be supported through each public funding source so that collectively the separate projects can result in better outcomes for the communities concerned. An example might be a cycling trail where LEADER funds the trail itself, the local authority funds signage and access points for the trail, and the LEO works with specific businesses along the trail.

Public matching funds may be used as a contribution to the delivery of a LEADER project.

LAGs should primarily focus on supporting projects where LEADER is the main funding source.

Public matching funds includes –

- Cash contributions from non-EU funded sources (e.g. Local Authorities, State Agencies); and

- Contribution-in-kind – eligible for community-led projects only.

Funding from other EU sources cannot be used to match-fund LEADER projects. Funding from other public funded sources (e.g. Fáilte Ireland, local authorities, Waterways Ireland, etc.) may be may be permitted as matching funds for a LEADER project providing it is not sourced from an EU fund.

The LAG must obtain confirmation that the proposed matching funds have not come from other EU funds and this confirmation must be retained on the project file. This additional public funding must be included when calculating the amount of State aid provided to the applicant, whether or not they are covered under the *de minimis* rule (Section 11).

Public matching funding is allowed subject to the following –

- only applications submitted by community bodies are eligible; and
- the overall level of public funding does not exceed 95% of the total eligible project cost; and
- there must be a minimum **cash** contribution (i.e. private matching funding element) of at least 5% of total eligible project costs; and
- the LAG must confirm, and retain evidence on file, that the matching funding is not from another EU source; and
- The matching funds must be identified in the LEADER application submitted; written confirmation must be obtained from the provider of the matching funding stating the amount it will contribute towards the LEADER project; and
- All supporting documentation in respect of public matching funding must be maintained in the same manner as for all other LEADER projects; and
- the public bodies providing the matching funds must not be the project applicant or beneficiary.

The LAG must not award funding to public bodies.
Local Action Groups, their Implementing Partners and PPNs are not considered as Public Bodies for the LEADER 2014 – 2020 Programme where LEADER grant aid is concerned.

LAGs should be guided by the definition of a Public Body as outlined in the Freedom of Information Act 2014 when deciding whether a project applicant is precluded from receiving LEADER 2014 – 2020 funding by virtue of them being a Public Body.

The exempted agencies outlined in the FOI Act 2014 are also ineligible for LEADER Funding by virtue of being Public Bodies.

10.4 Evidence of Matching Funds and Bridging Finance

The LAG must obtain evidence, prior to issue of the funding offer, that the project applicant has the necessary matching funding (private or public). The LAG must also ensure that the applicant has adequate resources (or bridging finance) in place to deliver the project. The LAG must ensure, where a phased payment approach has been agreed, that the applicant has a minimum of 20% of the total project costs to hand, and has the capacity to deliver all phases of the project. The LAG will be required to recover all monies paid if the applicant fails to complete the project. LAGs that do not verify the bridging finance and matching funds at approval stage, may be required to reimburse the Department if the project is not completed.

10.5 Contribution-in-Kind

The LAG may accept contributions-in-kind as a source of matching funds[14] on community-led and farm diversification (farmer's labour only) projects. Contributions-in-kind cannot constitute the full amount of matching funding. There must be a minimum cash contribution of 5% of the total eligible project costs. The value assigned to the contribution-in-kind must be included with the funding application.

Contributions-in-kind in the form of works, goods, services (including paid labour donated to the project) or land and real estate (i.e. for which no cash payment supported by invoices, or documents of equivalent probative value has been made) are eligible if –

- the LEADER funding does not exceed the final total eligible project cost, excluding contributions –in-kind and the 5% cash contribution; and
- the value assigned to the contribution-in-kind does not exceed the market cost of the works, goods, services or land and real estate in question; and
- the value and the provision of the contribution-in-kind has been independently assessed and verified. The LAG must obtain and retain documentary evidence to this effect.

Donation of Land or Real Estate

Regarding lease agreements and the donation of land or real estate, the applicant may make a nominal cash payment of no more than €1 per annum to effect such leases. The value of the 'donated lease' must be certified by an independent qualified expert prior to the approval of the project by the LAG.

The value of the donations used in previous projects may not be used again. Where the value of the term of a donated lease has been used for a previous project, the term donated to the previous project must

[14] Article 69 of Regulation 1303/2013

expire before the remaining term of the lease can be donated to any new project. The value of the donation or donated lease may not exceed the limit applying to the funding of land purchases (see section 14.4). To be eligible, the land must have been donated no earlier than two years prior to the date of the funding application.

Voluntary Labour

Contributions-in-kind can be provided in the form of voluntary labour (i.e. unpaid work) which must be based on the verified time spent and the rate of remuneration for equivalent work. The LAG must ensure that the rate applied is properly justified in the application. The maximum rate allowed is €14 per hour. Voluntary labour can be included in phased payments, in the same manner as donated lease/property, provided the work in question has been completed at the time the claim is submitted by the beneficiary.

Where Voluntary Labour forms part of a project, LAGS are advised that the requirements of all relevant Health and Safety legislation apply

Project administration and management costs are not eligible as voluntary labour.

General requirements

The LAG must ensure that –

- the total to be claimed for voluntary labour and/or donations is included in the application and must be agreed before it approves the project;
- it examines all such applications and records its analysis and deliberations on the relevant project file, particularily the reasonableness of the cost related to voluntary labour and number of hours involved – any excess over the amount approved by the LAG shall be deemed ineligible;
- the voluntary labour includes either inputs by way of actual work carried out or supervision, etc. by appropriately qualified persons. The application must detail –
    - the persons contributing the voluntary labour and their relationship to the applicant;
    - the nature, time, quantity and cost of the contribution;
    - the qualifications that enable them to make that contribution, i.e. their trade or profession (e.g. engineer, architect, electrician, plumber, etc.);
- incidental expenses <u>are not</u> included in the cost of the voluntary labour;
- timesheets for voluntary labour are completed by the applicant and retained on the project file. These should –

    - detail the relevant dates, hours worked, and the activities undertaken by each volunteer; and
    - be certified by an appropriately qualified third party e.g. engineer, quantity surveyor or accountant;
- only the voluntary labour and donations approved by the LAG are reckoned for payment purposes;
- the appropriate portion of the value of the donated lease or property is used to calculate claim amounts for ~~a~~ phase payments e.g. where 50% of the invoiced costs have been incurred then 50% of the value of the donation may also be used in calculating the claim amount.

Please see Appendix 15 for examples of how to calculate the LEADER Funding permitted where contribution-in-kind is being used to part fund a project.

11 State Aid and De minimis Requirements

11.1 State Aid and *De minimis*

The LAG may offer funding to an applicant of no more than €200,000, which is within the *de minimis threshold* established for State Aid[15]. Public funding is deemed to be 'State Aid' where it provides the recipient, whether an enterprise, not-for-profit organisation, or an individual, an advantage over others. Such funding may be provided directly by the Exchequer or through other public bodies.

Generally, State Aid rules only apply where the recipient of aid is deemed to be an 'undertaking'[16]. An undertaking is any entity (including Local Development Companies) involved in an economic activity, irrespective of its legal form, how it is financed, or whether or not it has a for-profit orientation. Essentially, any activity that offers goods or services on a market is an economic activity[17].

To comply with State Aid rules, the level of funding provided to a project promoter must not exceed the €200,000 ceiling for State aid, known as the *de minimis* ceiling. The rules governing *de minimis* aid are set down in Commission Regulation (EC) 1407/2013.

In accordance with Article 3(2) of the De Minimis Regulation (Regulation No 1407/2013): The total amount of de minimis aid granted per Member State to a single undertaking shall not exceed €200, 000 over any period of three fiscal years. The Regulation further specifies that: *"The period of three years should be assessed on a rolling basis so that, for each new grant of de minimis aid, the total amount of de minimis aid granted in the fiscal year concerned and during the previous two fiscal years needs to be taken into account"*.

The LAG must determine if the applicant has received State Aid previously and must only make a funding offer when satisfied that the LEADER funding sought will not increase the total aid received by the applicant from all public sources during the previous three-year fiscal period above the €200,000 *de minimis* ceiling. The LAG must assume, when considering previous aid received by an applicant, that any public funding received (including public matching funding) was from a *de minimis* source, until the contrary is confirmed.

[15] Commission Regulation (EU) No 1407/2013

[16] Article 107(1) of the Treaty on the Functioning of the European Union

[17] As per the Court of Justice

Where there are linked enterprises, the de minimis threshold applies to the total amount of the State Aid received by the group of enterprises[18].

Funding from certain agricultural schemes managed by the Department of Agriculture, Food and the Marine is considered de minimis aid. A list of these schemes is included at Appendix 1. The LAG must include any *de minimis* funding awarded by these schemes to the applicant when considering if the LEADER funding sought would result in a breach of the €200,000 *de minimis* ceiling. The key date for calculation is the date that the aid is awarded and not the date or dates of payment of the scheme.

"De minimis aid shall be deemed granted at the moment the legal right to receive the aid is conferred on the undertaking under the applicable national legal regime irrespective of the date of payment of the de minimis aid to the undertaking"[19].

The key date for calculating the three-year period is the date of the LAG decision to offer funding, and not date of the payment. Accordingly, if application for aid is due to be approved on 1 July 2015, the LAG must examine the aid received in 2015 and in the previous two years i.e. 2013 and 2014. The LAG must recalculate the amount of *de minimis* aid with each new application approved for a promoter.

Calculation of De minimis

Example 1

The applicants Fiscal Year runs from 01 January to 31 December.

If the applicant is approved for De Minimis funding on 26 May 2016 then the period pertinent to De Minimis is**:**

01 January 2016 to 26 May 2016
01 January 2015 to 31 December 2015
01 January 2014 to 31 December 2014

[18] Commission Regulation (EU) No 1407/2013
[19] Article 3(4) of Regulation 1407/2013; Article 3(4)of Regulation 1408/2013

Example 2

The applicant's Fiscal Year runs from 01 April to 31 March

If the applicant is approved for De Minimis funding on 26 May 2016 then the period pertinent to De Minimis is:

01 April 2016 to 26 May 2016

01 April 2015 to 31 March 20016

01 April 2014 to 31 March 2015

11.2 De minimis and the application process

All applicants must declare to the LAG at application stage whether or not they have received other Public Funding. Where an applicant has received other Public Funding, they must declare the amount of funding received, the purposes for which the funding was provided and the date it was awarded. The LAG must determine, based on this information, whether the aid sought will breach the *de minimis* ceiling.

11.3 Aid Outside of *De minimis for Community Bodies*

Funding provided to community bodies may not in some instances constitute State Aid and would not be subject to *de minimis* requirements.

This is particularly the case where a project does not involve economic activity. Economic activity is defined as an activity that offers goods and services in a given market regardless of the legal status of the entity concerned. In addition, the LAG may offer funding up to €500,000 for projects by community bodies for activities referred to in Section 9.2 .

Moreover, a project may involve economic activity but not meet the other State Aid checks. There are four State aid checks which determine if aid constitutes a State Aid. These are –

a) Has there been an **intervention by the State or through State resources?** This test will be met – **LEADER funding constitutes a state resource**.
b) Does the intervention give the recipient an **advantage on a selective basis?** This test will always be met – **LEADER funding is deemed to be selective**.
c) Will the intervention distort or be likely **to distort competition**? If the aid strengthens the recipient of grant aid relative to competitors, regardless of the size of distortion, it is State Aid.
d) Is the intervention likely to **affect trade between Member States?** This includes Northern Ireland and is interpreted by the Commission in the broadest sense. This applies if the product

or service is tradable between Member States, even if the promoter does not itself export to other EU Member States.

The LAG must assess all projects for compliance with *de minimis* rules. Where the LAG satisfies itself that the proposed project does not (i) involve promoters carrying out an economic activity, or (ii) does not meet all four State aid checks outlined above, the *de minimis* requirements do not apply to funding up to €200,000. The LAG must ensure that a clear rationale is retained on file where it deems the *de minimis* requirements do not apply.

Community facilities (such as community centres receiving less than €200,000 Grant Aid)

In deciding on the state aid status of Community facilities, the LAG must apply the same criteria as applies to large scale projects as referred to in Section 9.2 as follows:

- The LAG must ensure that any equipment, activities or infrastructure funded will be available and accessible to all age and social groups in the community concerned.
- All facilities must be open to the public free of charge. A nominal charge can be applied to cover costs associated with the provision of associated services e.g. for lighting and heating, but no net revenue shall be generated by the activity.

If a Community Group supplies goods and services, they are undertaking an economic activity, regardless of their legal form or profit orientation. They are subject to among other things de minimis and a consideration of displacement.

12 The Project File and Claim Documentation

12.1 Project File

The LAG is responsible for the custody and distribution of public funds (EU and national). It must demonstrate accountability for all expenditure under the LEADER Programme. As per the Agreement with the Department, the LAG must keep an adequate accounting system and comprehensively document all its LEADER operations.

Unique Identifying Number

The LEADER ICT System assigns a unique number to each applicant and each project. The LAG must reference the project number in all correspondence and documentation, including letters, e-mails, etc., that issue to applicants and promoters.

Maintenance of files

The LAG must ensure that all files are maintained in a way that makes it easy for checks as required by the E.U. Regulations and the Department, to be carried out i.e. files must be well indexed and all the required documentation filed in a manner that makes it easy to retrieve. The LAG and where applicable the Implementing Partner must also upload all documentation required for the Article 48 Checks to the LEADER ICT System to facilitate remote performance of the checks.

The project file must document all actions taken by the LAG in the assessment of the project (*see Section 6*). The LAG must only accept original documentation (bank e-statements are acceptable as original documentation provided they contain all the required details including bank account name and number). Where original documents are needed by the promoter, the LAG must make a photocopy of them and certify them as ~~a~~ true copies of the originals. The original invoices and receipts, whether retained by the LAG or returned to the promoter, must be endorsed or stamped with the name of the LAG and must include a statement that EAFRD funding has been awarded or claimed for these. The LAG must also stamp the invoices to show that the funding was provided in respect of VAT only where the Promoter is not registered for VAT.

The LAG must inform the promoter that the original documents, if returned, may be required at a later stage for audit or inspection purposes.

