	LAG	Question	Response
Procurement			
1	**Dublin**	Is there any requirement under the operating rules to provide a rationale for the increase cost of an invoice compared to the quote price, if there was no additional work was done or no additional elements were supplied? The costs just rose in the interim period. The promoter is only going to receive grant aid as per contract.	The Operating Rules don't address this particular issue directly. However, where there are variations between quotations/tenders and final costs, it is advisable to place an explanation on file for the increase in cost and that funding will only apply to the amount approved by the LAG.
2	**Dublin**	The following project XXXXXXX was approved at our last LAG meeting. The Project value was €441,009.19 and the grant aid sought was 23.53% (€103,750.00). LEADER Procurement Category 2 was used, with the promoter seeking the requisite number of quotes and an advert was placed in the local newspaper too. Under Operating Rule 15.4 National Procurement Guidelines, it mentions EU thresholds but they are not mentioned in Operating Rule 15.5 LEADER Procurement Cat 2. Therefore we did not refer to them and the project went to the LAG for approval. Can you please advise if we should have referred to operating Rule 15.3 when using Operating Rule 15.5 LEADER Procurement Cat 2? Operating Rule 15.3 ***"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***	The EU threshold notification requirement only applies to Category 1 – **National Procurement Guidelines** You have noted that only the table at 15.4 contains references to EU thresholds, as qualified by the following text indicated by an asterisk i.e. * Where a project exceeds the EU threshold, the LAG must agree the appropriate procurement requirements with the Department as per Section 15.3. The Category 2 table at 15.5 does not contain such references, as these are solely LEADER related procurement rules, and therefore outside of the National Procurement Guidelines. In this particular case, which falls under Category 2 - LEADER Procurement Requirements, there was no need to seek agreement on the process by the Department.

		ensure adherence to EU public procurement requirements; contact email: OR1420@ahg.gov.ie . The current EU thresholds are €221,000 (exclusive of VAT) for Supplies & Services and Works-related Services"	
		Eligibility	
3	**Limerick**	We have received a query from a potential promoter regarding funding to support to development of Hemp in our area. The promoter is looking at a number of potential areas and I would like to confirm if any or all would be eligible under LEADER 1. Feasibility Study re potential for growing Hemp - while I understand that Agriculture is an ineligible activity, I am unsure if hemp falls under the classification of agriculture 2. Purchase of equipment to grow and harvest Hemp 3. Processing of hemp into end products I would greatly appreciate any guidance you can offer on the subject.	The growing of hemp is an agricultural activity, and therefore ineligible for LEADER funding, as would the purchase of equipment to grow and harvest hemp. See Section 6.4 of the LEADER Operating Rules 2014-2020 – ineligible sectors and activities. The processing of harvested hemp (seed or plant fibre elements) may qualify for LEADER funding, depending on the end product.
4	**Roscommon**	We have received an Expression of Interest from a Goat Farmer in Co Roscommon. He wishes to apply for LEADER Funding for the production and bottling of Raw Goats Milk. I would like ascertain eligibility of this activity and I am unsure if this activity is covered by any current or previous DAFM scheme. Equipment required for initial set up is as follows :	Agriculture is ineligible for LEADER funding as per Section 6.4 of the LEADER Operating Rules 2014-2020. This includes goat farming or milk production. The general rule is that the growing and production phases of an agricultural activity e.g. crop growing and harvesting, stock rearing, or milk production, are always ineligible. If the shed will used for milking the goats, then it would be ineligible on

