



Circular No: 02-2025

From: LEADER Policy and Operations Unit

To: All LAGs, Implementing Partners and Administrative Check Bodies

Date Issued: 1 April 2025

Subject: Updates to the 2023-2027 LEADER Operating Rules

This Circular is being issued to inform recipients of a revised version of the 2023-2027 LEADER Operating Rules, with specific reference to updated sections. These updates will come into effect from the date of this circular unless otherwise stated.

1. Acronyms and Terms	2
2. Section 1 - Introduction	2
3. Section 5.4.3 - LAG Decisions	2
4. Section 5.6 - Amendment to Local Development Strategy (LDS)	2
5. Section 6.5 - Eligibility of the Beneficiary	3
6. Section 9.4 - Revising Funding Allocations	3
7. Section 11 - Project Matching Funding	6
8. Section 16.6 - LEADER Procurement Requirements - Category 2	9
9. Section 17.2.2 - Verification of the reasonableness of beneficiary non-salary administration costs	9
10. Section 17.6 - Expenses	10
11. Section 19.3 - False Declaration	10
12. Section 21.1 - Overview of Monitoring Framework	11
13. Section 26 - Updated appendices	11



1. Acronyms and Terms

Throughout the Operating Rules there are references to “LAG Authorised Officer” so a clarification is added to the list of acronyms and terms:

<u>LAG Authorised Officer</u>	<u>Generally, the LAG Authorised Officer is the CEO of an LDC led LAG and the Chief Officer of an LCDC led LAG.</u>
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2. Section 1 - Introduction

Text change to clarify that the Department provides guidance in response to queries submitted.

~~In matters of interpretation, the Department's decisions are final.~~ Where an interpretation of these Operating Rules is required, the query should be forwarded in the appropriate template (Appendix 24) to OR2327@drcd.gov.ie ~~-(Appendix 24) and the Department will provide guidance in reply.~~

3. Section 5.4.3 - LAG Decisions

Text revised to clarify that a LAG member abstaining from voting on a project does not impact on the quorum for the LAG meeting.

Where a decision is being made at a LAG meeting and a LAG member ~~decides to has declared a conflict of interest and~~ abstains from voting on a project after conflicts of interest have been declared, this LAG member will still be counted for quorum purposes.

4. Section 5.6 - Amendment to Local Development Strategy (LDS)

Text inserted regarding process of LAG approving amendments to the LDS before a submission requesting Department approval

Any submission to the LAG to move funding between themes/sub-themes should include a detailed business case including the amounts under consideration, and the



rationale for doing so. Should the LAG approve this then it can be sent to the Department (LEADER2327@drcd.gov.ie) for approval.

5. Section 6.5 - Eligibility of the Beneficiary

The sub-section relating to funding of public bodies is moved from 11.3 to 6.5 as it relates more to the eligibility of the beneficiary rather than public matching funds.

11.3.1 6.5.1 Funding of Public Bodies

The LAG must not award funding to public bodies.

Local Action Groups, their Implementing Partners and Animating Partners and PPNs are not considered as Public Bodies for the 2023 - 2027 LEADER programme where LEADER grant aid is concerned.

LAGs should be guided by the definition of a Public Body as outlined in the Freedom of Information Act 2014 when deciding whether a project applicant is precluded from receiving 2023 - 2027 LEADER funding by virtue of them being a Public Body.

The exempted agencies outlined in the FOI Act 2014 are also ineligible for LEADER Funding by virtue of being Public Bodies.

6. Section 9.4 - Revising Funding Allocations

The entirety of Section 9.4 is replaced with the text below. Previously, projects could only avail of either the “Reallocation of funding to items already approved by the LAG” facility where warranted or the “Reallocation of funding to ‘new’ cost items” facility, but not both facilities. The process of reallocating costs is updated to allow for the reallocation of costs to existing and/or new items up to 10% of the approved project cost, where requested by a project promoter, while removing the €5,000 cap that was previously in place for new cost items.

The text of the revised Section 9.4 is:

The LAG may not award an increase in funding to a project promoter in any circumstances, notwithstanding that costs may prove higher than anticipated. The LAG must notify the project promoter 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.