At a minimum, each project file, prior to issue of the funding offer, must include and/or document –

- a standard application form, standard project assessment report and completed checklist
- all documentation required to process the application is date stamped upon receipt by the LAG

- the letter acknowledging receipt of the application (application should be acknowledged within 10 working days) Note: the date of application is the date on which a completed and signed application is received by the LAG;
- any amendments made to the funding application must be endorsed (initialled and dated) by both the LAG and applicant;
- a Project Assessment Report (including a preliminary site visit) carried out by the appropriate LAG or *Implementing Partner* staff;
- any amendments made to LAG documentation must be initialled and dated by the person making the amendment;
- steps taken by the LAG to confirm the solvency and financial viability of the applicant; this can be done by using the CRO as well as checking the promoters financial accounts and bank accounts.
- steps taken by the LAG to satisfy itself that the applicant –
    - has the required matching funding; and
    - has adequate resources or bridging finance in place to deliver the project;
- the applicant's business plan or marketing plan, including the proposed performance indicators and expected impacts, for economic measures;
- the management accounts or 3 year most recent Audited Accounts (for an existing business) or Income & Expenditure (community/voluntary groups), and bank statements (minimum of 3 months) has been provided. Sole trader/partnership accounts (unaudited) are acceptable for promoters who are not companies. Unaudited accounts signed off by the promoter and/or his agent are acceptable for companies that are not obliged to carry out an audit.
- where the project involves construction work, evidence (i.e. land title, lease) of the applicant's right to carry out the work on the site or existing buildings (the lease must be in place for at least 5 years after the date of final payment of Grant Aid), Planning Permission and relevant consents if applicable;
- evidence in writing that the LAG has notified the relevant LEO(s) that it is considering the project, in the case of enterprise funding;
- steps taken by the LAG to consult with other Departments, agencies, etc. to ensure that the project is not/will not be double funded;
- quotations or tenders and a completed schedule of these, where appropriate;
- a certificate of valuation of land or property donated to the promoter (if relevant);
- planning permission, exemptions from planning from the Local Authority and consents as appropriate;
- details of the deliberations by the Evaluation Committee (which should record their project recommendation), the extract of the Evaluation Committee minutes and the signed composite Evaluation Scoring Sheet;

- signed and dated extract of the LAG minutes, including the decision taken and confirmation that the public/private quorum was met (Appendix 12 and Appendix 13 must be attached);
- a copy of the site visit inspection report verifying that work had not commenced prior to the acceptance of the funding offer for investment type operations, where appropriate;
- for publication projects e.g. books, a written declaration from the promoter that the project has not commenced, prior to the signing of the grant acceptance letter; and
- confirmation that Article 48 Administrative Checks have been completed on the application as per Section 17.

Retention of documents and Files

All documents and files relating to the LEADER 2014 – 2020 programme must be retained by the LAG and/or the Implementing Partner until at least 31st December 2027.

These documents must be made available to the EU Commission, the European Court of Auditors, the Certifying Body, the Department, its agents and the Department of Agriculture, Food and the Marine at any period during this time.

These documents shall be kept either in the form of the originals, or certified true copies of the originals.

12.2 Grant Payment Claim

The LAG must process all grant payment claims through the LEADER ICT System. All claim documentation must be retained on the Project file and entered on the LEADER ICT System and must be approved by the Authorised Officer prior to submission for the Article 48 Check. At claim payment stage the LAG must ensure that –

- the project or the funded element or phase of the project has been completed (through a site visit where appropriate);
- there are signed and dated funding offers and contracts in place;
- there is a documented, signed and dated claim form from the promoter with the required supporting documentation, including *inter alia* original receipted invoices and the relevant bank statements (stamped as appropriate by the LAG – *See Section 12.1)*. See Appendix 2 for sample claim form;

- all payments have been made by the promoter for all goods or services received, installed, etc. and are available on site for inspection;
- where project promoters are required to pay for an item using a credit card e.g. online purchases, *but they do not have a credit card in their name*, the following steps must be adhered to:

    1. Promoter pays the credit card holder the relevant amount for the purchase. This should be traceable through bank statements etc.
    2. Credit card holder purchases the item.
    3. Receipted invoice is received.

    The promoter must have paid for the goods/service in advance of its receipt and subsequent claim for re-imbursement.

- any amended payment documentation has been duly endorsed (initialled and dated) by the LAG and the promoter;
- submitted invoices are sufficiently clear to allow identification of all items and quantities of goods and services provided and do not include general or unspecific references such as 'goods provided' or 'services provided';
- a schedule of invoices has been provided by the promoter;
- a 'LAG Summary of Grant payment Calculation Form' is completed (and details the accepted quotation amount for each part or element of the project);
- the claim clearly documents any contribution-in-kind and is accompanied by independent assessment *(See Section 10.5*);
- a bank certified copy of cashed cheques have been provided by the promoter, only where requested as part of an inspection or an audit;
- a site inspection has been carried out for capital investments and there is a completed written report of the inspection, verifying that works have been completed satisfactorily and are consistent with those approved by the LAG;
- where appropriate, a report or assessment of the project costs included in the claim for payment submitted by the promoter's engineer, architect, etc.;
- an architect's / engineer's (as appropriate) certificate of compliance with relevant planning, building and fire regulations, and other statutory regulations has been received;
- for Heritage Projects, confirmation from the designated expert that the project is in compliance with the Heritage Project Rules;
- certificates for voluntary labour independently certified by a suitably qualified person (e.g. engineer);
- the promoter's solvency has been confirmed;–

- in respect of training, there is documentary evidence that the training course has been delivered (See Section 6.4 re. Training Requirements);
- there is documentary evidence of employers and public liability insurance for contractors and sub-contractors used by the promoter, and at final payment stage there is documentary evidence that the project is adequately insured by the promoter;
- there is documentary evidence on file that the LAG has confirmed that the promoter is tax compliant and that all suppliers paid by the promoter were tax compliant at the time of payment;
- where funding is to be paid in respect of non-recoverable VAT, the promoter must provide up-to-date written confirmation from the Revenue Commissioners that the promoter is not registered for VAT. This must be provided for each payment claim;
- Article 48 administrative checks have been completed as per Section 17.

The LAG must ensure that documentary evidence of all of the above is retained on the project file.

Following each payment, the file should include a summary of the payment calculation together with a copy of the EFT showing payment of the grant to the promoter as soon as possible and within a maximum of 10 - 15 working days of receipt of funds by the LAG. Where this deadline is not met, there must be an explanation on file and evidence that the promoter has been notified of the reason.

13 Payment of Funds

13.1 Transfer of funds to the LAG /Implementing Partner

The LAG must –

- maintain a separate bank account or job code (where the LA is assigned the financial partner role) for receipt and expenditure of LEADER funding only;
- reimburse any interest accrued on a LEADER designated bank account to the Programme;
- notify the bank, in writing, that the public monies lodged to the LEADER account are held on trust by the LAG, and may not be used by the bank to offset any LAG debts;
- not transfer LEADER funds to bank accounts or job codes of other programmes;
- ensure that all Electronic Fund Transfers, mandates, etc., from LEADER accounts or job codes are signed by at least two signatories, one of whom is the Authorised Officer or the designated officer in the financial partner;
- must approve all changes to these arrangements and ensure they are recorded appropriately; and
- ensure that all online banking transactions are printed and filed on a monthly basis, and signed by two signatories (including the Authorised Officer), and retain these records for audit purposes.

Implementing Partner

While not mandatory, it is recommended that the Implementing Partner has a designated LEADER Bank Account. However, where the Implementing Partner does not have a designated LEADER bank account, it must provide bank statements showing LEADER income and expenditure and may redact any non-LEADER expenditure from the bank statements they submit.

13.2 Transfer of funds to project promoter

The LAG must –

- ensure that all expenditure is denominated and recorded in Euro;
- make payments to promoters by electronic funds transfer only[20] and to accounts designated by the promoter only[21] (but not into the accounts of contractors, suppliers, etc.).
- ensure adherence to Circular 13/2014 from the Department of Public Expenditure and Reform regarding *Management of and Accountability for Grants from Exchequer Funds*.

[20] Commission Regulation (EC) No. 907/2014

[21] These bank accounts must be in compliance with the Criminal Justice Money Laundering and Terrorist Financing Acts 2010 and 2013. However, such bank accounts should not be the bank accounts of goods and service suppliers.

13.3 Cash Payments

A ceiling of €1,000 will apply –

- per project, for total payments made by promoters in cash for vouched services; **and**
- per year, for vouched purchases made by the LAG.

Invoices settled for cash will be considered ineligible for grant aid unless accompanied by an appropriate receipt.

Once this ceiling is reached, all subsequent payments must be paid by EFT, Cheque, Bank Draft, Money Order, Credit Card, etc. Any amounts paid in cash above this threshold and submitted as part of a claim shall be deemed ineligible for funding

13.4 Prompt Payment Requirements

The *Prompt Payment of Accounts Act 1997*[22] and the *Late Payment in Commercial Transaction Regulations (*S.I. No. 580 of 2012*)*[23] apply to LAGs. The LAG must inform itself fully of the relevant legislation, but in any event and regardless of its status;

- make payments to suppliers of goods or services or contractors within 30 working days of receipt of a valid invoice, or receipt of the delivery of goods or services, whichever is the later, thus avoiding the payment of interest not withstanding other obligations of the Prompt Payments Act on the Financial Partner; and
- stamp all invoices upon receipt (including electronic invoices, which should be filed with the email that accompanied it).

Where the LAG does not stamp the invoice, the invoice date will be the relevant date for calculating interest payable by the LAG. Interest is not an eligible cost.

13.5 Financial and Other Charges and Legal Expenses

The following are eligible expenses –

- the cost of operating a LEADER specific bank account; and
- legal costs associated with the collection of debts under the Programme.

[22] http://www.irishstatutebook.ie/pdf/1997/en.act.1997.0031.pdf
[23] http://www.irishstatutebook.ie/eli/2012/si/580/made/en/pdf

The following expenses are not eligible –

- legal costs in actions taken by and against the LAG; ~~or~~ and
- interest on debt incurred by the LAG.

13.6 Phased Payments

The LAG may make phased payments for the efficient and effective delivery of the Programme where –

- this has been requested by the promoter; and
- the phased payments exceed €1,000; and
- at least 20% of total eligible costs have been incurred by the promoter; and
- the number of phased payments on a project will be five or lower; and
- where LEADER Grant Aid for Capital Projects is in excess of €100,000, a sign-off by a suitably qualified person verifying that works are satisfactorily completed prior to each phased payment.

The LAG must notify the promoter, and include as a condition of the funding offer, that the promoter must repay all phased payments received in the event the project is not completed. In this context, the LAG should consider requiring a bond to be effected by promoter needing phased payments.

14 Programme Management Requirements

14.1 LAG Financial Oversight

The LAG is responsible for managing all expenditure on administration and animation costs of the LAG, and the funding provided to each project. The LAG, rather than the promoter, will be liable where the LAG has not adhered to the relevant requirements.

The following must be provided at a minimum to the LAG members at each meeting –

- a copy of the most recent monthly bank statement, or Agresso or Integra printout where the Local Authority is the LAG financial partner, in respect of each account or job code relating to LEADER funds; and
- a monthly reconciliation statement, showing for example a list of payments to project promoters, named administrative costs, lodgements made to the bank but not yet credited, cheques issued but not yet cashed, etc.

The LAG must not commit funding in excess of the total LEADER budget available to it. Accordingly, the LAG must not operate in the expectation that grant commitments will not be drawn down, e.g. where funding may be de-committed as a result of projects not proceeding or the inability of the promoter to draw down the full grant offered.

14.2 Management of and Accountability for Grants from Exchequer Funds

The LAG must comply with Circular 13/2014 from the Department of Public Expenditure and Reform regarding the management of and accountability for grants from the Exchequer[24]. This Circular outlines the public financial management principles, procedures and standard additional reporting requirements to be followed in respect of the management of public funds and aims to ensure proper management and accounting of all Exchequer funds. The overall principle is that there should be transparency and accountability in the management of public money, in line with the requirements of economy, efficiency and effectiveness. Where appropriate, the LAG's financial statements must be consistent with the circular.

[24] http://circulars.gov.ie/pdf/circular/per/2014/13.pdf

Solvency of the LAG and Implementing Partner

Public-Private Partnership LAGs (i.e. LAG based on a partnership approach with financial and implementing partners) should seek a quarterly solvency declaration from their respective implementing partners. Similarly, LAGs constituted as separate legal entities must submit a *Quarterly Declaration of Solvency* (Appendix 3) to the Department.

Public Spending Code

LAGs must be aware of and comply with the requirements of the public spending code.The Code is available at http://publicspendingcode.per.gov.ie/ under the management of the Central Expenditure Evaluation Unit (CEEU) of the Department of Public Expenditure & Reform.

14.3 Tax Compliance VAT

The default position is that all promoters are registered for VAT. In such circumstances VAT is not an eligible cost; non-recoverable VAT borne by promoters may be eligible. The LAG must obtain written confirmation from the Revenue Commissioners (provided by the promoter) that the promoter is not registered for VAT at the time of application and before each payment is made.

Tax Clearance Procedures

The LAG must be aware of the requirements vis-à-vis Tax Clearance procedures. These procedures are available at http://www.revenue.ie/en/online/tax-clearance.html. These requirements apply in respect of the LAG, the Implementing Partner, the project applicants and promoters, suppliers of goods and services, and contractors, subject to the following requirements below –

- The LAG (or Financial Partner where appropriate) must be tax compliant. The Department will not issue any funding unless the LAG or Financial Partner produces evidence of tax clearance or a valid charity number to the Department;
- The LAG must notify project applicants and promoters of the tax clearance requirements relevant to them and their suppliers or contractors. The LAG must ensure that the tax affairs of project promoters and suppliers or contractors are in order. Payment must not be made if evidence of tax compliance cannot be provided on completion of work or at payment stage.

Evidence of current Tax Clearance must be provided for payments that exceed €10,000 (including VAT) for the period of the project at the time of payment. This threshold is €650 for construction operations.

Accordingly, the LAG must ensure that all promoters obtain evidence of valid and current Tax Clearance from all relevant suppliers and contractors. The LAG must not offer funding of less than €10,000 to avoid tax clearance procedures and to do so may result in cancellation of the Agreement.

Tax compliance can be verified using the Revenue Online System (ROS). The procedure is explained in Appendix 4. As there is no specific expiry date on the online e-Tax Clearance, confirmation will be required each time a payment is made to a supplier. A copy of each e-Tax Clearance confirmation printout must be signed, stamped and dated by the verifier and kept on the project file.

Non-resident suppliers/contractors

Non-resident suppliers/contractors must also provide an Irish Tax Clearance Certificate. Further guidance on Tax Clearance for non-residents is available on the Revenue website at http://www.revenue.ie/en/business/running/tax-clearance.html.

Payments to non-resident suppliers or contractors who have not provided evidence of a valid Tax Clearance Certificate will be deemed ineligible and the LAG must de-commit such payments and reimburse the appropriate amount to the Department.

14.4 Equipment and Property

Asset Register

The promoter must put safeguards in place to ensure that LEADER funded assets are not misappropriated. The promoter must maintain an asset register of all LEADER funded assets and designate a location where assets will be available for inspection. The existence of this asset register must be verified by the LAG.

Purchase of Land[25]

The purchase of land, with or without buildings, may be eligible if the cost of the land does not exceed 10% of the total eligible project expenditure. This limit may be increased to 15% for derelict sites, and those formerly in industrial use, with buildings.

The LAG must obtain the following before payment can be made –

- confirmation of ownership (i.e. Title Deeds); and
- a copy of contract of sale after the letter of offer has been signed.

25 Article 69 of Council Regulation (EC) No. 1303/2013

Examples

How to calculate the 10% ceiling to be applied for the purchase of Land?

