

Ireland's Transitional LEADER Programme

(including amendments to 2014-2020 LEADER Programme)

GUIDELINES FOR LEADER Local Action Groups (LAGs)

Version 1

December 2020



**Rialtas
na hÉireann**
Government
of Ireland

Tionscadal Éireann
Project Ireland
2040



'The European Agricultural Fund
for Rural Development: Europe
investing in rural areas'.

**Funded by the Department of Rural
& Community Development**

Outline of Transitional LEADER Programme

1. Background

As a result of the delays at EU level in agreeing new CAP regulations and the wider EU budget for the period 2021-2027, there will be a gap between the current 2014-2020 LEADER programme and the next EU framework programme. The next EU LEADER programme will not begin until January 2023.

In this context, the Programme for Government commits to: *'Prioritise a state-led Rural Development Programme to bridge the gap between the wind-up of the existing LEADER Programme and implementation of the new programme.'*

The Minister for Rural and Community Development is introducing a Transitional LEADER Programme from April 2021 to bridge the gap between the EU programming periods. It is likely that EU co-funding will become available for the Transitional Programme. However, the level of funding available will not be clear until the EU budget and Member States' allocations under the CAP are agreed. This may not be finalised until early 2021.

This is an unprecedented and evolving situation, but the Department's priority is to ensure that the LEADER model of locally-led community development is maintained without interruption. The Minister is committed to providing funding to support new projects and the Administration and Animation costs of the Local Action Groups (LAGs) throughout the transitional period.

The Minister is therefore allocating an initial €20 million to the Transitional LEADER Programme in 2021 and will review the situation in relation to 2022 when there is certainty regarding EU funding and when Regulations governing the transitional period are signed at EU level. However, the Minister has committed to ensuring that the Local Action Groups and their Implementing Partners will be supported to continue to deliver the Transitional Programme in 2022.

2. Aim of the Transitional Programme

The aim of the Transitional LEADER Programme is to allow locally-led rural development projects to continue to be delivered using the current LEADER model until the new EU programme commences in 2023.

The Transitional Programme provides a particular opportunity for LAGs and Implementing Partners to:

- a) Work closely with communities, and particularly those who have not previously benefited from LEADER funding, to build their capacity in preparation for the next programming period and ensure that weaker communities are not left behind.
- b) Promote projects which support communities in a post-COVID-19 environment.
- c) Support job creation, entrepreneurship, enterprise development and innovation in a post-COVID-19 and/or post-Brexit environment.
- d) Explore and develop projects for funding in thematic areas which are likely to feature strongly in the next EU-funded programme. In this regard, projects which address the climate agenda, digital transformation and projects that utilise the Smart Village¹ approach to local area development should be encouraged.

The transitional period will also provide an opportunity to review the 2014-2020 LEADER programme and to draw on learnings from that programme, as well as enabling arrangements for the next EU-funded programme to be put in place, including the drafting of a new national LEADER programme and Operating Rules, and new Local Development Strategies (LDSs).

3. Priorities for the Transitional Programme

While it is the responsibility of each LAG to decide on the projects it supports and the level of funding provided to those projects, the Transitional LEADER Programme should seek to address the challenges facing rural Ireland in the coming period and to complement the forthcoming Rural Development Policy which will place an emphasis on job creation, remote working, and maximising the potential of broadband in rural communities.

In this regard, LAGs are required to consider the following actions in the context of their existing Local Development Strategies and to seek amendments to their Strategies where appropriate. This is not an exhaustive list and LAGs may consider other actions that seek to address key issues:

1. Supports to rural businesses seeking to reach new markets, expand, innovate and/or diversify in response to the impact of the COVID-19 pandemic and/or Brexit, with a particular emphasis on providing support to businesses in the food sector.
2. Community based projects that seek to address the impact of the COVID-19 pandemic.

