

LEADER 2014 – 2020 Operating Rules Q & A – Issue 6 – 21 June 2017

No.	LAG	Question	Response
1A	Clare Correction to answer for No 17 on page 11 of LEADER 2014 – 2020 Operating Rules FAQ – Issue 5 – 20 April 2017 – correction in bold	Do you have a definition of public body?	Local Action Groups and their Implementing Partners 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 as stated in Section 10.3 of the Operating Rules (i.e. <i>The LAG must not award funding to Public Bodies.</i>) and The exempted agencies outlined in the FOI Act are also ineligible for LEADER Funding by virtue of being Public Bodies.
1	Clare	In relation to farm schemes are the following not considered De minimis? - AEOS, Glas, REPS, BFP, single farm payment, BurrenLife (BFP), forestry premia Is Appendix 2 a definitive listing of De minimis for farm schemes?	Below is a list of the current Agriculture De Minimis schemes: • Premium from Kerry cattle live Calves • Bovine Viral Diarrhoea Compensation Scheme (BVD) Beef and Dairy calves • Beef Technology Adoption Programme (BTAP) • Sheep Technology Adoption Programme (STAP) • Dairy Development Programme (DDP) • Bord Bia Quality Assurance Scheme • Imported Fodder Transport Scheme • Beef Genomics Scheme (BGS) • Milking Skills Programme paid by Farm Relief

LEADER 2014 – 2020 Operating Rules Q & A – Issue 6 – 21 June 2017

			Service (FRS) • Dairy 'Cash Plan 2014' Programme (DCP) • Superlevy Installment Scheme • Fodder Damage Aid Scheme 2016 • Emergency Flood Damage Relief Scheme 2016 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 2 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.
2	Clare	What can we do to ensure that “at the time of application 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, 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 30 (2) of Regulation 65/2011 (i.e. where a beneficiary is found to have intentionally made a false declaration, the operation in question shall be excluded from support from the EAFRD and any amounts already paid for	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. Please also refer to Circular 14/2017 – Eligibility of the Beneficiary that issued yesterday 20 June 2017.

LEADER 2014 – 2020 Operating Rules Q & A – Issue 6 – 21 June 2017

		that operation shall be recovered. Moreover, the beneficiary shall be excluded from receiving support under the same measure for the calendar year of finding and for the following calendar year) ; “ Can you please advise?	
3	Leitrim	In FAQ 4 issued recently (20th March 2017) there was a query from Louth (No. 30) on processing flour etc. the answer from you included the following and it stated that “Having said that, the marketing and processing of food products, which would include Flour, is eligible under the Programme.” I presume that snails which have been purged are then considered a food product (meat) and that the capital expenditure involved in establishing and developing processing facilities, equipment packaging storage etc. and marketing etc. are eligible under the RDP LEADER programme.	The primary production of snails is classed as agricultural production. However, snails which have been purged are then considered a food product (meat) and that the capital expenditure involved in establishing and developing processing facilities, equipment packaging storage etc. and marketing etc. are eligible under the RDP LEADER programme.
4	Meath	There is provision in the Operating Rules under “Section 5.3 LAG Governance” for the LAG members to avail of voting by written procedure subject to specific conditions. In the event that a LAG member cannot attend a meeting is it allowed for them to attend via either Skype or conference call into the meeting and still have their vote noted in any LAG decisions? This query has arisen as LAG decisions had to be deferred due to non-compliance with the requirement for a minimum of 60% of LAG members to vote and 51% of those voting are non-public sector.	Please refer to Circular 12/2017 – Quorums and decision making at LAG meetings that issued yesterday 20 June 2017.

