

Friday, 20 September 2019

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**Re: Targeted review of the General Block Exemption Regulation**

Thank you for the opportunity to make this submission on KLP's behalf to the 'Targeted review of the General Block Exemption Regulation.' Kilkenny LEADER Partnership (KLP) is a local action group (LAG) delivering the LEADER programme to the County Kilkenny region of the South east region of Ireland. KLP is a successor to one of the first LAGs (BNS Rural Development) in Ireland and therefore the EU established in 1991- '92 under the pilot LEADER programme. In the interim the LAG has delivered five programmes in a varying region- centred on the County Kilkenny area.

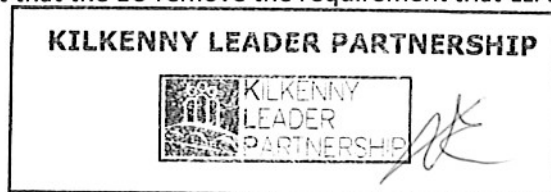
The LEADER element of the Rural Development Programme is a community-based initiative that is designed to be bottom-up in design and implementation. Its beneficiaries are the community groups and small businesses of the designated rural area. Funding from LEADER is governed in a region by adherence to the approved Local Development Strategy (LDS). The current LEADER programme is the most difficult to deliver in terms of rules and regulation- most of them the result of Irish state decisions, but where the EU does have a role is in simplification of the requirements that it demands. Its decision to apply the de-minimis principles and limits to LEADER is a barrier that could be removed without compromising its principles. KLP believes that the de minimis limit- while useful in the commercial sphere is not either appropriate- or useful to the effectiveness and reputation of a programme such as LEADER. Most LEADER grants are small-scale, and the vast majority are far below the €200,000 in value which is allowed under the operational rules. There are existing LEADER principles of avoiding 'displacement' and 'deadweight' in approving funding that protect against the distortion of trade and ensure value for money. KLP supports these regulations that protect the Union's value for money and competition goals.

However, in the nature of strategic project work where the 'grant beneficiary' may be officially an individual party- but the real and wider benefits may be to the community as a whole, the 'de minimis' limit of €200,000 over a three-year period can be a serious barrier to sustainable strategic development. The LDS is focused on the overall development of the region- and the improvement of the quality of life (economic, social, cultural and/ or environmental) of the area as a whole- as well as the individuals directly affected by the project. Strategic development focused on the improving the quality of life of the region as a whole does not lend itself to rules such as de-minimis that are designed for the commercial sphere. This restricts the effectiveness of LEADER as a development tool without adding any protection of the value for money or competition goals of the Union. The de minimis principle was patently not designed for the type of entities that benefit from LEADER. KLP has many strategic initiatives it has been compromised in delivering due to the de minimis limit. We request that the EU remove the requirement that LEADER be bound by the de minimis limit.

Yours sincerely



**Declan Rice, CEO**



Mr. Denis Drennan (Chairperson); Ms. Marion Acreman; Cllr. Eamon Aylward; Ms. Janet Beck; Ms. Martha Bolger; Mr. John Burke; Ms. Suzanne Campion; Ms. Joan Fitzpatrick; Mr. Pat McAuley; Mr. Kevin Mahon; Mr. Ger Mullally; Cllr. Malcom Noonan; Mr. Richie O'Brien; Ms. Mags Whelan; Mr. Rory Williams

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