¹ *Smart Villages are rural areas and communities, which build on, and enhance their existing strengths and assets through creative thinking and by embracing innovation to create desirable places for rural people to live and work.*

3. Supports and capacity building for communities that have not previously received assistance under LEADER or other rural programmes, using the Transitional Programme for the LAGs and Implementing Partners to engage directly with new applicants to develop projects and enhance collaboration within communities.
4. Support for new and innovative projects in the areas of climate change, environmental protection and the green economy.
5. Maximising the potential of broadband and the digital economy in communities, including through skills development and building awareness and usage of available remote working facilities.
6. Projects that develop the concept of the Smart Village initiative or Rural Economic Development Zones (REDZs)² which could serve as proof-of-concept for more substantial proposals in the context of the next EU-funded LEADER Programme.

Collaboration between LAGs within their own project budgets will be encouraged in relation to bullets 5 and 6 in particular.

The Department will also review opportunities to reduce the administrative burden for smaller scale projects under the Transitional Programme.

4. Structures for delivery

If EU co-financing becomes available for the Transitional LEADER Programme, it will be on the basis of the framework applicable to the 2014-2020 programme. The Transitional Programme will therefore be delivered through the current LAG and Implementing Partner structures to facilitate a seamless crossover to the Transitional Programme and to ensure that all of the requirements are met to draw down funding from the EU.

New LDSs will not have to be developed for the Transitional Programme. However, LAGs will be permitted to amend their existing LDS where they consider this necessary to focus on the emerging issues outlined above.

Existing LEADER funding contracts with the LAGs will be extended to take account of the Transitional Programme.

5. Commencement Date and Duration

A number of requests have been received for an extension of the timeline for project commitments under the current LEADER programme. In response to this request, but also to

² The REDZ (Rural Economic Development Zones) concept, which was advocated in the 2014 CEDRA report, encourages rural towns and areas to work together across administrative boundaries.

avoid any inordinate delay in starting up the Transitional Programme, the new Transitional LEADER Programme will commence on **1st April 2021**. Only projects approved on or after this date will be eligible for funding under the Transitional LEADER programme. However, project animation may commence from **1st January 2021**.

Projects under the Transitional Programme must to be approved by the LAGs on or before **31st December 2022**, with all projects to be completed before **31st December 2023**.

Final claims for payment must be submitted to the Department no later than **30th June 2024**.

6. Extension to 2014-2020 LEADER Programme

Under the current LEADER programme, all project approvals are due to be made before the end of 2020. Due to the disruption to community and economic activity this year as a result of the COVID-19 pandemic, it has not been possible for all LAGs to meet the project approval deadline. Taking this into consideration, and in response to a number of requests for an extension of the timeline for project approvals, the Minister is extending the deadline for project commitments under the 2014-2020 programme to **31st March 2021**.

In addition, for the duration of the Transitional Programme, LAGs will also be permitted to reallocate any funds approved under the 2014-2020 LEADER Programme which are subsequently decommitted from a project as a result of an underspend, or non-progression of a project. Projects availing of this reallocated funding must be approved by the LAGs on or before **31st December 2022** and completed by **31st December 2023**.

The deadline for project approvals under the Co-operation Projects measure and the LEADER Food Initiative is also extended to **31st December 2022** or until the funds available for these schemes are exhausted, whichever is the sooner. Such projects must be completed by **31st December 2023**.

Final claims for payment under the 2014-2020 programme **must** be submitted to the Department no later than **30th June 2024**.

7. Conditions for LAGs

The following conditions will apply to the LAGs and Implementing Partners in order to be eligible to receive new funding under the Transitional Programme from 1st April 2021:

- LAGs must have all of their 2014-2020 project funding allocated.
- The projects approved under the Transitional Programme must comply with the LEADER Operating Rules, EU Regulations and any subsequent Circulars that may be issued by the Department.

8. Funding for the Transitional LEADER Programme

An initial allocation of €20 million is being made available for the delivery of the Transitional LEADER Programme. This funding will cover new project applications and LAG administration costs under the programme.

75%, or €15 million in total, of the funding is being allocated to new project activity, with the remaining 25%, or €5 million, available for Administration and Project Animation costs. The funding will be distributed between the LAGs on a pro-rata basis, commensurate with the allocations made at the start of the 2014-2020 LEADER programme.

Additional Administration and Animation funding, amounting to approximately €7 million in 2021, will be provided to the LAGs for the on-going management and delivery of the 2014-2020 LEADER projects.

