



Circular No: 03-2024

From: LEADER Policy and Operations Unit

To: All LAGs, Implementing Partners and Article 48 Checking Bodies

Date Issued: 27th February 2024

**Subject: Updated arrangements regarding closure of the 2014-2022
LEADER Programme**

This Circular is being issued to inform recipients of:

1. Revised timeframe for implementation of new arrangements regarding closure of 2014-2022 Programme
2. LEADER Food Initiative and Co-operation administration and animation funding
3. Reasonableness of costs procedures

1. Revised timeframe for implementation of new arrangements regarding closure of 2014-2022 Programme

Further to the procedures detailed in Circular 01-2024 regarding the apportionment of costs between the 2023-2027 and 2024-2022 LEADER programmes, the Department has decided to move the date forward for the introduction of these procedures from 1 February 2024 to **1 April 2024**.

While recognising that the completion rate of projects will have increased since 31 December last, the apportionment rates will not be changed to reflect the increased percentage of projects completed and therefore, the apportionment will remain as per Circular 01-2024, i.e. 82% (2023-2027) and 18% (2014-2022).



In sub-regional areas where the selection process for the 2023-2027 LEADER Programme has not concluded on 1 April, the apportionment rate will apply from the first day of the month after the date of issue of the funding agreement to the selected LAG.

A 'How to Guide' will issue to all LAGs and Implementing Partners in the coming weeks outlining the practical steps to be undertaken on the LEADER IT systems for recording administration costs from 1 April 2024.

This arrangement will be in effect until 30 June 2024. All monthly returns from 1 July 2024 onwards must be charged to the 2023-2027 Programme.

2. LEADER Food Initiative (LFI) and Co-operation administration and animation funding

In light of the 2014 – 2022 LEADER programme drawing to a close, and to ensure maximum drawdown of EU co-funding, the following process will apply:

- Where LAGs have LFI and/or Cooperation projects awaiting completion, the Department will add the remaining LFI and/or Co-operation administration to the LAGs administration budget on the LEADER IT System in the coming week. This amount will be based on the original value of each project approved by the LAG, for example:

Project grant approved by the LAG = €80,000

25% administration = €20,000

12.5% administration added to LAG administration budget at approval stage = €10,000

Balance of 12.5% administration to be added to LAGs budget = €10,000

- For LAGs in a position to claim this funding, it can only be claimed against expenditure incurred for the 2014 – 2022 LEADER programme and expenditure must be incurred by 31 March 2024. If expenditure is not fully incurred by this



date, it cannot be claimed at the 100% rate, and will instead be subject to the apportionment rate, i.e. 82% (2023-2027) and 18%¹ (2014-2022).

- Each LAG must notify the Department of any LFI and/or Cooperation project withdrawals or decommitments in the usual manner. This will ensure that each LAGs budget can be adjusted and reconciled to the actual amount of administration linked to project claims, for example:

Example: Completion of project under budget

Project grant approved by the LAG = €80,000

12.5% administration added to LAG administration budget at approval stage = €10,000

Remaining 12.5% administration added to LAG administration budget as advised above = €10,000

Total (25%) added to LDS administration budget = €20,000

Actual grant drawdown for project = €75,000

Adjusted 25% administration = €18,750 ($€75,000 \times 25\%$)

Adjustment (deduction) to be made to LAG administration budget = €1,250 ($€20,000 - €18,750$)

Example: Project withdrawal

Project grant approved by the LAG = €80,000

12.5% administration added to LAG administration budget at approval stage = €10,000

¹ 18% will be charged to EU-co-funding or Exchequer depending on a LAGs remaining administration budget.



Remaining 12.5% administration added to LAG administration budget as advised above= €10,000

Total (25%) added to LDS administration budget = €20,000

Actual grant drawdown for project = €0.00 (owing to project being withdrawn)

Total administration for withdrawn project = €0.00

Adjustment (deduction) of 25% administration from LAGs administration budget = €20,000

3. Reasonableness of costs procedures

From the date of this circular, all LAGs and Implementing Partners should adhere to the thresholds for reasonableness of costs procedures as per section 17.2 of the 2023-2027 LEADER Operating Rules, i.e. a combined value of over €5,000 for non-salary items over a two-year period will require assessment for reasonableness of cost.

The costs should then be proportioned accordingly in line with the new procedures.

Requests for independent verification of reasonableness of costs should be submitted using the *Reasonableness of Cost Assessment Template* and forwarded to OR2327@drcd.gov.ie.

Any queries in relation to the application of this Circular should be submitted to rdp1420@drcd.gov.ie

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