Points to note:

As the value of the land certified by an independent qualified expert cannot exceed 10% of the total eligible costs of the approved project, the other project costs must be at least 90% of the eligible project costs. The other eligible costs are all of the costs of the project minus the cost of the land. If these costs are equal to 90%, then the 10% maximum applicable to land purchases is calculated by dividing this figure by 9.

Example where land acquisition costs are greater than 10% of the eligible project costs

A	Land acquisition costs	€10,000
B	Eligible LEADER project costs (excluding land acquisition costs)	€40,000
C	Total costs **(A + B)**	€50,000
D	Maximum eligible land acquisition costs. (*Up to a maximum of 10% of the eligible LEADER project costs: (**B** =90% then **D** can only equal 10% i.e. **B/9** – which in this case is (€40,000/9)*	€4,444
E	Land acquisition costs that can be funded (the lesser of **A** or **D**)	€4,444
F	Total eligible Leader project costs **(B + E)**	€44,444
G	LEADER funding @ 50% **(50% x F)**	€22,222

Example where land acquisition costs are equal or less than 10% of the eligible project costs

A	Land acquisition costs	€5,000
B	Eligible LEADER project costs (excluding land acquisition costs)	€100,000
C	Total costs **(A + B)**	€105,000
D	Maximum eligible land acquisition costs. (*Up to a maximum of 10% of the eligible LEADER project costs: (**B** =90% then **D** can only equal 10% i.e. **B/9** – which in this case is (€100,000/9)*	€11,111
E	Land acquisition costs that can be funded (the lesser of **A** or **D**)	€5,000
F	Total eligible Leader project costs **(B + A)**	€105,000
G	LEADER funding @ 50% ROA **(50% x F)**	€52,500

Second-hand Equipment

The LAG may award funding for the purchase of second-hand equipment where –

- the seller provides a written declaration confirming the equipment's origin and that the equipment was not purchased with national or EU funds in the previous seven-year period; and
- the price of the equipment does not exceed its market value and is less than the cost of similar new equipment (provide evidence of quotes for similar new equipment); and
- the equipment meets the technical specification required for the project and meets applicable norms and standards.

Evidence of Title, Leasehold or Permission to use Property

The LAG must obtain evidence from the promoter of title or leasehold in respect of capital projects involving land, e.g. sites of building construction or renovation, fixtures, traffic ways, etc. Any lease provided must –

- be signed by the lessor and the promoter;
- be appropriately witnessed;
- be accompanied with a map identifying the land; and
- stipulate the term of the lease (must be for a period of at least five years from the date of the final payment to the promoter or for a term not less than the term of the contract, whichever is the longer.

Where the promoter cannot obtain a lease, legal documentation confirming the promoter's authority to carry out the relevant activities (for at least a five year period after the date of final payment for the project), will suffice. The LAG must ensure that this documentation, witnessed by a solicitor, is signed by a person or body recognised as the person or body in charge of the property. The solicitor must verify that the person leasing the property is in charge of the property and must witness this document. The asset covered by this document cannot be used as contribution-in-kind. Any agreement for a period of less than five years from the date of final payment for the project will not be eligible for funding.

14.5 Durability of Investment and Repayment of Funding

Article 71 of Regulation 1303/2013 stipulates that project promoters in receipt of LEADER funding for capital investment (i.e. for infrastructure or productive investments) must operate as funded for five years from the date of final LEADER grant payment – durability requirement. In addition, the LAG may only make

a funding offer on condition that funding will be repaid if within a five year period of the date of the final grant payment:

I. the beneficiary ceases or relocates the activity outside of Ireland; and/or

II. any LEADER funded assets are sold, leased or otherwise change ownership without the Departments prior written approval; and/or

III. the investment is substantially changed or modified in a way which affects the nature, objectives or implementation conditions of the investment and undermines the original objectives of the LEADER funding provided.

Where the LAG becomes aware that a project promoter is not meeting the conditions of funding referred to in points I to III above, the LAG must immediately inform the Department and seek repayment of funds.

The LAG may reduce the amount of funding to be repaid by the promoter in proportion to the period the project operated in compliance with the above conditions.

The LAG must provide expressly for these requirements in the funding agreement or contract with the promoter.[26]

The LAG may apply a shorter three-year period in relation to the maintenance of investments or jobs created by SMEs, with the prior written approval of the Department.

The Department will perform ex-post checks to verify adherence with these requirements.

14.6 Travel and Subsistence

In general, the LAG may not fund travel and subsistence costs of promoters. Such costs may be eligible for support, however, if they are integral to the delivery of the project e.g. attendance at trade fairs, but only up to the level of the prevailing Civil Service rates.

[26] Article 71 of Commission Regulation (EC) 1303/2013

14.7 Procedures Manuals

The LAG and the Implementing Partners must maintain a comprehensive procedures manual for the management of LEADER funding and activity.

14.8 Data Protection Act

The LAG and Implementing Partner must be aware of and comply with national legislation and other statutory requirements in respect of data protection. Information provided to the LAG by an Implementing Partner or a promoter may include personal data and sensitive personal data as defined by the Data Protection Acts 1988 and 2003. As an authorised data controller, the LAG and Implementing Partner must maintain a robust system for ensuring the security of data received. All applicants must be informed that the data supplied will be processed in accordance with the Data Protection Acts 1988 and 2003, and the LAG must obtain their written consent.

The LAG must outline the procedures and controls for ensuring the security of personal data and sensitive personal data received in its procedures manual. The LAG must also ensure that it's Implementing Partner or partners are also compliant with data protection legislation.

For further information on Data Protection, please contact the Office of the Data Commissioner and/or consult the Data Commissioner's website https://www.dataprotection.ie/ .

See Circular 08/2016 in respect of specific Data Protection information.

14.9 Freedom of Information Act (FOI)

The LAG must comply with the requirements of the Freedom of Information Act 2014[27]. The Act provides that, with effect from 21 April 1998, every person is entitled to –

- access official records held by Government Departments or other public bodies listed in the Act;
- have personal information held on them corrected or updated, where such information is incomplete, incorrect or misleading; and
- obtain reasons for decisions that directly affect them.

Public Private Partnership LAGs (i.e. LAG based on a partnership approach with financial and Implementing Partners) are subject to FOI in their own right.

[27] http://www.irishstatutebook.ie/eli/2014/act/30/enacted/en/html

In addition, all LAGs must provide records to the Department under Section 11 (9) of the Freedom of Information Act 2014. This Section states: *A record in the possession of a service provider shall, if and in so far as it relates to the service, be deemed for the purposes of this Act to be held by the FOI body, and there shall be deemed to be included in the contract for the service a provision that the service provider shall, if so requested by the FOI body for the purposes of this Act, give the record to the FOI body for retention by it for such period as is reasonable in the particular circumstances.*

Information requested in connection with an FOI must be provided by the LAG within the timelines and in the format specified by the Department.

The full requirements and obligations of the Act, as well as guidance and template letters, can be accessed at www.foi.gov.ie.

14.10 Health and Safety/ Insurance

Neither the Minister nor any official of the Department will be in any way liable for any damage, loss or injury to persons, animals or property in the event of any occurrence relating to LEADER funded construction or other activities. The applicant shall fully indemnify the Minister or any official of the Department in relation to any such damage, loss or injury howsoever occurring during the development works or other activities.

Where construction is undertaken by a contractor, the promoter must ensure that the contractor or any other contractor or sub-contractor understands the risks involved in the development and is prepared to guard against them. The promoter must also ensure that the contractor or sub-contractor has appropriate insurance cover in place e.g. employers and public liability insurance, in the event of any injury, loss, damage or other mishap occurring. The Promoter must obtain a suitable written indemnity from any contractor or sub-contractor in relation to any damage or injury or other loss that might occur during the development works and, if necessary, seek professional insurance advice from an insurance broker or insurance company.

The LAG must advise all applicants of the need to acquaint themselves with the provisions of the Safety, Health and Welfare at Work Act 2005, Safety, Health and Welfare at Work Construction Regulation 2006 and other relevant regulations.

A general guide to the 2005 Act is available on the Health and Safety Authority website at http://www.hsa.ie/eng/Topics/Managing_Health_and_Safety/.

The LAG must advise all applicants of the requirement to confirm their responsibility and duty to effect and keep in force, for both the project implementation process and the 5-year durability period, self-insurance arrangements **and/or** public liability insurance. The LAG/Promoter contract must contain comprehensive conditions regarding insurance cover and related contingencies in the event of loss or damage to project assets. The minimum text in this regard is included in Appendix 5.

14.11 Services through English and Irish

The LAG is a public body for the purposes of the Official Languages Act. Guidance on the requirements is available at http://www.coimisineir.ie/downloads/Guidebook4.pdf.

The LAG must ensure that application forms are available in Irish and English. The LAG must also publicise that its services are available through Irish if they are in Gaeltacht or bordering regions. In other areas, where a service is requested through Irish, the LAG must make every effort to provide it.

15 Procurement

15.1 Overview

The requirements outlined in this Section relate to the procurement procedures to be followed in respect of LEADER project applications.

The LAG should have adequate expertise to ensure compliance with procurement requirements, including adequate training of staff in public procurement procedures. The LAG must advise the applicant of the consequences of failing to follow correct procurement procedures. The LAG must also advise each applicant to verify that procurement expertise sourced by them has the necessary skills and experience e.g. experience of running other public procurement competitions.

Administration and Animation

LAGs (including Implementing Partners) should follow National Procurement Guidelines, EU regulations and any subsequent amendments as advised by Departmental Circular in respect of LAG Administration and Animation spend.

15.2 Promoter Categories

There are two procurement categories which are applicable to project promoters;

Category 1.

Project promoters that may be awarded total funding of more than 50% of the project costs (from LEADER and/or other public sources), and LAGs/IPs regardless of the levels of support from LEADER, must follow the National Public Procurement Guidelines, as outlined in Section 15.4.

Category 2.

Project promoters that may be awarded total funding of 50% or less of the project costs (from LEADER and/or other public sources) may choose not to follow the National Procurement Guidelines outlined in Section 15.4; in that instance they must follow the LEADER Specific Procurement Guidelines outlined in Section 15.5.

15.3 Projects above the EU Thresholds

In the main, LEADER does not provide funding for activities above the EU thresholds. However, where such a project does arise, the LAG must agree the appropriate procurement requirements with the Department prior to any approval of funding so as to ensure adherence to EU public procurement requirements; contact email: OR1420@drcd.gov.ie

The EU thresholds at the time of publication are €209,000 (exclusive of VAT) for Supplies & Services and Works-related Services, and €5,225,000 (exclusive of VAT) for works. These thresholds are revised every two years and LAGs should consult http://simap.ted.europa.eu/web/simap/european-public-procurement for the most recent thresholds. The current threshold remains valid until 31st December 2017.

15.4 National Procurement Guidelines – Category 1

The National Procurement Guidelines apply where the award of total public funding (from LEADER and public matching funds) is more than 50% of the project costs. These guidelines are also applicable to LAGs/IPs, regardless of the levels of support from LEADER. An outline of the threshold requirements is set out in the table below:

National Procurement Thresholds		
Amount (excl. VAT)	**Type of Contract**	**Procedure**
Less than €5,000	Supplies & Services	National requirement is to obtain 1 or more verbal quotes from appropriate suppliers. In order to verify reasonableness of project costs an additional LEADER requirement is to **obtain** written quotations from a minimum of 2 suppliers (these can be sought verbally but responses must be obtained in writing).
€5,000 - €25,000	Supplies & Services	Obtain written quotations from a minimum of 3 suppliers on the basis of responses to written specifications.

€25,000 - EU Threshold* (currently €209,000)	Supplies & Services	Publish Contract Notice on eTenders www.etenders.gov.ie – Open Procedure
Less than €50,000	Works Related Services	**Obtain** written quotations from at least 5 firms on the basis of responses to written specifications or follow the e-tenders process – Open Procedure
€50,000 – EU Threshold* (currently €209,000)	Works Related Services	Publish Contract Notice on eTenders www.etenders.gov.ie process. – Open Procedure
Less than €50,000	Works	**Obtain** written quotations from at least 5 firms on the basis of responses to written specifications, or follow the eTenders process – Open Procedure
€50,000 – €250,000	Works	Publish Contract Notice on eTenders www.etenders.gov.ie process. – open procedure
€250,000 – EU Threshold* (currently €5,225,000)	Works	Publish Contract Notice on eTenders www.etenders.gov.ie process. – open or restricted procedure

* Where a project exceeds the EU threshold, the LAG must agree the appropriate procurement requirements with the Department as per Section 15.3.

Project promoters are advised, where necessary, to obtain legal or specialist advice and to pay particular attention to the following tendering requirements:

a) Projects involving construction works must adhere to the requirements of the Capital Works Management Framework (CWMF) which is published under the Construction Procurement Reform website. The CWMF is a suite of template tender and contract documents for the procurement of public works and works-related service contracts.

b) Promoters should consider the nature, scale and complexity of the particular project and consult with the guidance material published under the CWMF before determining which procurement and contracting strategy to follow.

c) Project promoters are advised to use the following suite of documents as being most suited to LEADER funded works projects;

- Works Declaration LEADER (WDL)
- Tender & Schedule for Works FTS6
- Instruction to Tenderers (ITT W4 or ITT W5)
- Short Public Works Contract (PW-CF6)

d) Promoters may use alternative documents from the CWMF, however the Short Public Works Contract (PW-CF6) should be suitable for the majority of LEADER works projects given the nature of these investments. Where using the PW-CF6, the winning tender must be selected solely on the basis of the lowest price tendered. For more technically complex works projects, and where the promoter wishes to select on the basis of MEAT, the promoters are advised to use PW-CF5 (Minor works form of contract).

e) For Works above €50,000, it is recommended, but not mandatory, that project promoters use the prequalification document circulated by the Department (Works Declaration LEADER (WDL)).

f) Promoters should be aware of the National Health and Safety requirements that apply for Works – these are referred to in the pre-qualification document (WDL).

g) For Works-Related Services, the winning tender must be identified on the basis of Most Economically Advantageous Tender (MEAT).

h) For Supplies and Services Contracts, project promoters may select the winning tender on the basis of the lowest price tendered or MEAT.

i) The correct Common Procurement Vocabulary (CPV) code must be assigned.

j) A minimum of 21 calendar days must be allowed for responses following the date of publication of the advertising notice.

k) Email responses to requests for quotations are acceptable where accompanied by clearly identifiable date and source information.

l) Where a tender amount is considered to be abnormally low in relation to the pre-tender estimate or with respect to the extent of works, services or supply required, written evidence should be sought from the tendering contractors to demonstrate that the price is sustainable.

m) Post-tender negotiations are not permitted i.e. any dialogue that could be construed as "post tender negotiation" on price or that might result in significant changes to the published tender request.

n) For tenders obtained through eTenders, Framework Agreements and Newspaper Advertisements, successful and unsuccessful tenderer(s) must be notified in writing of the result of the tender process; these notification letters must be placed be on file. It is also recommended that, where

feasible, all other unsuccessful suppliers/service providers & contractors who submit tenders/quotations are notified in writing of the outcome of the competition.