It is a matter for the LAG to decide if reallocation of funding to items already approved by the LAG or support for 'new' cost items should be allowed as a general rule for projects that have already been approved for funding.

Where a project is fully delivered and comes in under budget, the savings may be reallocated:

- across the various cost elements of the approved project, or
- to 'new' cost items provided that they are eligible for funding, consistent with the project and its objectives as approved by the LAG, and processes comply with the 2023 – 2027 LEADER Operating Rules (e.g. Procurement, etc.);

Reallocations can only be approved up to a maximum of 10% of the approved project cost, provided that the original project, as approved for funding, will still be delivered, i.e. all items approved by the LAG for funding are delivered in full and that the procurement process undertaken, or the delivery of the project, is not compromised.

A reallocation of funds up to the permitted 10%, where requested by a project promoter, must be applied for in writing and where deemed warranted be approved in writing by the LAG Authorised Officer and subsequently recorded in the LAG minutes. An Addendum to the Contract documenting the change(s) must be issued to the project promoter and accepted by them in writing. This signed addendum must be uploaded to the LEADER IT System document repository.

Note, for projects that received provisional approval pending procurement being completed (section 6.10.1), the difference in value between the tendered amount and the original estimate cannot be reallocated to project elements.

In the following example, a project was approved to purchase a specific number of items at approved costs, as per the table:

<u>Item</u>	<u>Cost</u>	<u>Quantity</u>	<u>Approved Cost</u>
<u>A</u>	<u>€250</u>	<u>8</u>	<u>€2,000</u>
<u>B</u>	<u>€1,000</u>	<u>3</u>	<u>€3,000</u>
<u>C</u>	<u>€100</u>	<u>5</u>	<u>€500</u>
<u>Total</u>			<u>€5,500</u>



<u>10% of total</u>	<u>€550</u>
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While the project progressed, the cost of Item B reduced from €3,000 to €2,100, but the approved costs of Item A and Item C remained the same.

<u>Item</u>	<u>Cost</u>	<u>Quantity</u>	<u>Approved Cost</u>
<u>A</u>	<u>€250</u>	<u>8</u>	<u>€2,000</u>
<u>B</u>	<u>€700</u>	<u>3</u>	<u>€2,100</u>
<u>C</u>	<u>€100</u>	<u>5</u>	<u>€500</u>
<u>Total</u>			<u>€4,600</u>
<u>10% of initial approved cost to reallocate</u>			<u>€550</u>

The project promoter can apply to the LAG to reallocate €550 of saving (10% of approved cost), or a portion of same, to purchase additional eligible items.

<u>Item</u>	<u>Cost</u>	<u>Quantity</u>	<u>Approved Cost</u>
<u>A</u>	<u>€250</u>	<u>9 (8 + 1 @ €250)</u>	<u>€2,250</u>
<u>B</u>	<u>€700</u>	<u>3</u>	<u>€2,100</u>
<u>C</u>	<u>€100</u>	<u>8 (5 + 3 @ €100)</u>	<u>€800</u>
<u>Revised Total</u>			<u>€5,150</u> <u>(€4,600 + €550)</u>
<u>OR</u>			
<u>Item</u>	<u>Cost</u>	<u>Quantity</u>	<u>Approved Cost</u>
<u>A</u>	<u>€250</u>	<u>9 (8 + 1 @ €250)</u>	<u>€2,250</u>
<u>B</u>	<u>€700</u>	<u>3</u>	<u>€2,100</u>
<u>C</u>	<u>€100</u>	<u>5</u>	<u>€500</u>
<u>D (new)</u>	<u>€265</u>	<u>1</u>	<u>€265</u>
<u>Revised Total</u>			<u>€5,115</u>



7. Section 11 - Project Matching Funding

The sub-sections 11.1 to 11.3 are replaced with the text below. Greater clarity is provided in relation to what is considered public matching funds, which can be used together with LEADER to fund the same element of a project. Greater clarity is also provided in relation to LEADER funding being used to fund a stand-alone and operable element of a project, in tandem with other sources of public funding which would fund a separate element of the project.

