



Circular No: 14 - 2019
From: LEADER Policy and Operations Unit
To: All LAGs and Implementing Partners
Date Issued: 12 September 2019
Subject: Revising Funding Allocations

This Circular amends Section 8.3 of the LEADER 2014 – 2020 Operating Rules and permits the introduction of ‘new’ cost items to a project that has already been grant aid approved by the LAG. The introduction of ‘new’ cost items will be permitted in limited circumstances as set out in the revised text of Section 8.3 of the LEADER 2014 – 2020 Operating Rules.

It is a matter for the LAG to decide if support for ‘new’ cost items should be allowed as a general rule for projects that have already been approved for funding. While the amendment seeks to introduce greater flexibility, it will nonetheless bring additional administration work for the LAG and Article 48 Checking Body.

The amendment is being permitted on a trial basis and its impact will be monitored on an ongoing basis by the Department.

The text in Section 8.3 has also been amended to clarify the procedure where the reallocation of funds for the project is permitted by the Authorised Officer. An Addendum to the Contract documenting the change(s) must be issued to the project promoter and accepted by them in writing.

Please see amendments to Section 8.3 of the LEADER 2014 – 2020 Operating Rules in red and strikethrough below:

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. A reallocation of funds up to the permitted 10% must be approved in writing by the Authorised Officer. **An Addendum to the Contract documenting the change(s) must be issued to the project promoter and accepted by them in writing.** 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 or Authorised



Officer may not reallocate funding to new cost elements **except in the circumstances set out below:**

The LAG may approve the reallocation of no more than 10% of the approved project cost or €5,000, whichever is the lesser to 'new' cost items subject to:

- an application in writing by the project promoter to the LAG Authorised Officer seeking approval to re-allocate funding which should demonstrate how the re-allocation is consistent with the project and its objectives as approved by the LAG and a declaration that the reallocation will not compromise the project's delivery;
- the 'new' cost items and expenditure complying with LEADER 2014-2020 Operating Rules (e.g. Procurement, etc.); and
- approval of the funding re-allocation by the LAG, with an Addendum to the Contract documenting the change(s) issued to, and accepted by the project promoter.

For monitoring purposes, the LEADER Policy & Operations Unit should be notified of each project where the approval of the re-allocation of LEADER approved funding to "new" item(s) occurs. This notification should include project details and reason for approval and should be sent to OR1420@drcd.gov.ie with the subject heading **Reallocation of funding**.

~~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.

Please see Appendix 1 attached to this Circular for a clean version of Section 8.3

Thank you for your continued co-operation.

LEADER Policy & Operations Unit.



Appendix 1 - Clean Text for Section 8.3 of the LEADER 2014 – 2020 Operating Rules

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The LAG may approve the reallocation of no more than 10% of the approved project cost or €5,000, whichever is the lesser to 'new' cost items subject to:

- an application in writing by the project promoter to the LAG Authorised Officer seeking approval to re-allocate funding which should demonstrate how the re-allocation is consistent with the project and its objectives as approved by the LAG and a declaration that the reallocation will not compromise the project's delivery;
- the 'new' cost items and expenditure complying with LEADER 2014-2020 Operating Rules (e.g. Procurement, etc.); and
- approval of the funding re-allocation by the LAG, with an Addendum to the Contract documenting the change(s) issued to, and accepted by the project promoter.

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