

LEADER 2014 – 2020 Operating Rules FAQ – Issue 3 – 18 January 2017

No.	LAG	Question	Response
1A	Sligo Correction to answer on page 7 of FAQ – Issue 2 – 05 January 2017	The role of the LAG in EoIs – is this for their information and noting or do they have power to overturn the decision of the IP in determining eligibility? It appears they have.	Per Section 6.1 Page 33 of the Operating Rules: <i>“No decision to accept or refuse a project can be made on the basis of the EOI as decisions to approve or reject proposals can only be made by the LAG members.”</i> Therefore, the LAG has the power to overturn the decision of the IP in determining eligibility as it is the ultimate decision maker.
1	Carlow	For those who come in under a ‘rolling’ call we can send out the application form to once eligibility is established, however for those who come in under a ‘call for proposals’ we have to wait for the LCDC to approve the list, this could take up to 6 weeks if an LCDC meeting does not take place, therefore those who come in under a ‘rolling call’ have a distinct advantage and the timeline is much shorter,	Yes. The closing dates for the EOI targeted calls is known by the LAG and they should be able to plan these closing dates around the LAG meetings. For <u>rolling calls</u> the mandatory requirement is to submit ineligible EOI’s to the LAG Decision Making Members, they may wish to overturn the initial decision to make the EOI(s) ineligible. The LAG can, of course, send all EOI’s if it wishes to the LAG Decision Making Members. For <u>targeted calls</u> all EOIs must be submitted to the LAG Decision Making Members.
2	Carlow	Does the LCDC have to approve all eligible EOIs who come in under a call for proposals before the applications can be	For <u>targeted calls</u> , the list of EOIs associated with an individual call must be submitted to the LAG Decision

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		sent out? Can the LEADER unit clarify this please?	Making Members before those submitting an EOI are informed of the outcome. The rules were drafted differently for targeted calls as there is a time limit for submitting applications. This is to ensure that all successful EOIs have the same length of time to complete their application.
3		When there is a call for proposals and most of the EOIs are eligible but there are outstanding tricky eligibility queries on some of them, does all the EOIs have to be evaluated together? The queries in relation to eligibility could slow down this process and it would seem unfair for all EOIs to have to be evaluated together. For Example: 30 EOIs come in, 27 are clearly eligible and the other three have eligibility queries on them such as De Minimis/State Aid, does the 27 who are clearly eligible have to wait for the other 3 to be finalised before all 30 can be evaluated/committed funding. Can the LEADER unit clarify this please?	Yes, all EOI's in relation to targeted calls must be evaluated together. In circumstances where there is a doubt over the eligibility of an EOI, in such an instance the LAG Decision Making Members may allow the EOI to precede to application stage with the proviso that the eligibility is confirmed by the LAG Decision Making Members.
4	Meath	Query in relation to Check 14 of the Article 48 checklist for monthly expenditure returns. Check 14 states "Did the Board approve administration expenditure for the previous month?" In completing this question, it was deemed that the approval required related to the IP board approval and answer supplied referred to that provided by the IP. In Meath, the LAG does not submit expenditure on the monthly expenditure return only the IP	It requires approval of the LAG Decision Making Members.

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		which is then checked & approved by the LAG. Can you confirm if this monthly expenditure return requires LAG/LCDC approval please or is IP board approval sufficient? If it relates to LAG/LCDC approval could the question be made clearer, i.e., Did the LAG approve administration for the previous month?" given that where details required from the LAG they are specific e.g, check 8, 13, 15, 16.	Wording will be revised in Checklist to make the question clearer.
5	Donegal	With regards to your reply below on FRC's and in particular the statement that "it would be dependent on making the areas and items funded available to the public at large and not just particular sectors of the public". Where a FRC's is developing a Youth Centre for example, this statement seems to imply that as youth is only one of many sectors of the public, the project would not be eligible, even though Youth is a very sub-theme and eligible to other applicants other than FRC's. Can you confirm clarify further please?	The example given was that the activity involves upgrading of Community/Youth Centres. The upgrading of either would be eligible for LEADER funding.
6	Donegal	As per Operating Rule 6.1 improvement/refurbishment of private residential property is an ineligible activity. Does this mean that B&Bs are not eligible for funding as they are also used as private residences? Also, would an extension to a private residential property be eligible if the purpose of the extension is to house a	Private residential property is not eligible for LEADER funding. It is not the purpose of the OR1420@AHG.GOV.IE facility to address and answer eligibility queries on individual projects. Its function is to provide clarity on queries that may arise