Appendix 1 shows the distribution of the Transitional Programme project funding and the Administration/Animation funding for each LAG area. The overall Administration and Animation funding for each LAG is consistent with the average allocation to each LAG over the period July 2016 - when the current LEADER programme effectively commenced - to December 2020.

It is anticipated a similar amount of funding will be made available for the LAG Administration and Animation costs in 2022.

It will be a matter for each LAG to distribute the Administration and Animation funding to its Implementing Partners as appropriate.

Funding of **€5 to €8 million** will also be available under the LEADER Food Initiative during the transitional period and a further call for project proposals will be launched in 2021. New projects which satisfy the conditions of the LEADER Food Initiative must be channelled through that initiative from 1st April 2021, rather than through the core project funding stream.

9. Article 48 Administrative Checking Costs

Local Authorities will continue to receive funding until 31st December 2022 from the Department for Art. 48 checks in accordance with the arrangements in place for the 2014-2020 programme.

10. Rate of Aid for enterprise projects

The Programme for Government includes a commitment to *'Increase the Rate of Aid available to private enterprise through LEADER from 50% to 75% for capital projects'*.

The maximum rate of aid permissible to private enterprises will be increased in line with this commitment as part of the Transitional Programme arrangements, to further support enterprise development and job creation in rural areas in a post-COVID and Brexit environment.

The maximum rate of aid that will apply to private enterprises will be 75% for investment and other supports (including promotion undertaken as part of the implementation of a project). The change to the maximum Rate of Aid will also apply to community-based projects with a commercial basis, and to social enterprises.

It will be a matter for a LAG to decide on the appropriate rate of aid it awards to each project, as is currently the case, and the LAG may award a rate lower than the maximum permitted.

This change will come into effect from **1st April 2021 for new applications received on or after that date.** It will be effective for the duration of the Transitional Programme and will be reviewed during this period to determine the impact the increased rate has had on enterprises and job creation and whether the arrangement should continue to apply under the next EU programme from 2023.

Normal *de minimis* rules will apply to funding of commercial projects. In addition, those receiving grant aid in excess of 50% of the total project costs are classified as Category 1 project promoters and must follow National Procurement Guidelines as outlined in Section 15.4 of the LEADER Operating Rules.

Appendix 1 – Transitional Programme Allocations to each LAG

LAG area	Share of Transitional Project Budget	LAG Administration & Animation Allocation for 2021
Carlow	437,509	356,489
Cavan	581,065	462,349
Clare	608,197	495,383
Cork North	347,171	282,880
Cork South	261,225	212,850
Cork West	341,978	278,648
Donegal	880,492	717,437
Dublin Rural	434,348	353,913
Galway East	521,990	392,971
Galway West	309,548	242,135
Kerry	696,809	567,770
Kildare	358,745	292,311
Kilkenny	531,244	432,865
Laois	485,767	394,362
Leitrim	408,987	327,930
Limerick	632,495	515,385
Longford	518,020	415,361
Louth	416,036	338,992
Mayo	758,279	611,900
Meath	470,668	383,507
Monaghan	517,685	408,872
Offaly	547,961	445,942
Roscommon	603,590	491,814
Sligo	521,976	425,314
Tipperary	688,871	560,191
Waterford	512,918	417,933
Westmeath	503,469	398,936
Wexford	670,919	502,230
Wicklow	432,038	345,992
Totals	15,000,000	12,072,662*

*Includes €5 million in respect of the Transitional Programme, as well as funding for the management and close-out of projects under the 2014-2020 Programme.

**Appendix 2 - Key dates for the LEADER Transitional Programme
and the LEADER 2014-2020 programme.**

1 st January 2021	• Continuation of the LEADER Food Initiative and Co-operation Scheme • Animation of projects for the Transitional Programme will commence
31 st March 2021	• Final date for allocation of 2014-2020 LEADER Project Budgets
1 st April 2021	• Commencement of Transitional Programme project approvals • Increase in Rate of Aid for enterprises and commercial projects
31 st December 2022	• Final date for decommitted funds from 2014-2020 programme to be reallocated • Final date for allocation of Transitional Programme project budget
31 st December 2023	• Final date for all LEADER projects to be completed
30 th June 2024	• Final date for submission of all project claims for payment under the 2014-2020 LEADER programme and the Transitional Programme