11.1 Sources of Matching Funds

Generally, LEADER funding is a contribution to the cost of delivering a project and should be matched by non-programme funds to meet the full costs of a project. Matching funding can be sourced privately or from other public funds. In this regard:

- *Private matching funding* is funding that is not obtained from public sources
- *Public matching funding* is funding from public sources, but cannot come from other EU funds or other grants

The LAG must assess the matching funds and verify the eligibility and source of this funding at project approval and payment claim stage. The LAG may be liable for all expenditure subsequently deemed ineligible as a result of ineligible matching funds.

Where other public funds are available, but these are not eligible for use as matching funds with LEADER, LAGs should primarily focus on supporting projects where LEADER is the main funding source. Where LEADER is working in tandem with other public funding streams that are not considered match funding, the aim, in the first instance, should be to identify separate projects, or distinct elements of projects, to be supported through each public funding source so that collectively the separate projects can result in better outcomes for the communities concerned. A project, or element of the project, must be stand-alone and operable in its own right to be deemed eligible for LEADER funding.

11.2 Private Matching Funds

Private matching funds include:

- **Applicant contribution** to the project – at least 5% of the total project cost must be met by a private matching cash contribution (wherever sourced by the applicant), other than for training projects that are funded at 100%; and



- **Contribution-in-kind**

- where the project promoter is a community applicant and there is no commercial basis for the project activity being funded
- for farm diversification projects where the farmer's own labour may be accepted as a contribution in kind (Section 11.5).

11.3 Public Matching Funds (applicable only to applications submitted by Community Bodies)

While grants from another fund/scheme cannot be used to complete the same element of a project along with LEADER funding, in some cases public matching funds may be used, but it must be in the form of:

- **Cash contributions** from non-EU funded sources. This could, for example, include cash donations from Local Authorities or State agencies, but cannot include grants from another fund/scheme; and/or
- **Contribution-in-kind.**

Example of a project with cash contribution:

<u>Project:</u> Community hall refurbishment, not involving economic activity.	
<u>Cost:</u> The successful tender awarded the contract to complete the works for €400,000	
<u>Funded by</u>	
<u>LEADER</u>	<u>€280,000</u>
<u>Local Authority cash contribution</u>	<u>€100,000</u>
<u>Applicant contribution (5% minimum)</u>	<u>€20,000</u>
<u>Total</u>	<u>€400,000</u>
<u>Outcome:</u> The split of funding for this project is acceptable as the as the overall level of public funding does not exceed 95% of the total eligible project cost. The project received a cash contribution towards the project, with the LEADER rate of aid within the maximum 75% of total project costs, and the applicant providing the minimum 5% of total eligible project costs.	

Separately, another grant could be involved in delivering a separate standalone project, or standalone element. For example, a soccer club could decide to complete



a number of projects to upgrade their facilities, with one project being completed with funding under LEADER for a clubhouse extension, and other projects being completed with funding from other sources (e.g. pitch resurface with FAI grant or running track around pitch with Athletics Ireland grant). This would allow LEADER funding to be provided for a specific project, while other separate projects could receive funding from other sources.

Project: Soccer club facilities upgrade <i>(not located in a hard to reach community)</i>		
<u>Distinct elements</u>	<u>Funding</u>	<u>Funded by</u>
<u>LEADER element</u>		
Clubhouse extension	€180,000 (75% of €240,000 total cost)	LEADER grant
	€60,000 (25% balance of LEADER grant)	Applicant contribution
<u>Other elements</u>		
Pitch re-surface	€40,000	FAI grant
Running track around pitch	€120,000	Athletics Ireland grant
<u>Total cost</u>	<u>€400,000</u>	
Outcome: In this instance, as the project involves stand-alone and operable elements with LEADER as the main funding source, the LAG may award LEADER grant aid up to 75% of €240,000 for the cost of the clubhouse extension.		

The LAG must obtain confirmation that the proposed matching funds have not come from other EU funds and this confirmation must be uploaded to the LEADER IT System document repository. This additional public funding must be included when calculating the amount of State aid provided to the applicant, whether or not they are covered under the De Minimis rule.