		? Fit out of Shed ? Processing Equipment ? Bottling Unit ? Kit out of Van (not eligible under LEADER) ? Labelling Machine I would appreciate any clarity and guidance you can give on this potential project	the grounds of its involvement in the primary production stage of milk. Any building facilities used for further processing of the milk may be eligible for LEADER funding, depending on DAFM confirmation as to if aid is available under any of its schemes. The milk processing, bottling, labelling and any marketing element of the milk product would be eligible in principle, as these activities occur post-production. Again, DAFM confirmation will be required in relation to potential grant aid for these elements.
5	**Monaghan**	Monaghan LAG has deferred a decision on a LEADER community based project application, (Community Centre extension to existing centre). The IEP had recommended rejection of the application and a number of reasons were given. a) Viability considered weak, b) Poor value for money (€456k) c) More detailed surveyors report required d) Possible displacement of existing facilities in the wider area e) Evidence of bridging finance required. The LAG is awaiting clarification on the issues above before confirming its decision. While c) and e) above might be overcome reasonably easily by the group, a) and b) could be more of a challenge for them. I would like to enquire as to the reasonableness of also using d) to include in disallowance of a community based application that	While displacement may not arise in community type projects, it must be evaluated and the rationale for the decision must be recorded in the LAG and Evaluation Committee minutes. (Section 6.4 of the LEADER Operating Rules). If neighbouring community centres do not charge for use of the facilities, then there is technically no economic activity to which displacement might apply. An assessment would involve, inter alia, examination of the promoter's financial statements and its mandate under its constitution. Although a somewhat separate issue, the LAG should consider the need for a further facility of a similar nature in close proximity to an existing one, on the basis of future viability and value for money.

		involves as extension, albeit a large one, to an existing premises.	
6	**Longford**	This is a query in relation to the eligibility of the purchase of a wood chipper. Is a wood chipper on a trailer chassis eligible for Leader funding? Specification of this vehicle: tractor driven chipper with crane 8.5m. The purpose of this vehicle is planning a business expansion to diversify into wood chip, eventually leading to environmentally friendly peat moss & wood chip products.	Based on the information provided, a wood chipper that is not self-propelled and is not categorised as a conventional motor vehicle, is eligible in principle for LEADER funding. Details of the proposed model should be reviewed in advance of submission to the LAG's Evaluation Committee. If any further doubt exists, please send details of the machine to this email address.
		Evaluation & Decision Making	
7	**Mayo**	Is it permissible for a LAG decision to be made between meetings by emailing the details to all members and a quorum of responses is received and the private public requirements are met?	There is no provision for LAG decision making by email or written correspondence. Physical attendance is the standard process, except for situations outlined in Section 5.3 of the LEADER Operating Rules 2014-2020 i.e. by phone or video conferencing. **Section 5.3 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.*
Miscellaneous			
8		I have a project promoter who purchased a machine in the UK. He paid a deposit and the company told him they were tax compliant, which they were… in the UK. But they didn't understand about Irish non-resident tax clearance certs. When I realised what happened I instructed the promoter to ensure that the supplier applied to Irish revenue for a non-resident tax clearance immediately and I have been sent a copy of it which is in date at the time of the second payment but not the first. I'm at a loss what to do, I know this claim is coming to me in the next fortnight and the non-resident TCC is valid until May 2020.	If the Revenue TCC letter advises that the non-resident tax clearance letter is valid until May 2020, then that will suffice in respect of all goods purchased from that supplier until then. The Revenue tax clearance procedure for non-resident businesses is different from the more usual e-Tax Clearance regime in this regard. See Section 14.3 of the LEADER Operating Rules 2014-2020 regarding non-resident suppliers/contractors.
9	**Kilkenny**	Please see link below re: Umbrella projects. It seems approval of Umbrella projects is at the discretion of each	Umbrella projects are not part of the LEADER programme in Ireland.

		member state – can you tell me is this something we can do in Ireland? https://enrd.ec.europa.eu/sites/enrd/files/w7_implementing-umbrella-projects-practicalities.pdf	
10	**Donegal**	Are import duties on items being sourced abroad (i.e. UK and US) eligible for LEADER funding?	Any import duties/tariffs that contribute to the acquisition of an eligible item for LEADER funding are eligible. Additionally, in principle VAT charged at the point of entry of the goods into the EU may also be eligible for LEADER funding, subject to confirmation of the promoter's VAT status. Supporting information e.g. Revenue paperwork relating to the imported item(s) and payment of the duties/tariffs will be required for claim purposes.
		Article 48	
11	**Wexford**	I have a query in regard to the following claim checklist question Q25 - Capital Works - In the case of capital projects, is there an engineer/architect's signed and dated report, which verifies the works and related costs are consistent with those approved by the LAG? During article 48 checks, we have been asked to ensure that all architect/engineer reports include the actual wording: that all works and related costs carried out are consistent with those approved by the LAG. Is this a requirement?	The Engineer's report will have to be updated to reflect that all works and related costs carried out are consistent with those approved by the LAG.