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		business e.g. cookery school	with regard to the Operating Rules. The LAG is responsible for deciding on the eligibility of Projects for funding.
7	Longford	Can you clarify who should sign the Contracts issued to project promoters by the LAG. In the case where an LCDC is the LAG, should it be the Chairperson of the LCDC? The Programme Implementer will be drafting and issuing the contracts on behalf of the LCDC, but it is unclear who should sign this contract. The Implementing Partner feels this could be delegated them by the LCDC. The LAG Authorised Officer is mentioned throughout the Operating Rules. Can you clarify if this should be the Chief Officer of the LCDC where the LCDC is LAG? Should there only be 1 Authorised Officer, or can the role be split? In detailed in Section 8.3 of the Operating Rules, the LAG Authorised Officer is allowed to approve the reallocation of funding up to 5% and in section 8.4 the LAG Authorised Officer can extend the Contract by up to 6 months. Can you clarify if this role can be delegated to the Implementing Partner for these two points?	The Contract should be signed by the LAG Chairperson. This function cannot be delegated to the IP. It should be the Chief Officer. There should be one Authorised Officer only. This role cannot be delegated to the Implementing Partner.

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8	Kilkenny	In relation to the timeframe before when it is permissible to alter or amend the submitted Local Development Strategy (LDS) the Funding Agreement (LAG contract) and the Operating Rules seems to differ. The contract section 4.4 makes it clear that changes can be made with permission within 6 months- while section 5.6 of the Operating Rules extends this period to 12 months. See below. Contract: <i>4.4 The Group may not modify the Financial Plan of the Local Development Strategy set out in Annex A to this Agreement, without the prior written approval of the Minister and no such modifications will be considered in advance of 6 months from the date of signing this Agreement.</i> Operating Rules: 1.1 <u>Amendment to Local Development Strategy</u> <i>All amendments to the LDS must be approved in advance by the Department and cannot take place in the first 12 months following the signing of the Agreement, save where there is a change in implementation arrangements (e.g. change of implementing partner). Thereafter, the LDS can be amended no more than once in any calendar year during the Programme.</i>	Guidance will issue shortly regarding amendments to the LDS which will be permissible once per year as part of the annual reporting process at the end of February. The first amendment will be permissible in February 2017.
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		As many things with a direct influence on growth have changed- some fairly radically (Brexit, etc.) in the local/ rural development sphere since the submission of LDSs earlier in 2016, and the reference in the Operating Rules seems to indicate the precedence of the Contract, we suggest that the shorter time frame would be more appropriate in this context- and asks that the Department clarify that it will accept submissions for changes within 6 months of the contract signature.	
9	Limerick	A query regarding tree surgery; would this fall under the category of “horticulture” in the ineligible list of activities? Would it be possible to have a definition of horticulture?	It is not the purpose of the OR1420@AHG.GOV.IE facility to address and answer eligibility queries on individual projects. Its function is to provide clarity on queries that may arise with regard to the Operating Rules. The LAG is responsible for deciding on the eligibility of Projects for funding.
10	Monaghan	In respect of LEADER Operating Rules <i>‘Ineligible Sectors and Activities – Health care’</i> (page 37 to 38). Could you provide an definition of health care? Is there any distinction between ‘social care’ and ‘community care’ versus ‘health care’? In respect of the following potential project would the Operating Rules definition of Healthcare apply? • Centre providing support to adults with intellectual	It is not the purpose of the OR1420@AHG.GOV.IE facility to address and answer eligibility queries on individual projects. Its function is to provide clarity on queries that may arise with regard to the Operating Rules. The LAG is responsible for deciding on the eligibility of Projects for funding.