Reasonableness of Cost

Low Number of Tender Responses (applies to eTenders process only)

Where the eTenders process results in less than 3 responses/tenders, the LAG must demonstrate the additional steps taken to ensure that the project costs are reasonable e.g. consideration by the LAG based on its knowledge and a comparison of costs of similar projects in the same geographical region. In addition, when assessing a project application, the Evaluation Committee must be satisfied with regard to the reasonableness of the costs submitted.

Specialist Markets & Exceptional Circumstances (applies to direct quotations only)

It may not be possible to obtain the required number of quotes when operating in certain specialist markets where there are a limited number of works contractors, suppliers or service providers, or in other circumstances which the LAG considers to be exceptional in nature. In such cases, the applicant must provide written justification for the low number of quotes and an outline of the steps taken to source a sufficient number of quotes. This must be reviewed and evaluated by the LAG who must also demonstrate the additional steps taken to verify that the project costs are reasonable. In addition, when assessing a project application, the Evaluation Committee must be satisfied with regard to the reasonableness of the costs submitted.

15.5 LEADER Procurement Requirements – Category 2

Specific LEADER procurement rules apply in respect of project promoters who are in receipt of 50% or less total public funding for a project and are not required to follow the National Procurement Guidelines outlined in Section 15.4. These promoters must comply with the procedure outlined in the table below.

LEADER Specific Tendering Thresholds	
Amount (ex VAT)	**Procedure**
Less than €10,000 (supplies, services)	**Obtain** written quotations from at least 2 suppliers (these can be sought verbally but responses must be obtained in writing).

€10,000 - €50,000 (supplies and services)	**Obtain** written quotations from at least 3 suppliers on the basis of responses to written specifications.
Above €50,000 Supplies & Services	**Obtain** written quotations from at least 5 suppliers on the basis of responses to written specifications and place notice on local or National Newspaper. Alternatively can publish Contract Notice on eTenders.
Less than €10,000 Works & Works Related Services	**Obtain** written quotations from at least 2 firms (these can be sought verbally but responses must be obtained in writing).
€10,000 - €100,000 Works & Works Related Services	**Obtain** written quotations from at least 3 firms on the basis of responses to written specifications.
Above €100,000 Works & Works Related Services	**Obtain** written quotations from at least 5 firms on the basis of responses to written specifications and place notice in local or national newspaper. Alternatively, publish Contract Notice on eTenders. *It is recommended that tenderers should complete pre-qualification document – Works Declaration LEADER (WDL) – as circulated by the Department.*

Key Issues

a) For all contracts, the winning tender may be selected on the basis of the lowest price tendered or the Most Economically Advantageous Tender (MEAT); however the following is advised:
   - Works Contracts - project promoters should select the winning tender on the basis of the lowest price tendered.
   - Works-Related Services Contracts - project promoters should select the winning tender on the basis of MEAT.

b) It is recommended that tender respondents should be afforded a reasonable period of time to submit their responses (e.g. 21 calendar days) the time period should reflect the nature and complexity of the proposed project.

c) Where a notice is required to be placed in a local or national newspaper, it should refer to the essential details of the contract together with relevant contact details for further information regarding requirements.

d) Email responses are acceptable where accompanied by clearly identifiable date and source information.

e) Promoters should be aware of the National Health and Safety requirements that apply for Works projects– these are referred to in the pre-qualification document (WDL).

f) For tenders obtained through eTenders, Framework Agreements and Newspaper Advertisements,successful and unsuccessful tenderers must be notified in writing, of the result of the tender process; these notification letters must be placed be on file. It is also recommended that, where feasible, all other unsuccessful suppliers/service providers & contractors who submit tenders/quotations are notified in writing of the outcome of the competition.

Reasonableness of Costs

Low Number of Tender Responses (applies to eTenders process only)

Where the eTenders process results in less than 3 responses/tenders, the LAG must demonstrate the additional steps taken to ensure that the project costs are reasonable e.g. consideration by the LAG based on its knowledge and a comparison of costs of similar projects in the same geographical region. In addition, when assessing a project application, the Evaluation Committee must be satisfied with regard to the reasonableness of the costs submitted.

Specialist Markets & Exceptional Circumstances (applies to direct quotations only)

It may not be possible to obtain the required number of quotes when operating in certain specialist markets where there is a limited number of contractors, suppliers or service providers, or in other circumstances which the LAG considers to be exceptional in nature. In such cases, the applicant must provide written justification for the low number of quotes and an outline of the steps taken to source a sufficient number of quotes. This must be reviewed and evaluated by the LAG who must also demonstrate the additional steps taken to verify that the project costs are reasonable. In addition, when assessing a project application, the Evaluation Committee must be satisfied with regard to the reasonableness of the costs submitted.

15.6 Provisional Approval

LAG's may permit provisional approval of Works–related projects based on specification drawings and estimated costs from a Quantity Surveyor/qualified expert; this approval is subject to subsequent completion of the project procurement process. The reasonableness of the estimated cost must be assessed and documented by the Evaluation Committee by appropriate means, e.g. comparison of similar projects funded previously in their area and/or online research. It is a matter for each LAG to decide if provisional approval will be permitted in its area and the projects/calls for proposals to which it will apply.

The following must be adhered to:

a) Provisional approval will be subject to a 6 month sunset clause i.e. where the tendering process is not concluded within 6 months of the provisional approval; the promoter must resubmit their application for funding. The new application must include the completed procurement process. The sunset clause of 6 months may not be extended.
b) Where the tendering process results in a higher price than the original estimate, the promoter will be responsible for meeting the additional costs above 110% of the original estimate.
c) The LAG must obtain evidence of the promoter's financial capability to meet additional costs identified in the procurement process.
d) Where procurement results in a lower price than the original estimate, the grant aid approval will be calculated on the tendered price. The difference in value between the tendered amount and the original estimate cannot be reallocated to new project elements.
e) Subsequent to completion of the procurement process, projects must be resubmitted to the LAG members for final approval.
f) A formal letter of grant offer can only issue once the procurement process has been completed and the LAG has made its final decision on approval of the project.

Examples of variances in estimated costs

Example A - Above original estimate:

Estimated Project Cost = €100,000

Provisional Approval @ 75% = €75,000

Tendered Cost = €120,000 (20% above estimate)

Maximum Eligible Cost = €110,000 (Estimate x 110%)

Maximum Final Approval @ 75% = €82,500

Example B – Below original estimate:

Estimated Project Cost = €100,000

Provisional Approval @ 75% = €75,000

Tendered Cost = €80,000

Tendered cost @ 75% = €60,000

Maximum Final Approval = €60,000

15.7 Audit requirements and sanctions

The LAG must ensure that the project file contains all of the relevant documentary evidence to clearly demonstrate compliance with the relevant tendering and public procurement requirements.

All quotations must be dated by the tenderer and accompanied by a verifiable audit trail (e.g. email, postage details) to allow independent verification (hand delivered quotations should be endorsed stating the date of receipt by the beneficiary or his/her representative).

All project files must contain a Tender Report for all actions, including direct quotations. This report should include (as appropriate) the following -

i. Request for tender,
ii. Evidence of publication of tender notice and seeking tenders where required,
iii. Responses to those tender requests,
iv. Tender scoring sheets used,
v. Notification of intention to award,
vi. Copies of letters notifying unsuccessful tenders of the result of the tender process,
vii. Copy of letter notifying the successful tender.

Where a proposed project is advertised on e-Tenders (or the OJEU), the project file must contain a printout from the e-Tenders website which incorporates the various actions and activities during the competition period. All of the tender documents submitted must be retained by the LAG to allow for subsequent audit or inspection.

Failure to follow correct procurement procedures will result in all or elements of the project being disallowed. A penalty will be applied using the methodology outlined in the European Commission

Guidelines on applying corrections for public procurement irregularities. Such disallowances may result in the repayment of previous phased grant payments.
http://ec.europa.eu/regional_policy/sources/docoffic/cocof/2013/cocof_13_9527_annexe_en.pdf

Public Procurement Information and Contacts

Public procurement guidelines for supplies and general services are available on the OGP website www.ogp.gov.ie. Guidance on works and works-related services are available on the Construction Procurement Reform website. LAGs should also consult *Circular 10/14: Initiatives to assist SMEs in Public Procurement:* http://www.procurement.ie/sites/default/files/circular_10-14_0.pdf

LAGs or project promoters that require assistance in relation to public procurement should contact the Office of Government Procurement at:
http://www.procurement.ie/contact-us
Tel: 076 100 8000
OGP Support (Supplies and General Services) E-mail: support@ogp.gov.ie
Construction (Works and Works-related Services) E-mail: construction@per.gov.ie

16 LAG Administration Costs and Expenditure Returns

16.1 Administration and Animation Costs

The LAG may expend up to 25% of the LDS budget on administration and animation costs related to the implementation of the LDS. These costs may include –

- operating costs;
- personnel costs;
- training costs;
- costs linked to public relations;
- financial costs; and
- any costs linked to monitoring and evaluation of the LDS.

The expenditure incurred under Administration and Animation must be related to the delivery of LEADER 2014-2020 Programme. Monthly Returns must be divided between Administration and Animation costs. Ineligible costs/expenditure includes expenditure charged to LEADER but not associated with the delivery of the LEADER programme.

The LAG must not use project funding to cover administration or animation costs. Animation is an activity undertaken by the LAG (financed from the LAG Administration and Animation budget) and not by project promoters). Animation is not an eligible activity as part of a Training, or Analysis and Development project.

The LAG may only meet costs directly attributable to the Programme from the LEADER administration and animation allocation

16.2 LAG Staffing Costs

The staffing costs attributable to the delivery of the LDS are outlined in the LAG's Financial Plan (as part of the strategy). The LAG Decision Making members must approve and the LAG must record in its minutes –

- the LEADER contribution to the salary costs;
- any changes to these costs; and,
- any material changes to the number of persons working on the Programme.

The LEADER contribution towards the salary costs of managerial, financial and other office administrative staff may be paid on the basis of the apportionment policy agreed by the LAG as per Section 16.4 of the Operating Rules. The rationale for these salary costs charged to the LEADER programme must be clearly set

out in the approved apportionment policy. The time worked should be consistent with the approved apportionment policy.

All other staff working part-time on LEADER must complete work timesheets on a daily basis in respect of the time spent on LEADER programme activities. These work timesheets must be approved by the relevant person. The maximum LEADER contribution to these salary costs will be on the basis of the time actually worked as outlined in the timesheets and not on the basis of any apportionment policy.

The Department has no function in employment matters. The LAG or implementing partners must seek their own legal advice on such matters.

A contribution to the redundancy costs of persons employed by LAGs to deliver LEADER are an eligible cost under the Programme. Redundancy costs can be paid up to the statutory maximum based on the proportion of time the person normally worked on the Programme. The redundancy payment must be based on the number of years worked on the LEADER Programme, commencing on 1st January 2016.

16.3 Expenses

The travel and subsistence costs of LAG and Evaluation Committee members or staff, up to the level of the prevailing Civil Service rates (see www.circulars.gov.ie) are eligible. The LAG must keep itself informed of these rates at all times. Every effort should be made to avail of public transport and to share car transportation where feasible. Fees must not be paid for services rendered by LAG or Evaluation Committee members. These claims must be submitted within 3 months of being incurred.

Private Car usage:

The cost of public transport is expected to be claimed wherever public transport is possible and practicable. Staff should only use their cars to travel to and from meetings in the following circumstances:

- where no suitable public transport (e.g., train or bus) is available;
- where public transport is available only at equal or greater expense; or
- where the use of public transport would result in the loss of official time which it is necessary to avoid.

It should be noted that where travel arises for reasons connected with official business but not the actual discharge of official business e.g. attendance at conference, interview or educational courses (training),

attendance should be conditional on applying public transport rates or reduced rates of mileage (Department of Finance Circular E105/3/87).

In the case of employees travelling expenses will not be paid in respect of any portion of a journey which covers all or part of an employee's usual route between home and headquarters. Where an employee proceeds on an official journey directly from home or returns home directly, the amount payable will be calculated by reference to the distance from home or headquarters, whichever is the lesser.

The Department of Public Expenditure and Reform (DPER) has issued revised Circulars with regard to Travel and Subsistence Rates which came into effect on **01 April 2017**. These Circulars are referred to below and can also be accessed at *www.circulars.gov.ie*.

DPER Circular 05/2017: Motor Travel Rates
DPER Circular 06/2017: Domestic Subsistence Allowances
DPER Circular 07/2017: Subsistence Allowances Abroad

IP Board Member Expenses

Refreshments (tea/coffee/sandwiches) and travel and subsistence expenses related to IP Board meetings are accepted as an eligible expense and should be apportioned in the same way as all other items.

16.4 Cost Allocation and Apportionment

The LAG / Implementing Partner must not charge the administration or operating costs of other schemes to its LEADER administration and animation budget. Similarly, the LAG / Implementing Partner is not permitted to charge such costs to its LEADER administration and animation budget with a view to reimbursing it at a later stage. Accordingly, the LAG, or its financial and Implementing Partners as appropriate, must operate separate administration accounts or job codes where more than one scheme is being administered. The total administration costs must be apportioned and charged appropriately to the various accounts i.e. to its LEADER and other accounts.

The LAG, its financial and Implementing Partners, must detail the apportionment across the schemes in their procedures manuals, as appropriate, with a clear rationale for the apportionment used. The apportionment basis and changes to it during the programme period must be approved by the LAG

Decision Making Members and noted in the relevant LAG meeting minutes. Amendments should be infrequent and should only occur when new schemes are introduced or existing schemes discontinued.

16.5 Monthly Expenditure Returns

The LAG must report monthly on all expenditure through the LEADER ICT System and, in this regard, the LAG must adhere strictly to the deadlines mandated by the system.

17 Article 48 Administrative Checks

17.1 Administrative Check Requirements

Administrative Checks will be carried out on all applications for support, payment claims or other declarations submitted by a LAG, promoter, or other beneficiary or third party, as per Article 48 of Regulation (EU) 809/2014.

Administrative Checks on applications will include a verification of –

- compliance with applicable legal requirements including, but not limited to, State Aid, and procurement;
- eligibility of the beneficiary, including checks as regards the Community or Enterprise status of the applicant;
- eligibility criteria, commitments and other obligations of the relevant activity;
- compliance with the selection criteria; and
- verification of the reasonableness of the costs submitted, where costs have been incurred. The costs shall be evaluated using a suitable evaluation system, such as reference costs, a comparison of different offers or an evaluation committee.

Administrative Checks on payment claims will include a verification of –

- the completed activity compared with the activity in respect of which an application was submitted and approved; and
- costs incurred and the payment made.

Administrative Checks will include a verification that –

- there has been no irregular double financing with other EU or national schemes (incl. previous LEADER programmes); and
- the support received does not breach the maximum permissible amounts or rates of aid permissible, where financing available from other sources exists.

Administrative checks relating to **capital investment** will include at least one visit to the project to verify the realisation of the investment.