LEADER 2014 – 2020 Operating Rules Q & A – Issue 6 – 21 June 2017

5	Mayo	In relation to circular 06/2017 Funding for community projects that do not involve an economic activity the proposed interpretation of the rules re: economic/commercial activities pertaining to the running of community centres will render most if not all facilities eligible to be assessed for de minimis. All facilities must charge to cover costs associated with management, operations (staffing), maintenance, professional fees etc. If not the facility could not be viewed as sustainable into the future and could not avail of RDP funding. Possibly the Unit should consider that all sustainable community facilities must be assessed for de minimis in the future to comply with circular 06/2017 and will not be in a position to avail of the increase level of grant aid up to €500,000. Furthermore is operational State funding for schemes such as CSP's, CE's etc. exempted when considering de minimis for a project or must they be included.	The circular notes that <i>“funding of up to €500,000 is permitted for community projects that do not involve an economic activity”</i> and provides that <i>“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”</i>. This provision is the same as applied in the 07-13 Programme. Is operational State funding for schemes such as CSP's, CE's etc. exempted when considering de minimis for a project or must they be included As per Q11 in FAQ Issue 2: <i>LAGs are advised to directly contact the Funding Agency providing other funding received by applicants to ascertain if the funding is considered state aid. These Funding Agencies should advise if the funding they provided is De minimis / State Aid as well as the amount(s) and relevant dates for this funding.</i> Please also refer to Circular 14/2017 – Eligibility of Beneficiary that issued yesterday 20 June 2017.
6	Donegal	We have a query, please, relating to the eligibility of a Veterinary practice seeking support towards the capital costs of developing their current business. We note that Health Care is specifically noted as Ineligible in the LEADER Operating Rules. Obviously the product or service in a Veterinary practice relates to	A Veterinary Practice is not considered as healthcare in the context of LEADER. However, in most cases, there is likely to be a high degree of displacement [and possibly deadweight] in funding such investments, which would make them ineligible. These issues would need to be given careful consideration by the LAG and this should be clearly outlined in any evaluation.

LEADER 2014 – 2020 Operating Rules Q & A – Issue 6 – 21 June 2017

		animal healthcare – our question - is animal healthcare also ineligible?	In addition, the LAG should consider, amongst other things, the level of innovation associated with such an investment and whether it is in line with the relevant Theme and Sub-theme?
7	Galway	We sought clarity on the following query in issue 4 of the previous FAQ Do the “The General Block Exemption Regulations” identified by Failte Ireland under their Large Scale Tourism Grant Aid apply to the RDP.	The General Block Exemption regulations do not apply to LEADER. LEADER avails of exemptions from state aid rules on the basis of the criteria outlined in the Operating Rules and in Circular 6 of 2017
8	Waterford	In Circular 04/2017 the following is stated; Application Fees The charging of application fees or other fees to applicants is not permitted. WLP never charges for application fees. We do however charge for the plaques that are required by the promoters under the Operating Rules. We charge slightly more than the cost that we incur. That allows us to cover the cost of purchasing the plaques, translation costs & bank charges related to the separate Plaque bank a/c. It also allows a small surplus for any plaques that may need to be replaced at WLP’s cost. Is this acceptable to the Dept?	The method for dealing with the cost of Plaques was covered in FAQ Issue 1 Q 9 which was issued on 24 November 2016. Where the LAG/IP is purchasing Plaques on behalf of beneficiaries it must not charge the beneficiary any more than cost price for the plaque. Where the LAG gets paid for the Plaque it must ensure that it does not charge the cost to the LEADER 2014 – 2020 Programme. It is not acceptable to charge beneficiaries to cover the cost of translation costs & bank charges – such costs are covered by the LAGs Administration and Animation. The supply of explanatory plaques is eligible as project costs or may also be charged to administration. The following OR refers; Operating Rule 22.2 Information and Publicity requirements for LEADER Funded Project “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.”

LEADER 2014 – 2020 Operating Rules Q & A – Issue 6 – 21 June 2017

9	Mayo	I refer to the co-operation text issued on 12.10.16 3.4 Administration and Animation costs The administration and animation budget ascribed to the Local Development Strategy of the LAG will be increased by an amount equal to X% of the cost of the co-operation project (phase 3 projects only) subject to the overall administration and animation budget not exceeding 25% of the LDS expenditure over the duration of the programme. I require clarification on this. Was there a final version of this text issued? I had understood that if a co-operation project advanced to phase 3 (the implementation of the concrete project) that the associated administration and animation budget would be increased by 25% of the phase 3 project costs. Can I get clarification on this. The statement quoted here is not clear on this as it uses x%. Further, and given that the overall administration and animation costs can't exceed 25% of the LDS expenditure over the duration of the programme, is LDS expenditure intended to include additional expenditure drawn into the LAG area via phase 3 co-operation projects.	The position with regard to administration and animation costs for a co-operation project is outlined in the LEADER 2014 – 2020 Co-operation Projects document – please see link below: http://www.ahrrga.gov.ie/app/uploads/2016/07/co-operation-projects.docx Administration and Animation costs for Co-operation projects are covered in Section 3.4 of the LEADER 2014 – 2020 Co-operations document (see link above). Administration and Animation costs for a co-operation project are capped at 25% of the co-operation project cost. This is in addition to the administration and animation funding already provided for under the LAG LDS.
10	Limerick	We have received a number of EOI's for projects involving local built heritage. These EOI's have been approved to proceed to Full Application and have been provided with the details of the RDP Heritage Project requirements. Can you please clarify the procedure for submitting projects to the Heritage Projects Review Panel and the applicable dates for the meetings as referred to on page	Circular 09/2017 which issued on 21/04/2017 outlines the procedures. As per Point 24 of the Action Points arising from the LEADER Forum on 17th May 2017 the Department is reviewing the approach to Heritage related projects and further guidance may issue as a result of this review