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		disabilities in the community who wish to develop a wheelchair accessible play area which will also be used by children with autism outside of the centre's normal hours? The Centre is a local community initiative (non-statutory) with a voluntary committee	
11	Donegal	Operating Rule 12.2 states that the LAG must only accept original documentation. As most bank statements are currently only issued electronically by banks, will e-statements be acceptable?	Yes, provided the bank e-statement contains the required details including the bank account name and number.
12	Donegal	Operating Rule 10.5 states that the LAG must ensure that 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. Can voluntary labour also be included in phased payments in the same manner as donated lease/property i.e. if the work in question has been completed prior to the phased grant claim?	Yes
13	Donegal	Procurement Do non-contracting authorities have to notify unsuccessful tenderers of the outcome of the tender competition? This is listed as a requirement for contracting authorities (Operating Rule 15.2) but is not mentioned under Operating Rule 15.3 (procurement procedure for non-contracting authorities).	Revised Rules on Procurement will issue shortly. There will also be a Seminar on Procurement details of which will be provided today.
14	Donegal	What is the procurement threshold for works-related services for non-contracting authorities? This is not outlined in the table under Operating Rule 15.3 (page 85)	See 13 above.

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15	Donegal	What is the procurement threshold for contracting authorities for works up to €5K? This is not outlined in the table under Operating Rule 15.2 (Table on Page 83)	See 13 above.
16	Donegal	De Minimis Does the three year period apply to the fiscal year or the calendar year? This question was addressed previously in the November Operating Rules FAQ document but it is still not clear if the period should be based on the fiscal year or the calendar year.	In accordance with Article 3(2) of the <i>De Minimis</i> Regulation (Regulation No 1407/2013): <i>The total amount of de minimis aid granted per Member State to a single undertaking shall not exceed EUR 200 000 over any period of three fiscal years.</i> The Regulation further specifies that: <i>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.</i> Example 1 The applicant's Fiscal Year runs from 01 April to 31 March If the applicant gets 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 2016 01 April 2014 to 31 March 2015

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			Example 2 The applicants Fiscal Year runs from 01 January to 31 December If the applicant gets 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
17	Donegal	In the draft version of the Application Form (i.e. circulated with the draft Procedures Manual), the applicant is asked to provide details if they have access to Participant Scheme support e.g. CE/RSS/Tus etc. (see Q45 - Previous Funding). What is the purpose of this question and how would a community group put a value on this type of support?	This document was not drafted by the Department but by a group of LAGs. The document is only for guidance purposes and can be revised as necessary to meet the LEADER Programme requirements.
18	Donegal	Does the Department have a definition of Full Time Equivalent (FTE) jobs? This is requested on Q23 & Q24 of draft application form.	The OECD defines FTE employment as follows: “Full-time equivalent employment is the number of full-time equivalent jobs, defined as total hours worked divided by average annual hours worked in full-time jobs.” Pobal defines FTE as a unit which represents one full time

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			employee (five days a week), for example, an employee that works four out of five days would represent 0.8 FTE. <i>the ‘indicator is calculated in FTE; therefore, if an existing halftime job is transformed into a full time job, the value of the indicator is 0.5 (a half job is considered created)To count one job created, the duration of the contract should be one year or more (e.g. a six month contract at 100% is 0.5).</i>
19	Kilkenny	Kilkenny LEADER Partnership (KLP), like several other LAGs/ IPs in the wider southeast region, have committed in its LDS to develop a number of ‘community shops’ in its sub-region. These will be retail centres (groceries, and/ or cafés) owned and operated by volunteers from the invariably very rural community in question, which do not have an existing commercial shop in operation in the area – and have not got a commercial shop close enough to be significantly affected by the creation of the community retail centre. The establishment of community shops will likely require a significant investment in terms of capital, analysis & development, marketing, training or/ and other supports. KLP will be asking applicant groups to form as non-profit distributing legal entities. While community shops will by definition trade in goods and possibly services, any profits will not be distributed to the members- but will rather be reinvested in the community shop- or in a similar non-profit community project. So the projects will be providing an essential social service and will not in competition with commercial operators. From this principle, and our reading of the LEADER	If they supply 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 displacement This question is similar to Question 6 in FAQ’s Issue No.2 – 75% rate of aid deemed appropriate provided all criteria set down for using this rate of aid are obtained.

