



Circular No: 06 - 2020
From: LEADER Policy and Operations Unit
To: All LAGs and Implementing Partners
Date Issued: 23 March 2020
Subject: Project completion dates and Contract duration

This Circular is being issued to assist LAGs in deciding the duration period permitted for their contracts with LEADER project promoters.

The LEADER 2014 – 2020 Operating Rules do not specify what the duration of a contract between the LAG and project applicant should be. In considering the duration of a project contract, the LAG must take into account what is a reasonable period to expect the project to be delivered. This period should be discussed with the project promoter and should be realistic. Consequently, the LAG must be mindful of the proposed timeline for the final project claim, particularly for capital build projects involving retention of the final payment to contractors in case of defect. Such projects tend to result in final invoices being issued 12 months or more after completion of the main project build. The retention amount can vary between 3% and 10%, so if the promoter wishes to claim grant aid on such sums, the LAG will need to discuss this matter with the promoter and factor in an appropriate contract expiry date.

Per Section 8.4 of the LEADER 2014 – 2020 Operating Rules “... ***The LAG should monitor and review the progress of all projects and engage with project promoters, as appropriate...***”. Where contracts are close to their expiry date, the promoter should be asked to confirm if an extension will be required.

Please refer to Circular 03-2020 for a suite of user reports which will facilitate the LAGs’ ongoing monitoring of contract related information for relevant projects for their LDS Area.

If there is a requirement for a contract extension, a written application for same should be made to the LAG by the project promoter outlining the length of extension required. This application should be submitted in adequate time so as



to allow the contract extension request from the project promoter to be considered by the LAG.

The latest date permitted for a contract between the LAG and project applicant to extend to, is **30 June 2022**. Therefore **all** LEADER projects **must** be completed by **30 June 2022**. Where a contract extension is being granted for a project, the contract extension date must **not** go beyond **30 June 2022**. This will allow sufficient time for claims to be completed by project promoters and submitted to the Department to allow sufficient time for the subsequent drawdown of funds from the European Commission.

LEADER Policy & Operations Unit