LEADER 2014 – 2020 Operating Rules Q & A – Issue 6 – 21 June 2017

		139 of the operating rules. Should projects be refereed for heritage review in advance of the evaluation process or can the two processes take place in tandem? In addition can you also please provide an indication of how long the heritage project review is likely to take as final project approval of all projects (whether heritage related or not) under this call cannot be finalised until all projects have completed the full evaluation process	
11	Cork	Is it necessary to have a Fire Cert at application stage for the renovation of a community building? The project does not require planning permission and the group will obtain a letter from the local authority stating so. If the project application is successful, the group will have to get a letter from an external engineer stating the work completed is in line with the relevant regulations etc. Will this suffice?	The requirement under the OR's is to have a Fire Certificate in place when the project is complete. LEADER 2014 -2020 Operating Rules Section 12.2 Grant Payment Claim <i>"The LAG must ensure that.... an architect's/engineer's (as appropriate) certificate of compliance with relevant planning, building and fire regulations and other statutory regulations have been received."</i>
12	Tipperary	Tipperary LCDC is querying whether a Marketing Executive to implement a marketing programme can be funded through LEADER.	This is not eligible for LEADER 2014 – 2020 funding as LEADER does not fund salary, overhead or other ongoing operating costs of project promoters.
13	Leitrim	Queries on Co-operation projects: - Who are or can be eligible applicants for a co-operation project? - What is the role of the LAGs (particularly the lead LAG) are in terms of managing and co-ordinating the project, (is this related to approval of the project?) or what exactly the role and responsibilities of the Lead LAG or co-ordinating LAG is ? - Does an EOI have to be processed and a LAG decision taken by each LAG involved in the co-operation project and does this have to reflect the level of investment within the proposed project in that particular	A Co-operation project is one which takes place as a joint action between two or more LAGs and which provides mutual benefit for each partner – there must be at least 2 partners in respect of any grant aided activity. While the co-operation project is a partnership between two or more LAGs, the beneficiary of funding (project promoter) can also be private or community based applicants (or an implementing partner) in the same manner as for general LEADER support that does not involve co-operation. Please see LEADER 2014 – 2020 co-operation projects document to answer your queries – please see link below: http://www.ahrrga.gov.ie/app/uploads/2016/07/co-operation-

LEADER 2014 – 2020 Operating Rules Q & A – Issue 6 – 21 June 2017

		LAG sub-regional area?. - Does a separate application have to be presented following approval of the EOI to each LAG for the elements / items in the LAG area up to the €200,000 limit for each LAG area? Or can the application in its totality be processed by EOI and application stage through the Lead or Co-ordinating LAG only with the understanding that a maximum of €200,000 will be allocated in each LAG area?. And even if the applicant (promoter) is not necessarily based in that particular sub-region.?? - If there are four co-operating LAGs does this mean that a single co-operation project of up to €800,000 in grant aid is possible. Or is it necessary for four projects to be approved by each of the four LAGs for a maximum of €200,000 in each. ?? - Can the project promoter / applicant be another entity apart from the “Lead” or co-ordinating LAG and if so how can a co-operation project with a community applicant (promoter) be implemented which is beyond the €500,000 or with a private applicants beyond €200,000 in total?.	projects.docx
14	Tipperary	A Query regarding the eligibility of a 3 year marketing programme - design costs - printing costs - postage costs - advertising - distribution costs - promotion - social media costs. Going through the OR, I would see all of these items as working capital and therefore ineligible with the possible	Working capital is ineligible for LEADER funding. In addition LEADER does not fund the operational costs of project promoters. However, marketing and promotion costs associated with a specific project are eligible for LEADER funding.

