



Circular No: 07- 2021

From: LEADER Policy & Operations Unit

To: All LAGs and Implementing Partners

Date Issued: 25/08/2021

Subject: Contract Extensions for projects approved for funding by the LAG

The Department has reviewed the current process for granting contract extensions by LAGs for projects where they receive a written request from the project promoter for same. As a result of this review, this circular is being issued to give more autonomy to the LAG in relation to the approval of contract extension requests made by project promoters and to make the process more streamlined by removing the requirement for the LAG to apply to the Department to grant a derogation where the contract extension request is for greater than 12 months from the completion date originally approved by the LAG.

Section 8.4 of the LEADER Operating Rules states that “...The LAG may not extend a completion date by more than 12 months in total...”. The Department has decided to revise the text “no more than 12 months” to “**no later than 31 December 2023**” (the date which all projects must be completed by).

Therefore, the text in the Operating Rules is being revised from:

“...The LAG may not extend a completion date by more than 12 months in total...” to

“...The LAG may not extend a completion date to later than **31 December 2023**...”

However, the following requirements will remain:

- In all cases, the project promoter must provide the LAG with a written request for a contract extension, specifying the new expiry date for the contract. The LAG must check the project promoter’s solvency before any extension is given (unless



it has been checked in the previous 12 months). Where a LAG decides to approve a contract extension, it must be approved by the LAG in advance of the expiry date of the contract. Therefore the LAG must ensure that no gap exists between the previous contract expiry date and the start date of the new extension period. The LAG must notify the project promoter in writing that the contract has been extended and a new completion date agreed. Where such an extension is approved, the LAG must ensure that, as for other LAG decisions, that this decision is recorded in the LAG Minutes and that a clear rationale for the extension is recorded on the project file; and

- The contract extension date must be entered on the LEADER IT System at the time that the required written LAG decision notification is sent to the project promoter informing them that the contract has been extended and that a new completion date has been agreed. This will ensure that the LEADER IT System contains the most up to date and accurate information regarding the agreed project completion date.

It should be noted that there is **no** change to the authority of the LAG Authorised Officer, who can still continue to extend a completion date by up to six months on foot of a written request from the project promoter. The completion date extension (up to a maximum of 6 months) approved by the LAG Authorised Officer must **not** extend past **31 December 2023**.

The LAG must continue to monitor and review the progress of all projects on a regular basis and engage with project promoters, as appropriate.

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