An Roinn Forbartha Tuaithe
agus Pobail agus Gaeltachta
Department of Rural and Community
Development and the Gaeltacht

Circular No: 02-2026

From: **LEADER Policy and Operations Unit**

To: **All LAGs, Implementing Partners and Administrative Check Bodies**

Date Issued: **18 March 2026**

Subject: **v7 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. Clarification regarding signage guidelines for DRCDG schemes

In February 2026, the Inspection, Compliance and Business Development Unit of the Department of Rural and Community Development and the Gaeltacht (DRCDG) circulated signage guidance for capital projects funded under the following schemes: CLÁR, Community Centre Investment Fund, Community Recognition Fund, Connected Hubs, Libraries Capital Programme, ORIS, RRDF, Town & Village Renewal Scheme, Irish Languages Support Scheme (Capital), Community and Language Support Programme and the Walks Scheme.

That guidance did not relate to the LEADER programme. For LEADER funded projects, the requirements of *section 24 Information and Publicity* of the operating rules still apply.

If a project received funding from multiple sources, the sign publicising LEADER support will be for the standalone element that received LEADER funding.

2. Clarification regarding expenses for attending Departmental Capacity Building events

Section 17.6.2 Private Car usage states that Reduced Travel Rates must be applied where travel arises for reasons connected with official business but not the actual discharge of official business e.g. attendance at conference, interview or educational courses (training).

In relation to attendance at Departmental Capacity Building events, the Department considers these events to be LEADER specific meetings related to the discharge of official business. Each event is targeted at a particular cohort who are invited to attend and discuss the delivery of the LEADER programme, to share updates and create networking opportunities. Therefore, standard travel rates can apply to expense claims.

3. Section 14.6 - Phased Payments

Updated text to allow for phased payments in instances where a standalone element of a project is procured outside of Ireland.

This update can apply to phased payment claims for projects already approved funding.

Start of revised section

The LAG may make phased payments for the efficient and effective delivery of the Programme ~~where~~subject to:

- ~~this has been~~a request~~ed~~ by the project promoter~~; and~~
- the phased payment~~s~~ exceeds €1,000~~; and~~
- at least 20% of total eligible costs have been incurred by the project promoter~~; and~~
- the number of phased payments on a project will be five or lower~~; and~~
- for projects involving construction where the LEADER grant aid is in excess of €100,000, a sign-off by a suitably qualified person (e.g. an architect / engineer) verifying that the works are satisfactorily completed prior to each phased payment~~;~~
- ~~phased payments are not permitted~~ for projects where standalone elements are procured ~~items being manufactured~~ outside of Ireland, the element must be finalised and delivered to the promoter before submitting a claim for it.

- phased payments are not permitted for projects, or elements of projects, that are still outside of Ireland, e.g. machinery valued at €80,000 being manufactured (50% complete), a phased payment request for €40,000 would not be permitted.

The LAG must notify the project promoter, and include as a condition of the funding offer, that the project promoter must repay all phased payments received in the event the project is not completed. In this context, the LAG should consider requiring a bond to be effected by a project promoter needing phased payments.

The LAG may approve a change of payment to a project promoter for an approved project from one-off to phased payments. This change must be noted in the relevant LAG meeting minutes.

The LAG will be required to recover all monies paid if the project promoter fails to complete the project.

End of revised section

4. Section 19 - Professional Costs Irregularities, Ineligible Expenditure and Deductions

The section is updated to provide more clarity on requirements, with more accurate and consistent use of terminology.

Due to the re-structuring of all of section 19, the changes are not marked in tracked.

Start of revised section

Section 19 - Professional Costs Irregularities, Ineligible Expenditure and Deductions

Article 59 of Commission Regulation (EU) No. 2021/2116 applies in respect of irregularities, ineligible expenditure and deductions ensuring Member States set up efficient management and control systems.