LEADER 2014 – 2020 Operating Rules Q & A – Issue 6 – 21 June 2017

		exception of the design costs (i.e. if these were to design a new logo, website, brochure etc. then OK), otherwise there is NO mention in the OR of marketing/promotion costs being ineligible. In my view these 7 are annual operating costs to the business and the RDP covers capital, A&D and training i.e. one-off supports. Also unsure how a 3 year programme fits within the new RDP annualised budget format, should it be an annual application?	
15	Tipperary	Another promoter query relates to festival events, where the promoter seeks funding for e.g. an ice rink which is a key footfall attraction, but where there is an entry charge to the public to the rink.	If there is an entrance charge for the Ice Rink then it would normally constitute economic activity and be subject to de minimis rules – unless there was only a nominal charge to cover costs of providing the rink and no net revenue was generated by the activity.
16	Tipperary	Query regarding the hire of a steam train as part of a festival parade procession and equipment hire for a historical re-enactment. Although not ineligible as far I can make out in the OR, guidance is sought re typical festival eligible items as was provided by the Dept in the last RDP.	The hire of equipment deemed necessary to deliver a festival can be considered eligible for LEADER funding.
17	Tipperary	In the event of a promoter undertaking a works project under €50,000 are they obliged to accept the lowest quotation, or can they choose a higher cost quotation in the understanding that any LEADER grant aid may only be offered based on the lowest tender submitted.	In the case of works contracts, project promoters must select the winning tender solely on the basis of the lowest price tendered. Please note that the Section on Procurement will be revised following on from the issue of the Action Points arising from the LEADER Forum on 17th May 2017.

LEADER 2014 – 2020 Operating Rules Q & A – Issue 6 – 21 June 2017

18	Limerick	Where a LAG/IP employee is employed in the LEADER 2014 – 2020 Programme and is required to take out class II insurance (business class) due to the use of the employees own car on official LEADER Programme duties can s/he recoup the additional premium required?	Where a LAG/IP employee is employed in the LEADER 2014 – 2020 Programme and is required to take out class II insurance (business class) due to the use of the employees own car on official LEADER Programme duties s/he may recoup the additional premium on production of the required documentation clearly showing the additional premium. Where the LAG/IP makes payment to the employee engaged in the LEADER 2014 – 2020 Programme to cover this additional premium, the cost of this additional premium may be claimed in the monthly returns in the same manner as for other administration costs.
19	Longford	My query concerns Targeted Calls for EOI's being opened under Rolling Call process. Operating Rules states: “<i>Project areas covered by a targeted call should be ineligible under the ‘rolling call’ process for 6 months following the closing date of the targeted call.</i>” – Is this 6month interval only relevant where 1 or more EOI's have been received in response to the Call for EOI's? Our query stems from a Targeted Call for EOIs which was preceded by an animation process and resulted in no EOI's being received by the closing date of the call. We now wish to open this call under the Rolling Call process and believe no interval is necessary due to competition closed without any expressions of interest. Please clarify whether this is permissible in line with RDP Rules	The requirement that project areas covered by a targeted call should be ineligible under the ‘rolling call’ process for 6 months following the closing date of the targeted call is still valid in this instance.
20	Cavan	Can a promoter/applicant designate a bank account of a lender (e.g. Clann Credo or Community Finance Ireland) for their grant aid to be paid into or must the grant aid be	Per Section 13.2 bullet point 2 of the LEADER 2014 – 2020 Operating Rules and Commission Regulation (EC) No. 907/2014

LEADER 2014 – 2020 Operating Rules Q & A – Issue 6 – 21 June 2017

		paid directly into the promoters/applicants own bank account	Section 13.2 the LEADER 2014 – 2020 Operating Rules: <u>"Transfer of funds to project promoter"</u> <i>The LAG must...</i> <i>...make payments to promoters by electronic funds transfer only and to accounts designated by the promoter only (but not into the accounts of contractors, suppliers, etc.);..."</i> 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.
21	Donegal	A question on targeted call applications. Do the actual calls themselves from the IP's require LAG approval? I don't see this in the operating rules/circulars but one IP seems to think it is required.	Yes the LAG decides on the targeted calls and not the IP. The LAG is the decision making body.
22	Donegal	One of our Implementing Partners in Donegal has asked us to check if there is an Irish Language Version of the attached Conflict of Interest Declaration please (circulated as part of the Procedures Manual appendices). In general can you advise if any of the appendices for the procedures manual have been translated or will that have to be carried out by the Implementing Partner?	The template procedures manuals were produced by a small working group of LAG/IP personnel and are not official DAHRRGA documents. A group of LAGs/IPs may wish to come together, in a similar way, to develop Irish versions of these documents.
23	Meath	Can you please clarify if the following is correct As per operating rules - conventional motor vehicles, including cars, industrial/farm/construction vehicles, vans and buses are ineligible for funding.	As per Section 6.4 (page 38) of the LEADER 2014 – 2020 Operating Rules. <i>"Ineligible Sectors and Activities"</i>