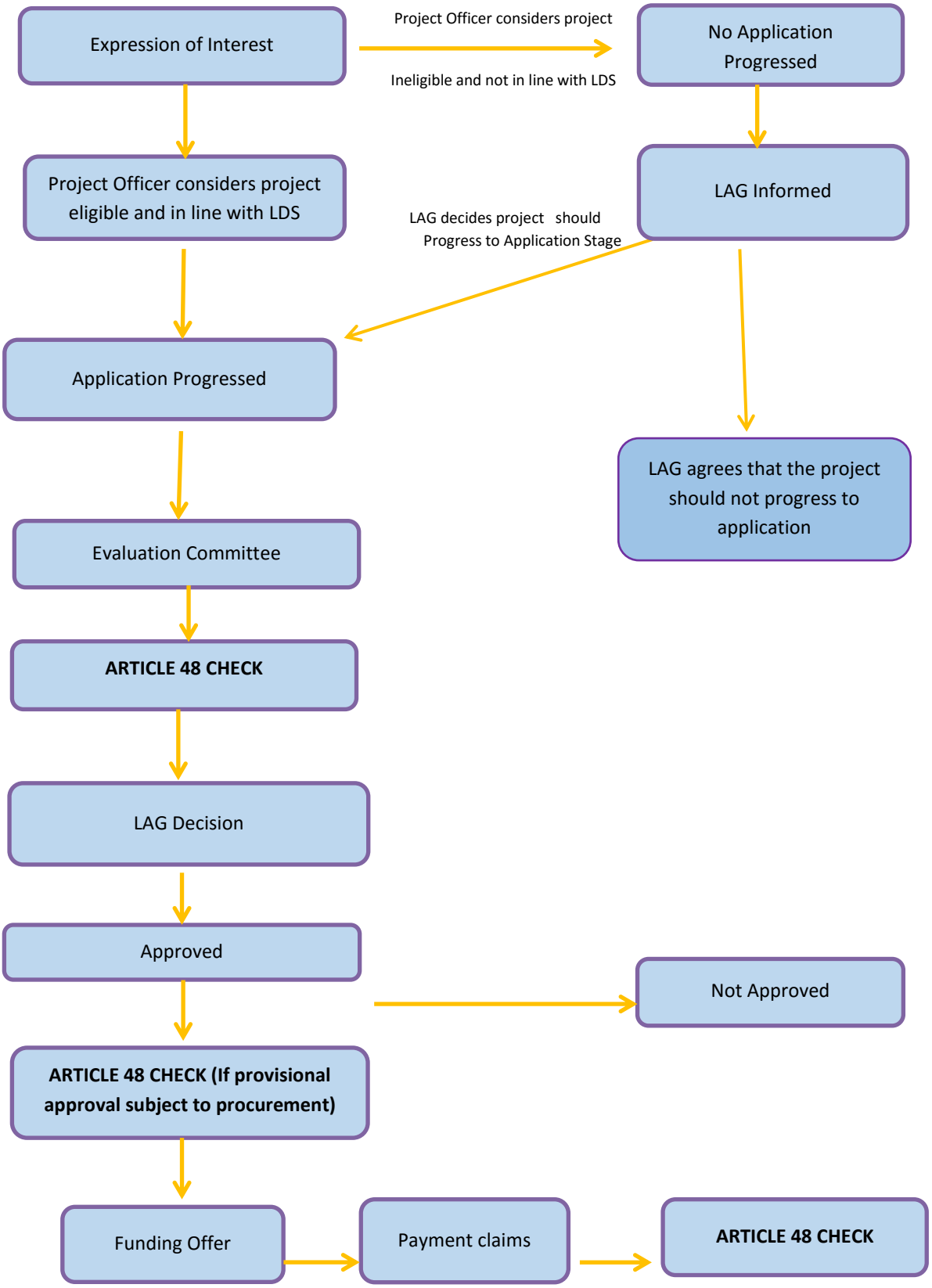
The full list of Administration checks are available on the LEADER ICT System and directly from the Department.

17.2 Performance of Administrative Checks

Pobal will carry out the Administrative Checks on all LEADER activity. The Department may delegate the performance of these checks to LAGs with an assigned Financial Partner over the course of the Programme where it is satisfied that the LAG and the Financial Partners have the capacity to carry out the checks adequately.

Administrative Checks on (i) administration and animation expenditure, (ii) in-house projects, and (iii) where the financial partner provides matching funds, will not be delegated to the LAG. These will be carried out on behalf of the Department by Pobal (or another third party) for the duration of the Programme.

Article 48 Administrative check flowchart



18 Irregularities, Ineligible Expenditure and Deductions

18.1 Calculation of Payment and Penalties

Article 63 of Commission Regulation (EC) No. 809/2014 applies in respect of irregularities, ineligible expenditure and deductions. This provides that payments will be calculated on the basis of amounts found to be eligible by the Administrative Checks. The body (Pobal) carrying out the Administrative Checks will examine payment claims received from the promoter or beneficiary, and establish the eligible amounts. Where the Administrative Checks have been delegated to the LAG, and it is established that ineligible expenditure is incurred through the fault of the LAG, the LAG may be required to repay the ineligible amount (plus penalties) to the Department.

The body performing the Administrative Check must establish –

(i) the amount payable to the promoter or beneficiary as per the payment claim and the funding approval; and

(ii) the amount payable to the promoter or beneficiary upon examination of the eligibility of the expenditure in the payment claim.

The difference between the amount established at (i) and that established at (ii) is ineligible. If that amount established at (i) exceeds that established at (ii) by more than 10%, an administrative penalty will also be applied. The penalty will be the difference between the two amounts, but it will total no more than the amount of funding approved.

No penalty will be imposed on a promoter where they can demonstrate they are not at fault for including the ineligible amount in the payment claim.

Penalties will be applied to ineligible expenditure identified during *On-The-Spot Checks* carried out by the Department under Article 49 of Commission Regulation (EC) No. 809/2014. In these checks, the expenditure examined is the cumulative expenditure incurred by the relevant project or activity. Therefore, it is without prejudice to the results of the previous on-the-spot checks of the project(s) concerned and may involve a re-examination of material previously examined in the context of previous payments.

Penalties will also be applied where the *Ex-post Checks* referred to in Article 52 of Commission Regulation (EC) No. 809/2014 identify non-conformance with the durability of investment requirement as referred to in Section 14.5.

Following the application of an administrative penalty under Article 63 of Commission Regulation (EC) No. 809/2014, the provisions of Article 35 of Commission Regulation (EC) 640/2014 may also apply.

If in the course of conducting the administrative checks, On-the-spot Checks, and Ex-post Checks it is found that:

1) there is a non-compliance with eligibility criteria, e.g. the beneficiary is not eligible for LEADER funding, then the claim shall be refused or withdrawn,
2) certain commitments or other obligations are not complied with, then the claim may be refused or withdrawn in part or in full. These could be commitments or other obligations included in the Operating Rules,
3) other obligations were not respected, then the claim may be refused or withdrawn in part or in full.

In cases 2 and 3 above, the severity, extent, duration and re-occurance of the non-compliance will be taken into account when making the decision. The overall assessment of the non-compliance under 1, 2 and 3 is taken into account in making a decision to exclude the beneficiary for aid under the same measure or type of operation for the calendar year in question and the following calendar year. Article 36 of Commission Regulation (EC) 640/2014 provides for the suspension of payment relating to certain expenditure where a non-compliance resulting in an administrative penalty is detected.

18.2 Ineligible Payments by the LAG

Where a LAG makes an ineligible payment, the amount paid will be immediately repayable to the Department. Where the promoter is at fault, the LAG must recover the payment from the promoter. The LAG must document all actions taken to recover ineligible amounts and must repay all funding recovered to the Department.

Ineligible Administration and Animation funding

Ineligible administration and animation expenditure claimed by the LAG as part of its monthly returns, and any penalty resulting from this ineligible expenditure, will decrease (i) the Monthly Return payment to the LAG and (ii) the LAG's administration/animation budget as set out in the LDS.

Ineligible expenditure claimed by project promoters, and any penalty resulting from this ineligible expenditure, will decrease (i) the payment to the project promoter and (ii) the LAG's overall LDS allocation.

The following example illustrates the approach:

1. **Overall LDS Administration/Animation Allocation:** €1,000,000
2. **Administration Amount claimed:** €20,000
3. **Ineligible expenditure :** €3,000
4. **Penalty Amount** (as Point 3 >10%): €3,000
5. **Monthly return payment** (2-(3+4)) : €14,000
6. **Revised LDS Allocation** (1- (3+4)): €994,000
7. **Remaining Admin/Animation budget available** (6-5): €980,000

18.3 False Declaration[28]

The LAG must –

- inform all applicants (at application stage) of the consequences of a false declaration (i.e. providing false evidence for the purpose of receiving the support or failing to provide the necessary information due to negligence), and what constitutes a false declaration; and
- obtain a written undertaking from the applicant that they have been so informed and that they are aware of the consequences of making a false declaration.

Where a promoter provides false evidence for the purposes of receiving support or fails to provide the necessary information due to negligence, the relevant project will be excluded from receiving support for the same measure or type of operation and any amounts paid in respect of the relevant project(s) must be recovered. The promoter will be excluded from receiving any further LEADER support in the relevant *EAFRD year* and for the following year.

18.4 Repayment of Monies Owed

The LAG must return to the Department any monies incorrectly paid and/or any penalties applied to the LAG.

Article 28 of Regulation (EU) No 908/2014 provides that monies owed can be recovered by offsetting those monies owed against any future payments to the LAG or project promoter:

[28] Article 35 of EU Regulation 640/2014

"Without prejudice to any other enforcement action provided for by national law, Member States shall off-set any outstanding debt of a beneficiary established in accordance with national law against any future payments to be made by the paying agency responsible for the recovery of the debt to that beneficiary."

18.5 Notification of Irregularities

Repayment of sums unduly paid must be notified to the Department at the e-mail address rdp1420@drcd.gov.ie . Repayment of sums unduly paid must be made to the Department Bank Account as advised to the LAGs.

18.6 Debtor's Ledger

The LAG must establish a system for identifying and recording debts and recoverable amounts associated with project promoters i.e. a debtor's ledger accounting for all debts. The LAG must inspect the debtor's ledger regularly and ensure that action is taken to collect overdue debts.[29].

The LAG must record debts as soon as they are identified. The LEADER ICT System will also capture this data from the LAG.

18.7 Application of Interest to Debts

Article 7 of Commission Regulation (EC) No. 809/2014 provides that the LAG must apply interest on overdue debts. Interest should be calculated for the period between the payment deadline indicated to the promoter and the date of the repayment or the deduction. The prescribed deadline for payment of the debt must not exceed 60 days.

The interest applicable to debts is 3% per year and is calclated on a simple interest basis. The commencement date for the calculation of interest is the date of notification of the debt to the promoter.

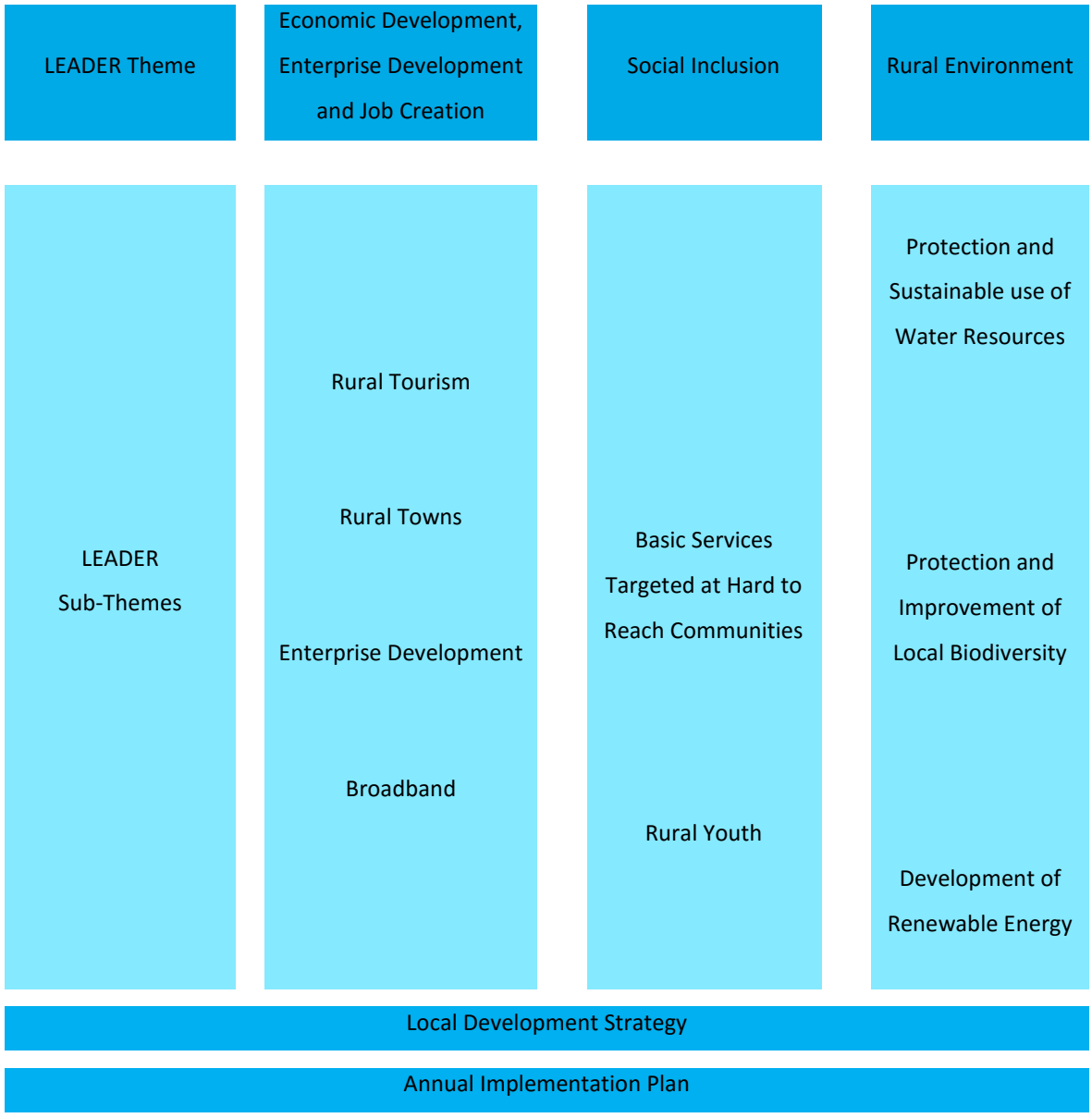
[29] Section E of Annex 1 of EU Regulation 907/2014]

19 Monitoring Framework

19.1 Overview of Monitoring Framework

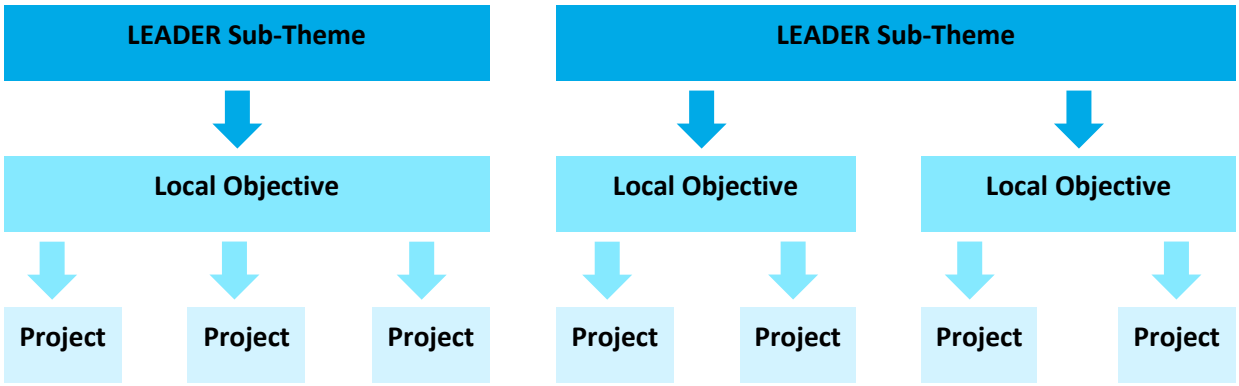
The LEADER monitoring framework is based on the key themes and sub-themes detailed in Section 3.