The management and control systems include Administrative Checks, On-the-spot Checks, and Ex-post Checks. During the course of these checks non-compliances may be identified due to:

1) eligibility criteria e.g. the project is not eligible, the promoter / beneficiary is not eligible, or ineligible administration/animation is claimed

2) commitments or other contractual obligations e.g. non-compliance with public procurement rules, non-compliance with durability of investment requirement as per Section 15.7, or non-compliance with any other section of the Operating Rules

Where non-compliance is discovered in these cases, the LAG/Department may take appropriate measures including the claim, in full or in part, being refused or withdrawn, and/or recoupment of payments related to the project/activity/claim.

If the amount deemed ineligible during a control measure exceeds the eligible amount by more than 10% then a penalty may be applied. Depending on the non-compliance detected, penalties applied will be proportionate and will take into account the severity, extent, duration or re-occurrence of the non-compliance. Each scenario will be considered on a case-by-case basis and any penalties will be in addition to the ineligible amount refused / withdrawn / recouped but shall not be greater than the ineligible amount.

Where non-compliance is due to force majeure or exceptional circumstances, this will be taken into account as part of the decision regarding the measures or penalties imposed by the Department. The following specific cases of force majeure or exceptional circumstances are considered relevant here for LEADER:

- a severe natural disaster or severe meteorological event gravely affecting the holding
- the death of the beneficiary
- long-term professional incapacity of the beneficiary

In some instances, checks will examine the cumulative expenditure incurred on the relevant project or activity. Therefore, the checks are without prejudice to the results of previous checks on the project or activity concerned and may involve a re-examination of material previously examined.

The overall assessment of the non-compliance under points 1 and/or 2 listed above will be taken into account when making a decision on whether to exclude the project promoter / beneficiary for aid under the programme in the future. The Department may suspend payment(s) relating to certain expenditure where a non-compliance is detected.

Where the non-compliance relates to ineligible administration and animation expenditure claimed by the LAG as part of its monthly returns, this will result in a decrease in the monthly return payment to the LAG and may also result in a penalty as outlined above.

19.1 False Declaration

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.

19.2 Recovery of monies

In cases where monies are owed relating to an administration and animation expenditure claim or a project claim the amounts are to be reimbursed to the Department. The LAG must document all actions taken to recover these monies.

Article 31 of Regulation (EU) No 2022/128 provides that monies owed can be recovered by offsetting those monies owed against any future payments to the LAG or project promoter:

> *"Without prejudice to any other enforcement action provided for by national law, Member States shall offset any undue amount arising from a pending irregularity of a beneficiary established in accordance with national law against any future payments in favour of that beneficiary, to be made by the paying agency responsible for the recovery of the debt."*

All repayments should be returned through EFT as follows:

Name of Account Holder	Department of Rural and Community Development and the Gaeltacht
Account No	00001694
Bank Sort Code	95 15 99
IBAN	IE28 DABA 9515 9900 0016 94
SWIFT Code (BIC)	DABAIE2D
Bank Name	Danske Bank
Bank Address	7th Floor, The Shipping Office, 20-27 Sir John Rogerson Quay, Dublin 2. D02 Y049

The remittance must contain the following details at a minimum:

- DRCDG 2023-2027 LEADER Programme
- Monthly Return ID Project ID

When an EFT payment is made, the department should be notified of all reimbursements and a mail sent to LEADER2327@drcdg.gov.ie.

19.3 Notification of payments to the Department

Payments to the department must be notified to the department at the e-mail address LEADER2327@drcdg.gov.ie. Payments must be made to the Department Bank Account as outlined above.

19.4 Debtor's Ledger

The LAG must establish a system for identifying and recording debts and recoverable amounts associated with project promoters i.e. a debtor's ledger accounting for all debts. The LAG must inspect the debtor's ledger regularly and ensure that action is taken to collect overdue debts.

The LAG must record debts as soon as they are identified. When LAGs identify debts and update their ledger, the Department should be notified by emailing LEADER2327@drcdg.gov.ie so that the data reconciles with the LEADER IT system.

19.5 Application of Interest to Debts

Article 59(1) (e) of Commission Regulation (EUC) No. 2021/2116 and Article 30(2) of EU Commission Regulation (EU) 2022/128 provides that the LAG must apply interest on overdue debts at the set rate of 3% simple interest per annum.

End of revised section

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

LEADER Policy & Operations Unit