LEADER 2014 – 2020 Operating Rules Q & A – Issue 6 – 21 June 2017

		As per the FAQ Issue 1 - Ride on lawn mower are eligible as they are not “conventional vehicles” - they do not have the capacity to travel above the speed of 17km per hour - threshold for requiring road tax. Using this rationale would that also mean that an excavator with a max travel speed of 3.4 mph / 5.5 km/h would be eligible in principle for funding once all other criteria were met?	Aid <u>shall not</u> be awarded or paid in respect of the following areas – Conventional motor vehicles, including cars, industrial/farm/construction vehicles, vans and buses; " An excavator is a construction vehicle and is ineligible.
24	Mayo	Cooperation projects with a LAG from a different jurisdiction (Northern Ireland) - For preparatory costs if the LEAD LAG (Northern Ireland) are procuring services for both LAGs does the procurement rules that apply to the North suffice (does this all apply for main project costs). Can the costs incurred be paid by each LAG to the supplier rather than the Lead LAG paying all the costs and being reimbursed by the partner LAG.	The procurement rules for the jurisdiction in which the purchase is made are the rules to be followed. Please see extract from Section 7 of Co-operation Guidance document as follows: Claims for payment, together with invoices, receipts and supporting documents, should in the first instance be submitted to the Lead LAG to complete its administrative checks. The Lead LAG pays its portion of the grant aid to the beneficiary on the eligible expenditure established. All this documentation can then be copied to the partner LAGs to process their element of the grant aid. Please see link to LEADER 2014 – 2020 co-operation projects document below: http://www.ahrrga.gov.ie/app/uploads/2016/07/co-operation-projects.docx
26	Louth	Are the salary costs of a project promoter eligible for funding?	Salary, overhead and other project administration costs are not eligible for LEADER funding.
28	Meath	Further to circular 06/2017 where funding of up to €500,000 is permitted for community projects that do not	The threshold for de-minimis remains at €200,000. The de-minimis rule does not apply to community projects

LEADER 2014 – 2020 Operating Rules Q & A – Issue 6 – 21 June 2017

		involve economic activity, is the grant amount being awarded to be considered when calculating the De-Minimis threshold? Has the threshold for De-Minimis increased also to €500,000 for community projects that do not involve economic activity? Is the €500,000 only allowable to a group that's De-Minimis calculation is at €0 - zero?	which do not involve economic activity. Projects up to €500,000 must not involve economic activity and therefore are not affected by de minimis.
29	Sligo	A particular Promoter procured a number of items of photographic and videographic equipment – and opted for a range of on-line retailers as these represented the best value in each instance. The promoter's offer of grant aid from the LAG was based on these agreed suppliers. As on-line purchase is common practice, it has to a certain extent outstripped the invoicing process as required in the Operating Rules – which in many cases is no longer normal commercial practice for on-line purchases. The Operating Rules state that there must be invoices which bear the word LEADER followed by the project reference number. In this promoter's case, they went to the agreed site for each item, clicked through and paid. In certain instances sites generated automatic invoices. Here the Promoter has put "LEADER funded project" as part of his address so the computer generated invoice at least bears that. In other cases, the sites generated automatic receipts, as opposed to invoices. Again where feasible, the Promoter has put "LEADER funded project" as part of their address so at least it shows somewhere on the paperwork. However, some have no reference to	The requirement below in Section 12.2 of the LEADER 2014 – 2020 Operating Rules is no longer required and will be removed from the updated LEADER 2014 – 2020 Operating Rules: the description on all invoices includes the project reference number preceded by the word 'LEADER' in the order number section of the invoice – the LAG must advise the promoter of this requirement prior to project approval. This payment description must be printed on all electronic invoices submitted to the LAG in support of a payment claim Where electronic invoices cannot be provided, this payment description must be written on the invoice and signed by the supplier or provider before submission to the LAG.; The process as described is acceptable provided that the online order form clearly states the quantity and item/s which been ordered. When payment is being made, the receipt should also clearly describe the item.

LEADER 2014 – 2020 Operating Rules Q & A – Issue 6 – 21 June 2017

	LEADER at all as it was not possible to include it on automated responses. In yet another instance, the vendors have simply processed the sale and sent a till receipt with the item when delivered. So there is no room for descriptors. The Promoter has purchased exactly what they said they would purchase, and from whom they agreed to purchase it. They have documentation as described above outlining the purchase process. They have submitted proof of purchase in terms of Bank Statements / Visa Statements / PayPal statements which show the payments leaving their account to the vendors. I have gone out and checked that all the items exist and are what they purchased. I have photos of each of them. I have an asset register outlining all items and their serial numbers. Can we suggest a derogation in the OR to deal with this type of claim?	When sourcing goods on line, the requirement to respect the procurement requirements and to assess the reasonableness of the project costs still applies.
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