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		Operating Rules & EU regulations, we believe that the community shops are not <i>undertakings</i> as designated in the regulations. A significant amount of preparatory and animation work has been completed to date and there is considerable interest among relevant communities in the sub-region. KLP issued a 'timed limited call' in October for community shops- and has received a number of eligible Eols. KLP now wish to progress to the next step and invite full applications- but first wish to be sure of the rate of aid eligible. Community groups will need significant support to take on the immediate and long-term burden of organising and operating the retail unit. Without that level of support it is unlikely that the most needy and marginalised communities will be in a position to take on the responsibility for such a project. We believe that the rate of aid for non-profit distributing companies can be at the maximum of the community aids; e.g. 75% for capital, etc.. Are we correct in this judgement?	
20	Donegal	Would restoration works to a listed building which is a working church be eligible for funding? Though the building is primarily used as working church, it is also intended to adapt the internal space to allow for a more versatile use of the building by the community as a performance space for concerts etc.	It is not the purpose of the OR1420@AHG.GOV.IE facility to address and answer eligibility queries on individual projects. Its function is to provide clarity on queries that may arise with regard to the Operating Rules. The LAG is responsible for deciding on the eligibility of Projects for funding.
21	Kerry	- Point 59 of the Article 48 Checklist requires the following - Public Procurement - Where the procurement process results in < 3 responses/tenders have additional steps been taken to ensure the costs are reasonable? what additional steps can	Per Section 17.1 of the Operating Rules Page 91: • <i>verification of the reasonableness of the costs submitted, where costs have been incurred. The costs</i>

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		IP's undertake to ensure costs are reasonable? Take a scenario where an applicant goes out on e-tenders for the supply of a specialist piece of equipment and secures for arguments sake only 2 quotes – What additional steps or supporting evidence can an IP produce to show the costs are reasonable to ensure compliance with the Article 48 check?	<i>shall be evaluated using a suitable evaluation system, such as reference costs, a comparison of different offers or an evaluation committee.</i> Part of the role of the Evaluation Committee (when evaluating a Project is to satisfy itself that the costs for the Projects are reasonable. This assessment is then used in making a recommendation on the level of Grant Aid to be awarded for the Project. A comparison must be carried out with the costs of similar Projects to establish if the costs could be considered reasonable. A Comparison must also be carried out with the prices charged by other suppliers for the same type of equipment / works/service.
22	Carlow	Query in relation to co-funding, is the Sports Capital funding one we can co-fund with?	Per Section 10.3 of the Operating Rules Matching funding from other public funded sources is permitted providing it does not derive from an EU Fund. The LAG must obtain confirmation that the proposed matching funds have not come from other EU funds and this evidence must be retained on the project file. The LAG must also ensure that it satisfies the requirements in Section 6.4 - Additionality and other Funding Sources (pages 40 - 43).