Public matching funding is allowed subject to the following:

- the funding is in the form of a cash contribution, or contribution-in-kind
- only applications submitted by community applicants are eligible



- the overall level of public funding does not exceed 95% of the total eligible project cost
- there must be a minimum cash contribution by the applicant of at least 5% of total eligible project costs
- the LAG must confirm, and upload to the LEADER IT System document repository, that the matching funding is not from another EU source
- the matching funds must be identified in the LEADER application form submitted
- all supporting documentation in respect of public matching funding must be maintained in the same manner as for all other LEADER projects
- the public bodies providing the matching funds must not be the project promoter or beneficiary

8. Section 16.6 - LEADER Procurement Requirements - Category 2

Text is inserted in the table titled 'LEADER Specific Tendering Thresholds' for the two below items under Category 2 only. The changes allow for the option of placing a notice in the online version of a newspaper.

Supplies and Services above €50,000

Seek written quotations from at least 5 suppliers on the basis of responses to written specifications and place notice on local or National Newspaper (printed or online version). Alternatively, publish Contract Notice on eTenders.

Works & Works Related Services above €100,000

Seek written quotations from at least 5 firms on the basis of responses to written specifications and place notice in local or National Newspaper (printed or online version). Alternatively, publish Contract Notice on eTenders.

9. Section 17.2.2 - Verification of the reasonableness of beneficiary non-salary administration costs

Change of wording to be consistent with steps in 17.1.1

In advance of entering into the new contract, the beneficiary must complete a Reasonableness of Cost Assessment Template and forward the required details to



~~DRCD at e-mail address OR2327@drcd.gov.ie so that an independent assessment of the reasonableness of the costs can be assessed forward the details of the proposed cost along with the supporting procurement documentation to DRCD so that an independent assessment of the reasonableness of these costs can be undertaken.~~

10. Section 17.6 - Expenses

Updated reference number for DPER's Circular on Domestic Subsistence Allowances and removal of requirement for travel and subsistence claims to be submitted within 3 months of being incurred.

Every effort should be made to avail of public transport and to share car transportation where feasible. Fees must not be paid for services rendered by LAG or Evaluation Committee members. ~~These claims must be submitted within 3 months of being incurred.~~

- DPER Circular [19/202304/2025](#): Domestic Subsistence Allowances

11. Section 19.3 - False Declaration

The entirety of this section is replaced with the text below. There are no substantive changes to the requirements on LAGs, but the text has been re-worded for greater clarity regarding false declarations and the associated consequences. Additional text has also been inserted relating to the LAG informing applicants that they should advise the LAG of any changes to the project.

At application stage, the LAG must inform all project promoters of:

- what constitutes a false declaration, i.e. providing false evidence for the purpose of receiving the support or failing to provide the necessary information due to negligence
- consequences of a false declaration, i.e. the relevant project will be excluded from receiving support for the same measure or type of operation and any amounts paid in respect of the relevant project(s) must be recovered. The project promoter will be excluded from receiving any further LEADER support in the relevant calendar year and for the following year.



To ensure applicants are aware of the consequences, they can be referred to the Declarations and Assurances section of the application form, specifically Section C: Confirmation of accuracy of information provided.

The applicant should also be informed that should any changes occur to the project, or should there be a change of circumstances that impact the project, that they advise the LAG.

12. Section 21.1 - Overview of Monitoring Framework

The guidance document on the Performance Monitoring and Evaluation Framework (PMEF) issued by Pobal in November 2024, therefore the reference to its future development has been deleted.

LEADER projects will have common performance indicators associated with a particular sub-theme. These indicators will facilitate monitoring and measuring of programme effectiveness. ~~A full guidance document on the PMEF is being developed and will be made available upon completion.~~

13. Section 26 - Updated appendices

26.7 - Appendix 7 - LAG Decision Making Minutes Template

To ensure that LAGs note addendums to contracts, e.g. for reallocation of costs; for a contract extension, the following section is inserted in the minutes template:

3. Addendums to contracts

3.4. Other

4.5. A.O.B.

Any queries in relation to the application of this Circular should be submitted to OR2327@drcd.gov.ie

LEADER Policy & Operations Unit