Figure 2: LEADER High Level Relationship Diagram



The LAG's LDS includes objectives linked to the most relevant LEADER sub-theme, with projects selected to contribute to the relevant local objective(s). This process is illustrated in Figure 3.

Figure 3: LEADER Project Framework



LEADER projects will have common performance indicators associated with a particular sub-theme. These indicators will facilitate monitoring and measuring of programme effectiveness. (Please see LEADER Performance Monitoring Guidance Document & Templates document which is available from the Department).

Programme monitoring will carried out at –

- project level; and
- LAG level.

19.2 Project Level Monitoring

The LDS monitoring data (e.g. sub-themes, local objectives and performance indicators) will be entered on the LEADER ICT System upon approval of the LDS. The LAG will report on outputs and outcomes of projects in the context of these objectives and performance indicators. At project level the information will be captured at the following stages –

Application Stage

The LAG must inform applicants of the requirements vis-à-vis the collection of performance indicators. Most of the basic project information will be captured on the LEADER ICT System at the point of application.

LAG Assessment of Application

The LAG will input information when assessing applications, linking the proposed project to one of its LDS objectives and, in turn, associating it with one of the overarching LEADER sub-themes. The appropriate set of indicators will be associated automatically with the relevant project.

Reporting on outputs and outcomes

Projects will provide information on the results delivered as per the appropriate indicators. There will also be a qualitative element to the report, whereby progress, achievements and the learning associated will be described briefly. The LAG must ensure that LEADER projects comply with the prescribed reporting requirements. The LAG must also quality check the data i.e. that the data is accurate, consistent and realistic.

The Department will collate the performance data reported by funded projects and provide analysis on the progress, outputs and outcomes achieved.

The reporting timeframes (on outputs) will depend on the project type. In most cases, reporting will take place at the final payment stage. The LAG must only issue the final payment when all of the required data has been entered on the LEADER ICT System. Information related to some outputs may not be available immediately upon completion of the project (e.g. a capital project to open a new service, where funding will have been spent and reported before the facility has opened). The LAG must enter the outputs from these projects on the LEADER ICT System no later than 12 months from the date of final payment.

19.3 Annual Planning and Reporting

The LAG must submit a short annual report to the Department by the end of February each year. The LAG will be advised of the exact requirements of the report each year and this may include inter alia:

- an outline of the previous year's achievements relative to the priority actions identified to include –
    - information on the organisational structure, operations and decision-making within the LAG;
    - issues or challenges encountered in implementation during the year;
    - particular successes to be highlighted;
    - progress made in contributing to LEADER's cross cutting objectives;

- The priority actions for the year in which the report is produced; and

- Three *Project Case Studies* covering three different sub-themes, to include information regarding the;
    - promoter background and description;
    - project or business description;
    - products or facilities or services delivered;
    - financial Information (previous funding or other sources of funding);
    - employment (current and potential);
    - performance indicator data;
    - compatibility with the LAG's LDS, the LEADER themes and cross-cutting objectives; and
    - benefit to the community.

An Annual Report template is available for completion through the LEADER ICT System.

The Department will –

- review the Annual Report and engage with individual LAGs as appropriate;
- summarise any patterns, trends or key issues emerging from the Annual Reports; and
- make data from the Annual Reports available to contribute to an overall framework for evaluating LEADER performance generally and the performance of the LAG specifically.

The LAG must contribute to any other reviews or evaluations as required by the Department, including the provision of expenditure estimates in advance of each financial year.

20 Audit and Control Framework

20.1 Audits and Controls

There is a rigorous control framework in place for EAFRD funding[30]. In accordance with this framework, the Department will implement –

- *on-the-spot-checks* on project[31] and administrative expenditure[32];
- ex-post-checks; and,
- a system for the supervision of Local Action Groups.

In addition the Managing Authority (DAFM), the European Commission, the European Court of Auditors, and the Programme's Certifying Body, and the Department may carry out on-the-spot inspections to verify that effective structures and controls are in place and that all activities are adequately documented. The Comptroller and Auditor General may also carry out visits to examine implementation generally.

The LAG and project promoters must co-operate fully with the bodies carrying out these checks.

[30] Commission Regulation (EC) No's 809/2014, 640/2014 and 907/2014
[31] Expenditure incurred under Article 35 (1) (b) and (c) of Regulation (EU) No 1303/2013
[32] Expenditure incurred under Article 35 (1) (a), (d) and (e) of Regulation (EU) No 1303/2013

21 Appeals

21.1 Right of Appeal

The LAG must publicise in all its Programme publication materials that there is a right of appeal by the applicant and promoter to all funding decisions by the LAG. The LAG must also advise the project applicants of their right to appeal the LAG decision and how they can exercise this right. Where an applicant or promoter appeals a LAG decision, the LAG must explain the appeal process to the promoter. Similarly, the promoter [or the LAG for administration and animation costs] may appeal a decision by the Department. The LAG cannot appeal on the promoters behalf; the appeal must be lodged by the promoter with the assistance, as required, of the LAG.

21.2 Decisions taken by the LAG

A project promoter/applicant may seek a review of a LAG decision. This review will be conducted by the LAG in the first instance. Requests for reviews should be submitted within one month of being informed of the LAG decision, either at EOI or application stage.

The LAG should advise the promoter/applicant of the outcome of the review, in writing, within two months of the request for the review.

Where the promoter/applicant is dissatisfied with the outcome of the LAG review, the promoter/applicant can appeal the decision of the LAG to the relevant Regional Inspector of the Department. The promoter/applicant must set out their case in writing and submit any relevant or supporting information (including any new information). The promoter must lodge any such appeal within one month of being notified of the outcome of the review by the LAG.

The Regional Inspector will notify the appellant of the outcome of the appeal within two months of the receipt of the appeal. This notification will outline the reasons for the decision of the Regional Inspector. This decision will be the final decision of the Department.

The Regional Inspector will only review the decision of the LAG in respect of:

- the process and procedures followed by the LAG in coming to the original decision and in performing the review.

- the LAGs interpretation of the relevant national/EU regulatory requirements.

In the case of a successful appeal at EOI stage under a targeted call, the applicant/promoter should be provided with sufficient time to prepare an application so that the applicant is not disadvantaged *vis a vis* other applicants under the same targeted call. This can occur outside of the targeted call process if necessary.

If the appeal is successful under a targeted call at application stage, the LAG must fund the project from available funds within the LAGs allocation. Those who were successful in the original decision under the targeted call will not be de-selected.

21.3 Decisions arising from Administrative Checks, On-The-Spot- controls and *ex-post* checks

Administrative Checks, on-the-spot controls and *ex-post* checks will be carried out by Pobal and the Department's Inspection Services Section .

Administrative Checks

The LAG/promoter may seek a review by Pobal, in writing, of any decision arising from these checks. The request must be submitted, together with all relevant documentation within 21 days of the original decision. Pobal must notify the LAG of its decision within one month of the request.

On-the-spot- controls *and ex-post checks.*

The LAG and promoter may seek a review, in writing, of any decision arising from on-the-spot-checks and ex-post checks to the responsible District Inspector, in the first instance. The request must be submitted, together with all relevant documentation, within 21 days of the original decision. The inspector must notify the LAG of their decision within 1 month of the request.

Appeal to the Department

The LAG or promoter may appeal a Pobal or District Inspector review decision to the Department's Appeal Officer(s) within 21 days of the review decision. The LAG must facilitate the appeal using the LEADER appeal template at Appendix 6. In making the appeal, the LAG / promoter must –

- state the grounds of appeal, referencing the relevant Operating Rule, Department Circular or EU Regulatory provisions or Circulars pertinent to their appeal;
- identify the parts of the project file relevant to the appeal, listing the relevant sections and page numbers; and

- Provide original copies of additional documentation not included on the LEADER ICT System, which supports the appeal (in some instances hard copies of these documents may be sought).

Incomplete Appeal Templates will not be accepted.

The Appeal Officer will notify the LAG of their decision within 1 month of the request. This decision will be final and will not be re-considered by the Department.

22 Information and Publicity

22.1 Information on the role of the LAG

The LAG must –

- ensure that an explanatory plaque, referencing the role of the LAG under the Programme and including the Department's logo, the Union emblem with the words "The European Agricultural Fund for Rural Development: Europe investing in rural areas"and the LEADER logo, is installed in a prominent location at the LAG premises and their Implementing Partner's premises;
- acknowledge the support of the Department and the EU in all public announcements and advertising, as per the Agreement and EU and national regulatory requirements;
- comply with the information and publicity requirements as set out in *Annex III of Commission Implementation Regulation (EU) No. 808/2014*;
- ensure that all information leaflets, plaques and advertisements are bilingual, i.e. in Irish and English;

Projects awarded €100,000 or more LEADER grant aid

LAGs must complete the template in Appendix 14 for all projects in receipt of LEADER grant of €100,000 or more. This template must be returned to rdp1420@drcd.gov.ie once approved by the LAG and prior to the issue of the letter of offer.

This information will be used by the Department and the Minister for information and publicity purposes.

22.2 Information and Publicity requirements for LEADER Funded Projects

The LAG must ensure all applicants and promoters comply with the Programme's information and publicity requirements. The LAG must retain evidence (e.g. photographs) on the relevant project file of compliance with the information and publicity requirements.

The following logos must be included on all posters, plaques -

- "The European Agricultural Fund for Rural Development: Europe investing in rural areas" logo;
- The Union emblem and LEADER logo; and
- The Department's logo.

Public support exceeding €10,000

Where the LEADER funding exceeds €10,000, promoters must erect at least one poster with information about the operation (minimum size A3), highlighting the LEADER funding received at a location readily visible to the public, such as the entrance area of a building.

Public support exceeding €50,000

Where LEADER funding exceeds €50,000, promoters must erect an explanatory plaque at the project site with information about the project and highlighting the financial support from LEADER.

Posters, plaques and webpages must carry a description of the funded project or operation, as well as the information set out in *Annex III of Regulation 808/2014*. This information must include:

- the "The European Agricultural Fund for Rural Development: Europe investing in rural areas" logo;
- the Union emblem and LEADER logo; and
- the Department's logo.

That information must be bilingual and cover at least 25% of the poster, plaque or webpage. The costs associated with these may be included as eligible project costs.

22.3 Publications

Publications (such as booklets, leaflets and newsletters, press releases) and posters about measures and actions funded by LEADER must clearly indicate the Programme and EU's contribution.

The EU logo must be displayed together with an explanation of the EU's role as per the following statement – "The European Agricultural Fund for Rural Development: Europe investing in rural areas"[33]. The LEADER logo and the Departments logo must also be displayed[34].

Publications must include references to the body responsible for the content and to the Department.

22.4 Electronic information

The requirements in section 22.3 also apply to information provided through electronic means (websites, databases) and audio-visual material.

Websites concerning the LEADER must –

- mention the contribution of the EAFRD at least on the homepage;
- include a hyperlink to the European Commission website concerning EAFRD http://ec.europa.eu/agriculture/rural-development-2014-2020/index_en.htm ; and
- include a hyperlink to the Department (with the Department's logo) – www.drcd.gov.ie

[33] part 2 in Annex III of Commission Implementing Regulation (EU) No 808/2014

[34] part 2 in Annex III Commission Implementing Regulation (EU) No 808/2014

22.5 Production of a report as a final outcome for the Project

Reports funded through LEADER must also comply with the information and publicity requirements set out above. They must display the Union emblem and LEADER logo prominently together with an explanation of the European Community's role as follows –

"*The European Agricultural Fund for Rural Development: Europe investing in rural areas".*

22.6 Publication of Beneficiaries

Details of CAP beneficiaries will be published on the Department of Agriculture, Food and Marine's website[35]. In this regard, the CAP beneficiaries project and promoter details will include the name of the project promoter, the town where the promoter resides or is registered (including postal code if available) and the total amount of public funding received by the promoter for the relevant year.

In addition, the details of the project and project promoter may also be published on the Department and the LAGs website. The LAG must inform all applicants and promoters of these provisions and retain evidence of this on the project file.

The LAG must inform promoters that their data will be made public and that it may be processed by auditing and investigating bodies of the EU and the Ireland for the purpose of safeguarding the EU's financial interests. The LAG must also inform applicants and promoters of their rights under data protection legislation and the procedures applicable for exercising those rules.

[35] Article 111 of Commission Regulation (EC) No. 1306/2013

23 Interpretation and Amendment of the Operating Rules

These Operating Rules shall be construed in accordance with the relevant EU and national regulatory requirements. Where there is a conflict between the Operating Rules and national and EU regulatory requirements, the national and EU regulatory requirements shall take precedence.

The Department reserves the right to make additions and amendments to these rules by Circular. The Department also reserves the right to make any derogations it deems appropriate, from time to time.

All changes to the Operating Rules will be notified to LAGs electronically.

24 Appendices

24.1 Appendix1

24.1 Appendix 1 - List of Agricultural De minimis Schemes 2013 – 2017

Agriculture De minimis Scheme 2013 - 2017					
Scheme Name	**2013**	**2014**	**2015**	**2016**	**2017**
Premium from Kerry cattle live Calves	X	X	X	X	
Bovine Viral Diarrhoea Compensation Scheme (BVD) Beef and Dairy calves	X	X	X	X	
Beef Technology Adoption Programme (BTAP)	X	X	X	X	
Sheep Technology Adoption Programme (STAP)	X	X	X	X	
Dairy Development Programme (DDP)	X		X		
Bord Bia Quality Assurance Scheme	X	X	X		
Imported Fodder Transport Scheme	X				
Beef Genomics Scheme (BGS)		X	X		
Milking Skills Programme paid by Farm Relief Service (FRS)		X	X	X	
Dairy 'Cash Plan 2014' Programme (DCP)		X	X		
Superlevy Installment Scheme				X	
Fodder Damage Aid Scheme 2016				X	
Emergency Flood Damage Relief Scheme 2016				X	
Donegal Flash Flood Relief Measure 2017					X
Energy Efficiency in the Dairy Sector (SEAI					X
Weather Related Crop Loss Support Measure 2017					X

X marks the years in which De minimis is affected by the payments

Where the project promoter is in receipt of any of the above Agriculture De Minimis schemes, the LAG must check with the Department of Agriculture, Food and the Marine, EU Trade Division the amount of funding the promoter is in receipt of under the De Minimis schemes. The LAG should supply the Herd Number of the project Promoter when submitting the query.