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23	Tipperary	IPs for Tipperary LAG are currently finalising LEADER 'Targeted Calls' Scheme for Co. Tipperary. Please see attachment which shows timeline from call for EOI to project approval. Concerns have been raised at length of process both from promoter and LCDC perspectives. In terms of the latter the LCDC is cognisant that in accordance with Operating Rules penalties will apply if Targeted Call projects do not account for 40% of the projects approved (in monetary terms) on an annual basis and over the life of the Programme. Queries have been raised as to whether there are ways in which this process can be shortened e.g. planning permission conditional, can you apply particular conditions to EOI such as project must be at an advanced stage/ designs completed for capital projects and/or planning permission granted? Can you also clarify the following: - Further to above can we take it that 'approved' means once approved by LCDC at LCDC meeting? - Are we correct in our current understanding that A48 Check takes place after IEC meeting and before LAG meeting for decision? - As Tipperary LAG has not approved any project budget in 2016 are we correct in assuming that this budget carries forward to 2017? If so, does this mean that 40% Targeted Call allocation for 2017 is based on 40% of 2016 & 2017 budgets combined? - In its LDS Tipperary LCDC/LAG indicated that 50% of annual budget would be allocated to Targeted Calls.	- Further to above can we take it that 'approved' means once approved by LCDC at LCDC meeting? Yes. - Are we correct in our current understanding that A48 Check takes place after IEC meeting and before LAG meeting for decision? Yes. - As Tipperary LAG has not approved any project budget in 2016 are we correct in assuming that this budget carries forward to 2017? If so, does this mean that 40% Targeted Call allocation for 2017 is based on 40% of 2016 & 2017 budgets combined? It is 40% of the 2017 allocation and then 40% over the life of the Programme. - In its LDS Tipperary LCDC/LAG indicated that 50% of annual budget would be allocated to Targeted Calls. Which takes precedence in terms of any penalty applying – Operating Rules or LDS in this case? The LAG can manage the percentage as they see fit, once they meet the 40% requirement. Any changes to the percentage in the LDS must be reflected in the annual review of the LDS.
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		Which takes precedence in terms of any penalty applying – Operating Rules or LDS in this case?	
26	Kerry	I refer to Item 16 on the attached document re Race and Sport Horse Industry. In your response you state ‘there is no provision for including ancillary activities as being eligible for LEADER funding’. Can you clarify please if this is in relation to the Race and Sport Horse Industry only or if it applies to all equestrian type activities. For example an equestrian centre with an outdoor arena wishing to erect a roof over this to enable them to operate in the winter months (this is both a tourism project as well as providing activity for locals) or a tourism business running a trekking centre needing to purchase additional saddles and equipment and marketing to enable them to expand their offering. I would appreciate if you could respond at your earliest. We are currently working with promoters in assisting them through the application stage of their project. We have already completed the Expression of Interest Stage and have a closing date of January 20th for Applications. This means that promoters are currently seeking quotations/tenders and compiling the documentation needed to enable us to process their application and build their file so we need to revert to our promoters with clarity on this as soon as possible.	Race and Sport Horse Industry activities are ineligible per Section 6.4 page 39.
27	Tipperary	Expressions of Interest & Promoter Legal Status Page 33 O.R. Is an EOI still valid if a promoter changes their legal personality between the EOI stage and Application. E.g. a Private	It is in order for a promoter to change its status from EOI to application stage. The LAG will decide on the eligibility of the project and the rate of aid based on <i>inter alia</i> its legal status

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		Individual or Sole Trader decides to register as a Company, or a group of individuals with a valid EOI form a legal Partnership? If not, this could cause an issue in the case of Targeted Calls in particular, where the call for EOIs may have closed in the meantime. Would it be acceptable for the promoter to amend the previously submitted EOI to reflect the new legal status of the promoter?	at that time of application.
28	Tipperary	Horticulture Page 37 O.R. Horticulture is listed as one of the ineligible Sectors / Activities in the O.R. Is soil preparation and planting considered eligible in the case of eco-tourism projects and leisure amenities where there is no commercial activity?	It is not the purpose of the OR1420@AHG.GOV.IE facility to address and answer eligibility queries on individual projects. Its function is to provide clarity on queries that may arise with regard to the Operating Rules. The LAG is responsible for deciding on the eligibility of Projects for funding.
29	Waterford	1. In relation to LAG Decisions, on pg 28 of the operating rules, it states that any decisions taken by the LAG must be voted on by at least 60% of LAG members Can you clarify if this is 60% of ; A/ Total LAG Membership B/Total LAG Membership less any members that may have a conflict of interest C/Total no. of LAG Members in attendance & those who have submitted a postal vote less any members that may have a conflict of interest.	Per Section 5.3 of the LEADER 2014 – 2020 Operating Rules - LAG Decisions (page 28) 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 60% (rounded up to the nearest person) of LAG members – <u>this applies to decisions validated by the LAG membership after all relevant conflict of interest issues have been addressed; and</u> • be voted on the basis that at least 51% of those voting on a decision are non-public sector partners; and

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			• be carried by majority vote; and • be non-discriminatory and transparent.
30	Waterford	Pobal have advised that 'A signed excerpt from the Board Minutes, approving the expenditure as submitted under LEADER for the month, is to be submitted as part of the monthly return supporting documentation' Can you please clarify what documentation is to be circulated to the Board of the LCDC to allow them to approve the expenditure under LEADER each month. Is it; A/ A printout of the expenditure recorded on the RDP IT system by the IP & the Financial Partner B/ Cheque journals for the month from the IP's RDP bank a/c & the Financial Partner's RDP bank a/c or job code C/ Other details	The information provided should be such that the Board/LAG Decision Making Members have sufficient information to verify the expenditure they are approving. It is a matter for the LAG Decision Making Members to agree what information they require in order to approve the expenditure.