The e-mail address for such queries is anthony.bates@agriculture.gov.ie

Appendix 1 is the current definitive listing of De Minimis Agriculture Schemes. The Department of Agriculture, Food and the Marine may update this list from time to time. The Department will advise of any changes to this list when notified by the Department of Agriculture, Food and the Marine

24.2 Appendix 2 - Sample Claim Form

	Promoter Name:				**Project Identification №:**		
	Project Expenditure Details						
Invoice №	Supplier Name	Invoice Date	Total €	VAT€	Eligible Amount €	VAT Registered Y/N	**VAT №**
				Total Eligible	**€**		
	Payment Calculation						
	Theme: Sub-theme:		**Grant Rate:**	**Total Eligible:**	**Total Due:** **(Total Eligible x Grant rate)**		
	Tax Reference Number: **Tax Clearance Access Number:**				**Date of Check:**		
	I certify that: • the invoices used to support their claims relate to activities and services appropriate to the grant scheme objectives, • the amounts invoiced have been paid, • the invoices have not and will not be used in support of another claim for reimbursement from any other funder(s) (except as provided for in agreed joint-funding arrangements).						
	Promoter Signature:				**Date:**		

24.3 Appendix 3 – Declaration of Solvency for Local Development Companies receiving advance funding from the Department

Local Action Group Quarterly Declaration of Solvency for Advance funding.

I, _____, in my capacity as CEO of _____, wish to assure the

Department of Rural and Community Development as Managing Authority/Paying Agency for the LEADER element of the Rural Development Programme 2014-2020 that I am unaware at this time of any issue that could present a threat to the solvency of _____ .

I declare, based on my own judgement and on the information at my disposal that _____ can meet its obligations under the Rural Development Programme and does not envisage any challenge to this situation in the immediate future. Furthermore, I am not, at this time, aware of any undisclosed matter, which could be damaging to the financial interests of the European Community or present a risk to the European Agricultural Fund for Rural Development (EAFRD).

I commit to informing the Department immediately and to co-operating fully with the Department to mitigate any negative effects of such a situation should it arise.

Signature: _____

Chair: (Print) _____

LAG: _____

DATE: _____

QTR PERIOD: _____

24.4 Appendix 4 - Electronic Tax Clearance (eTC)

The Revenue Commissioners have introduced electronic Tax Clearance (eTC) from January 1st 2016. The changes are explained in detail on the following Revenue webpage http://www.revenue.ie/en/online/etax-clearance-faqs.html.

Electronic Tax Clearance is the new online application and verification process for tax clearance and for the majority of Revenue customers it will replace the existing annual paper based verification system. Applicants who are tax compliant will be issued with a Tax Clearance Access Number (TCAN) which they must give to third parties who require verification of their suppliers' Tax Clearance status.

How does eTC work?

Both the supplier and project promoter must register for the Revenue Online System (ROS) to utilise the electronic verification system. Registration can take up to two weeks to complete, and unregistered promoters are advised to apply early.

In order to apply for online tax clearance verification, applicants for and verifying bodies must have an active tax registration, e.g. be an active PAYE customer, or have an Income Tax, Partnership or Corporation Tax registration.

There are 3 exceptions to applying for eTax Clearance in electronic format:-

i. non-resident applicants who have no tax registration number in this State,
ii. non e-enabled applicants,
iii. non-registered voluntary bodies e.g. tidy towns committees.

Most promoters will either already be or have no problems registering for ROS. They will possibly be registered for Employer PAYE for staff or for Income Tax or Corporation Tax.

Once set up on ROS, the supplier/payee applies for an eTC via the online interface and gets a Tax Clearance Access Number (TCAN) and prints the confirmation page. The supplier sends the third party requester/project promoter the certificate (See sample certificate at Figure1 below). The supplier/payee certificate must be kept on the promoter file along with related verification printouts.

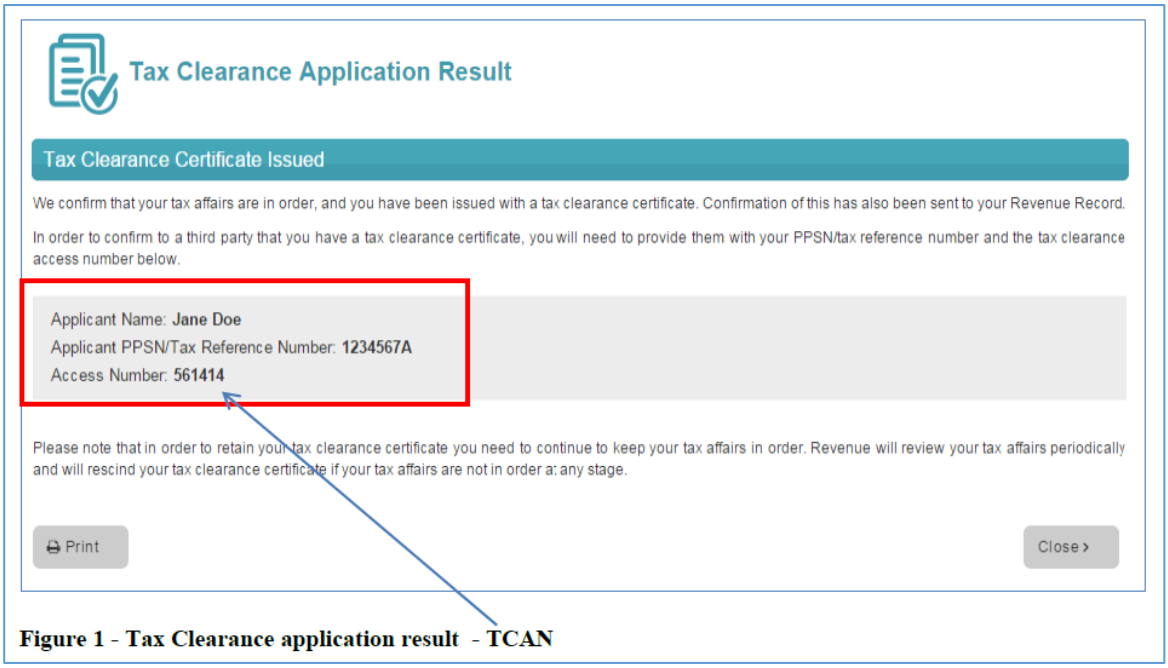
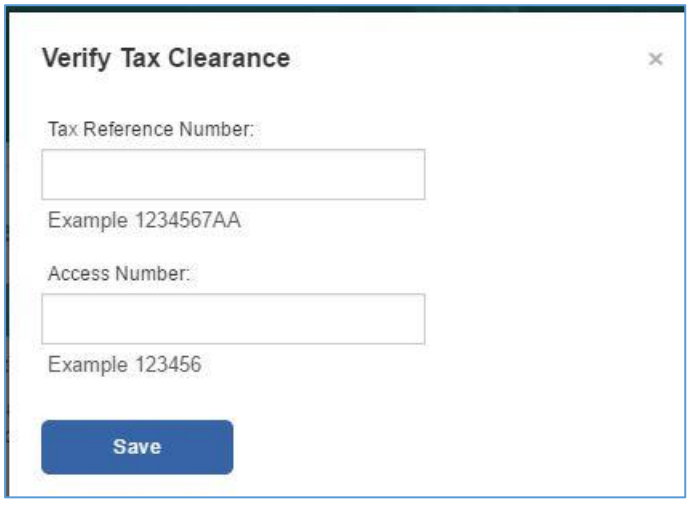


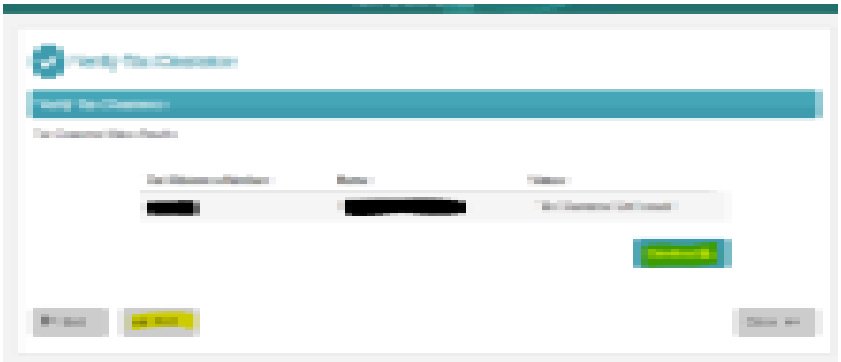
Figure 1 - Tax Clearance application result - TCAN

The third party requester/project promoter then signs into their ROS account and enters the supplier's Tax Reference Number and six digit TCAN in the "Verify Tax Clearance' panel, which is selected from the left hand menu on the main ROS user profile screen.



A Tax Clearance status confirmation screen confirms whether a current TCC exists or not.

In this case a current Tax Clearance Cert exists.



Payment shall not be made in the absence of a current Tax Clearance Cert. If a valid TCC is not confirmed, the goods or services provider must update their tax affairs, and provide updated validation information (PPSN and SAN) to the project promoter.

As there is no specific expiry date on the e-Tax Clearance Certificate, confirmation will be required each time a payment is being made to a supplier. A copy of each e-Tax Clearance Certificate confirmation printout must be signed stamped and dated by the verifier and kept on the project file.

24.5 Appendix 5 - Insurance and Indemnity

The project promoter (henceforth referred to as 'the Promoter') accepts and confirms that the Minister of the Department of Rural and Community Development.

, the *(insert LAG or other indemnifiable party name(s))* is at all times and instances indemnified from and against all actions, proceedings, costs, damages, expenses, claims, demands and liabilities (save to the extent that same is due to the gross neglect or default of the aforementioned parties) arising in any way directly or indirectly out of:

(a) any act, default, omission, or negligence of the Promoter, its servants or agents, or any person in and on the project area or premises with the promoter's authority or by the promoter's invitation;

(b) any act, default, omission or negligence of the Promoter, its servants or agents (or any persons with the Promoter's authority or invitation) in or on other areas adjacent to or in the vicinity of the project area or premises over which the promoter may have rights of access or use;

(c) the Permitted Use; and

(d) any breach by the Promoter of its obligations, its undertakings, the conditions or other provisions contained in the contract or subordinate to the Operating Rules for the Rural Development Programme (LEADER) 2014-2020.

The Promoter confirms its responsibility and duty to effect and keep in force, for the project for which LEADER grant aid is sought, public liability insurance or other insurance as required.

The Promoter shall also give notice to the Minister forthwith upon becoming aware of the happening of any event which might affect any insurance policy relating to the project, its assets, premises and any other item subject to insurance.

If at any time the Promoter shall be entitled to the benefits of any insurance on the project premises or property (which is not effected or maintained in pursuance of any obligation herein contained) to apply all monies received by virtue of such insurance in making good the loss or damage in respect of which the same shall have been received.

To notify the Minister, the LAG, as appropriate, in writing of any damage, howsoever occasioned, to the project premises or assets, immediately on becoming aware of same.

To pay to the Minister, the LAG, as appropriate, on demand the amount of any insurance monies in respect of the damage to the project premises or assets which cannot be recovered by reason of any act, default, omission or negligence of the Promoter, its servants, agents, promoters or invitees.

If and whenever during the 5-year durability period the project premises or any part thereof are damaged or destroyed by any of the Insured Risks and the insurance money under the policy of insurance is by reason of any act or default of the Promoter or anyone at the project premises expressly or by implication

with the Promoter's authority other than the Minister, the LAG, as appropriate, its servants agents employees or workmen wholly or partially irrecoverable, forthwith in every such case to (at the option of the Minister, the LAG, as appropriate) either:

(a) Rebuild and reinstate at its own expense the property or buildings contained in the premises or structures subject to an application for grant aid are part destroyed or damaged to the reasonable satisfaction and under the supervision of the LAG, as appropriate, surveyor, the Promoter being allowed towards the expenses of so doing upon such rebuilding and reinstatement being completed the amount (if any) actually received in respect of such damage or destruction under any insurance as aforesaid; or

(b) Pay to the LAG, as appropriate, on demand, with interest at the Prescribed Rate (insert relevant rate %), the amount of such insurance monies so irrecoverable from the date on which the Promoter shall be notified by its insurers that such monies are irrecoverable whichever is the least expensive for the Promoter.

24.6 Appendix 6 - Appeals Template

	Section 1	
1.1	LAG name	
1.2	Implementing Partner name	
1.3	Project name	
1.4	Project number	
1.4	Promoter name	
1.5	Promoter number	
1.6	Project Theme	
1.7	Project Sub-theme	
1.8	Promoter name	
1.9	Promoter address	
1.10	Date of receipt of application for funding	
1.11	Date of Evaluation Committee	
1.12	Evaluation Committee Recommendation	
1.13	Date of LAG meeting	
1.14	LAG Recommendation	
1.15	Date contract signed and returned by Promoter	
1.16	Rate of Grant Aid approved %	
1.17	Value of Project €	
1.18	Value of Grant Aid for Project €	
1.19	Date(s) of Inspection(s) / Audit(s)	
1.20	Date(s) LAG notified of Regional Inspectors Appeal decision	

	Section 2	
2.1	Synopsis of Project (Summary describing what the Project is about and what it entails	
	Section 3	
3.1	Is this a Pre-payment or Post-payment Appeal	
3.2	State issue(s) being appealed	
	Section 4 - Grounds of Appeal	
4.1	Where relevant the Section(s) of the Operating Rules and or Circulars that are pertinent to the Appeal must be quoted – the relevant text must be copied and the Section(s) and Sub-section(s) quoted.	
4.2	Where relevant the Section(s) of the EU Regulations that are pertinent to the Appeal must be quoted – the relevant text must be copied and the Regulation, Section and Sub-section quoted.	
4.3	The relevant Sections and page numbers of the Project File that are pertinent to the Appeal must be listed.	
4.4	Any further information that you believe may be pertinent to your Appeal should be supplied with your Appeal.	

Signed: _____ **Date:** _____

Name of Beneficiary

24.7 Appendix 7 – Expression of Interest Form

Rural Development Programme 2014 – 2020
LEADER
Expression of Interest (EOI) Form

NOTE: This Expression of Interest (EOI) form must be completed as a pre-cursor to an application proper for funding under the Rural Development Programme 2014 – 2020 (LEADER).
Failure to complete this form completely will result in a delay in dealing with your Expression of Interest and any further processing of any subsequent application arising therefrom for funding under RDP 2014-2020.

Completion Guidance Notes:

- Please complete this form in full. All fields are mandatory.

This form can be downloaded or printed from the Department of Department of Rural and Community Development.

- website (address below) and posted to your Local Action Group with any additional information you feel may be of relevance to your Expression of Interest.
- It can also be completed electronically and e-mailed to your Local Action group.
- A hardcopy of this form can be obtained from your Local Action Group
- A Rural Development Officer from the Local Action Group will contact you when your **Expression of Interest Form** has been reviewed.
- If you require assistance in completing this form please contact your Local Action Group, linked hereunder.

Department of Rural and Community Development
An Roinn Forbartha Tuaithe agus Pobail

Department of Agriculture, Food and the Marine
An Roinn Talmhaíochta, Bia agus Mara

LEADER

The European Agricultural Fund for Rural Development:
Europe investing in rural areas

Rural Development Programme (Leader) 2014 – 2020 Expression of Interest (EOI) Form GENERAL INFORMATION All Fields are mandatory and must be completed.	
Your Local Action Group (LAG) name:	
Project Name / Title:	
Promoter's / Community Groups Name:	
Promoters Lead / Main Contact Name:	
Promoters Main Telephone No.: **Promoters E-mail Address:**	
Promoters E-mail Address:	
Promoter's Address:	
Promoter Type: [Individual, Community Group, Organisation, Other].	**Classification of Promoter:** *Cross appropriate box and include copies of supporting governing documents with this application.* ☐ Sole Trader ☐ Farmer(If Yes Herd No. is required below) ☐ Formalised Community/Voluntary group ☐ Companies Limited by Guarantee ☐ Designated Activity Company limited by shares ☐ Registered Charity ☐ Cooperative society registered under the Industrial & Provident Societies Act ☐ Other ☐ Community Council ☐ Trust ☐ Partnership ☐ Limited Company ☐ Public Body ☐ Private Individual
Herd Number:	

Has Promoter / Community Group received Leader funding previously? Please tick one	YES ☐ NO ☐
PROJECT INFORMATION	
Project Address :	
Project located in Gaeltacht area :	YES ☐ NO ☐
Project located on Islands area :	YES ☐ NO ☐
Estimated Project Costs: [Total estimated costs]	
Leader Funding Required for project:	
Projects Other Funding sources (If Any - Bank Loans etc)	
Please give a brief description of the proposed project. [Please use additional sheet and attach to this form if required.]	

Signed for and on behalf of the Promoter / Group:
I/ We confirm that the details supplied are true and correct to the best of my/our knowledge

Print Name: _____

Signature: _____

Name in Block Capitals:_____

Date: _____/_____/_____

Part or all of the information you provide will be held on computer and hard copy format. This information will be used for the administration of Expression of Interests and producing monitoring returns. LAG's may share information with each other and government departments/agencies to enable them to prevent fraudulent applications or for detecting crime and to co-ordinate processing of complementary applications. It may also be subject to meeting obligations under the Freedom of Information Act as amended. This policy does not affect your rights and your information will be held as prescribed under the Data Protection Acts 1988 and 2003.

EOI Ref ID: _____ (Generated from RDP IT System)

Call Type: (Rolling / Time Limited) _____.

Main Programme Theme:

_____

_____

LAG Officer Signature: _____

Printed name of LAG Officer:_____

Date form Received from Promoter in LAG:_____/_____/_____

LAG Date Stamp:

24.8 Appendix 8 - Double Funding/De minimis Letter/Declaration

Name
Address 1
Address 2
Address 3
Address 4

Date

Re: Applicant for Funding under the Rural Development Programme 2014- 2020

Dear *name*

This company has received an application for grant aid assistance to carry out [*insert project details/location here]*. As part of the LEADER 2014 - 2020 Operating Procedures, [*insert name of LAG here]* is obliged to carry out certain checks on the promoters that apply to us for funding, with regard to Double Funding and 'de minimis' regulations.

I would appreciate if you would complete the following questionnaire/declaration and return to the above address within 10 working days of receipt. If a response to this request has not been furnished within this timeframe, it will be assumed that the promoter has not applied or received grant aid for the said project or has not received any form of grant aid from your organisation over the past three years.

Should you have any queries on the above, please do not hesitate to contact the undersigned.

Thank you for your cooperation.

Yours sincerely

_____
Signatory
Rural Development Manager

Double Funding & 'De minimis' Declaration

Double Funding

We request your cooperation in providing information as to whether:

Promoters Name & Address:	

Has applied for grant aid to undertake:	

Question 1: Confirm if the promoter has:

Applied for grant funding? (Please circle)	Yes / No	**Amount sought €**	

Question 2: Confirm if the promoter has:

Been granted funding? (Please circle)	Yes / No	**Amount granted €**	

'De-Minimis'

In accordance with the 'de minimis' rule (Commission Regulations (EC) 1407/2013) which applies to both the project and the promoter, the overall limit of 'de minimis' aid shall not exceed €200,000 over any three year period. Therefore, has this promoter received grant funding from your organisation in the last 3 years? If so, please provide details:

Date of Payment	Item(s) Grant Funded	Amount

Declaration:
I declare that all information given in this form is, to the best of my knowledge, true and accurate. I also understand that any information provided by me may be shared with relevant organisations/agencies as is required for the full evaluation of this proposal and to minimise duplication.

Organisation: _____

Signed: _____ Date: _____

Name Printed: _____

Position in Organisation: _____

24.9 Appendix 9 - LAG Decision Making Minutes Template

Date: **Time:**

Present:

In Attendance (please state Organisation and whether representing Public or Private):

Apologies:

- **Minutes of the Previous Meeting**

  Matters Arising

1. **List of EOIs:**
2. **Projects:**

Project Code:	
Promoter Code:	
Promoters Name:	
Description:	
Theme:	
Sub- theme:	
Deadweight:	
Displacement:	
Innovation:	
Reasonableness of costs:	
Recommendation of Evaluation Committee:	
Rationale if Evaluation Committee recommendation Is rejected:	
Where rejecting an Evaluation Committee recommendation To reject a proposal, insert the revised score:	
Rationale for grant aid, having regard to the business plan/ Local Development Strategy:	
% level of aid & ceiling:	
Proposed By:	
Seconded by:	
Absenters:	
Agreed by Board	
Has Quorum Requirements been met	

3. **Other**
4. **A.O.B.**

_____ **_____**

Chairman **Secretary**

Date:_____ **Date:_____**

24.10 Appendix 10 - Evaluation Committee Minutes Template

Date: **Time:**

In Attendance:

Abstentions:

---

1. Minutes of the Previous Meeting

Matters Arising

2. Projects:

Project Code:	
Promoters Name:	
Description:	
Theme:	
Sub-theme:	
Funding sought by promoter:	
Details of private funding:	
Synopsis of project:	
Was an assessment completed?	
Are detailed costings provided for the project, were the costs for the project considered reasonable and how was this measured?	
Innovative Element of project:	
Consideration of Deadweight:	
Consideration of Displacement	
Economic justification for project	
Average Score for Project	
% level of aid & ceiling:	
Proposed by:	
Seconded by:	
Agreed by	

3. Recommendations to the LAG:

_____ **_____**

Signature **Signature**

Date:_____ **Date:_____**

24.11 Appendix 11 - Overall Evaluation Committee Scoring Record

Date: **Time:**

Project Title: **Project Reference no:**

Assessment Criteria	**Objective**	**Issues raised by Evaluation Committee**	**Weighting**	**Score**
Compatibility with Local Development strategy	Do the project proposals meet the criteria set out in the LAG business plan for the relevant measure?			
Innovation	Is the product innovative in its nature and does it displace existing enterprises?			
Promoter experience	Does the promoter have the Training/skills, track record or experience to deliver?			
Financial Viability	Are the project costs justifiable (reasonableness of costs) and is funding available to co-fund the project?			
Sustainability	Is the project viable and will the service continue to be delivered?			
Requirement	Does the proposal target a specific need or address a specific gap in the market?			
Total				

N.B. Projects must receive a minimum score of 65% prior to being recommended for approval.

- **Has the potential level of deadweight been assessed for this project? YES / NO**
- **i.e. would the project proceed without LEADER funding? YES / NO**

Recommendations of the Evaluation Committee:

_____

Signature of Committee Chair

Date:_____

24.12 Appendix 12 – LAG Decision Making Meeting Attendees Template

LAG Decision Meeting Attendees Template						
Attendee Details						
Public (Tick)	Community (Tick)	Physically Present (Tick)	Phone/Video Conference Attendee (Tick)	Vote by Written Procedure (Tick)	Organisation Represented	Member Name (Print)
Total	**Total**	**Total**	**Total**	**Total**		

1 Total Current Membership	
2 Total Attendees	
3 Quorum Required (50% of 1 above)	
4 Quorum % achieved	%
5 Non-public sector attendees %	%

Chairperson Signature _____

Date _____

24.13 Appendix 13 – LAG Decision Making Meeting Conflict of Interest Abstentions Template

LAG Decision Making Meeting Conflict of Interest Abstentions Template			
LAG Name: _____			
Meeting held at _____on_____			
Project Name_____		**Project Number_____**	
Abstainer Details			
Public (Tick)	Community (Tick)	Organisation Represented	Member Name (Print)
Total No. of Abstainers		Revised non-public sector attendees as %	% of LAG Members for decision making
		%	%
Chairperson Signature _____ **Date_____**			

24.14 Appendix 14 – Publicity for Projects awarded €100,000 or more LEADER funding Template

To be completed and returned to rdp1420@drcd.gov.ie once approved by the LAG and before issue of letter of offer issues for Projects that have been awarded LEADER funding of €100,000 or more.

LAG Name:

Project Name:

Promoter Name:

Project Location:

Project Ref:

Details of the project – what is generally being funded, what community will benefit the end result of the project?	
Details of the applicant – who is the driver behind the project e.g. is this a longstanding community group?	
What impact this funding will have/What difference will this project make to the Community?	
Have any other sources of Public Funding been used? If Yes what are the source(s) and what was the contribution(s) made?	
Has the project received local publicity with regard to the LEADER funding award?	
Finance: LEADER contribution and overall cost of the project.	
Has the promoter been made aware informally that the project has been approved and a Letter of Offer will issue in due course.	

Proposed date when Letter of Offer will issue.	
Estimated completion date of Project.	

Appendix 15

Examples of how to calculate the LEADER Funding permitted where contribution-in-kind is being used to part fund a project

Points to note:

The maximum level of funding that can be provided must be the lower amount of the following two conditions:

A. Cannot exceed the maximum rate of aid for the project e.g. 75%
   AND
B. Cannot exceed the cost of the invoices less the 5% cash contribution and any other public funding being provided to the project.

Example 1A: Project cost consisting of Invoices and contribution-in-kind (other than land/real estate)

1	Total of all invoices	€100,000
2	Contribution-in-kind (e.g Voluntary. Labour)	€10,000
3	Total eligible Project Cost **(sum of 1 + 2)**	€110,000
4	Minimum 5% cash contribution **(3 X 5%)**	€5,500 (€110,000 X 5%)
5	Other public funding	0
Condition A	The maximum amount of funding @ 75% of total eligible project cost **(3 X 75%)**	€82,500
Condition B	Invoice amount (€100,000) minus both the 5% cash contribution (€5,500) and other public funds (€0) **(1 – (4+5))**	€94,500
Maximum funding	The maximum funding that can be provided is the lower of **A** and **B**	€82,500
Funding %	If the LAG decides to approve the maximum rate of funding €82,500, then this represents an actual rate of aid of 75% (€82,500/(€110,000)	

Example 1 B: Project cost consisting of Invoices and contribution-in-kind (other than land/real estate), for Farm Diversification Projects

1	Total of all invoices	€100,000
2	Contribution-in-kind (e.g. Labour)	€10,000
3	Total eligible Project Cost **(sum of 1 + 2)**	€110,000
4	Minimum 5% cash contribution **(3 X 5%)**	€5,500 (€110,000 X 5%)
Condition A	The maximum amount of funding @ 50% of total eligible project cost **(3 X 50%)**	€55,000
Condition B	Invoice amount (€100,000) minus both the 5% cash contribution (€5,500) **(1-4)**	€94,500
Maximum funding	The maximum funding that can be provided is the lower of **A** and **B**	€55,500
Funding %	If the LAG decides to approve the maximum rate of funding €55,000, then this represents an actual rate of aid of 50% (€55,000/(€110,000)	

Example 2: Project cost consisting of Invoices, contribution-in-kind and other public funding (other than land/real estate)

1	Total of all invoices	€80,000
2	Contribution-in-kind (e.g. Labour)	€10,000
3	Total eligible Project Cost **(sum of 1 + 2)**	€90,000
4	Minimum 5% cash contribution **(3 X 5%)**	€4,500 (€90,000 X 5%)
5	Other public funding	€5,000
Condition A	The maximum amount of LEADER funding @ 75% of total eligible project cost **(3 x75%)**	€67,500
Condition B	Invoice amount (€80,000) minus both the 5% cash contribution (€4,500), and other public funds (€5,000) **(1 – (4 +5))**	€70,500
Maximum funding	The maximum funding that can be provided is the lower of **A** and **B**	€67,500
Funding %	If the LAG decides to approve the maximum rate of LEADER funding (€67,500), then in this instance this represents an actual rate of LEADER aid of 75% (€67,500/(€90,000).	

Example 3: Project cost consisting of Invoices and contribution-in-kind in the form of labour & donation of property

1	Total of all invoices	€100,000
2	Contribution-in-kind (e.g. Labour)	€10,000
3	Contribution-in-kind (e.g. land by lease or donation)	€55,000
4	Total project costs	€165,000

Part One – Calculating the total eligible project costs where property (max value allowable is 10% of eligible project costs) is included as part of the LEADER project costs – see other examples in Section 14.4

A	Project costs minus value of land donation (*This must be a minimum of 90% of total eligible project costs)* ***(sum of 1 +2)***	€110,000
B	Value assigned to land donation **(3)**	€55,000
C	Maximum eligible land donation costs. (*This can be a maximum of 10% of the overall eligible project costs: if* ***A*** *=90% then* ***C*** *can only be a maximum of* ***A divided by 9****)*	€12,222
D	Value assigned to land that can be funded (the lesser of **B** or **C**)	€12,222
E	Total eligible LEADER project costs **(A plus D)**	€122,222

Part Two – Calculating maximum LEADER funding

5	Total eligible Project Cost **(E above)**	€122,222
6	Minimum 5% cash contribution **(5 X 5%)**	€6,111(€122,222 X 5%)
7	Other public funding	€0
Condition A	The maximum amount of funding @ 75% of total eligible project cost **(5 X 75%)**	€91,666
Condition B	Invoice amount (€100,000) minus both the 5% cash contribution (€6,111) and other public funds (€0) **(1 –(6+7))**	€93,889
Maximum funding	The maximum funding that can be provided is the lower of **A** and **B**	€91,666
Funding %	If the LAG decides to approve the maximum rate of funding (€91,666), then this represents an actual rate of LEADER aid of 75% (€91,666/(€122,222)	