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South Kerry Development Partnership Limited

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Reduction in new LEADER Programme Funds for County Kerry

Dear Community Group

In March of this year the Government announced County allocations for the LEADER elements of the Rural Development Programme (RDP). The national allocation for the new LEADER programme (2014 − 2020) is €235 million which represents a substantially reduced national allocation from the €370 million allocated to the previous LEADER programme (2007 − 2013).

The most recent allocation of LEADER funding has thrown up huge disparities in the funding allocations particular having regard to the 2007-2013 allocation. Indeed, the reduction in funding available is unacceptable as many allocations are effectively the same as LEADER I allocations 24 years ago and the west coast counties have taken a particular hammering (Kerry, Cork, Galway, Mayo, Donegal). The situation must be revisited on the following grounds:

- 1. Overall LEADER 2014-2020 in Ireland is only 7% (€235 Million) of the total Rural Development Programme (RDP) a decision the Irish government made but it could have been between 5% and 25%.
- 2. This €235 Million is co-financed at 35% (i.e. €152.75 Million in EU Funding and €82.25 Million in national funding) instead of 45%, which is the rate at which the rest of the RDP is co-funded. It is clear that LEADER has been blatantly discriminated against as regards government co-funding, receiving 10% less government co-funding than the rest of the Rural Development Programme. Surely the Irish Exchequer contribution should at a minimum go up to 45%, and therefore, if LEADER was at least granted parity, this would be worth an extra €43 million to the programme. It is imperative that our elected representatives seek to have this missing 10% put into the programme immediately (not at midterm) from the Department of Public Expenditure. The extra €43 million should be divided between the counties that have had their budgets cut by more than 50% (i.e. Kerry, Cork, Galway, Mayo and Donegal). The rationale is that, as the 2014-2020 LEADER Programme is almost 50% smaller than the 2007-2013 LEADER Programme, there was an expectation that all groups would have been cut by 50%. But through the complicated and unexplained model that Pobal and the Department used (see point 4 below), the poorer Western Counties have had the greatest cuts while the East and Midlands gained.

Sheila Casey, Kevin Griffin, Eugene Dennehy, Gloria O'Driscoll, John Quill, Daniel O'Sullivan, Una O'Neill, Donald Lynch, John Joe O'Brien, Pat O'Driscoll, John Donworth, Jerry Moloney, John O'Connor, John J. O'Connor, Se

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Company Secretary: Noel Spillane

- 3. Given the massive problems faced in Rural Ireland and the disproportionate manner in which it has been negatively impacted by the recession (clearly illustrated by the report of the Commission for the Economic Development of Rural Areas (CEDRA)) where unemployment in rural areas is up by 192% compared to 116% in urban areas), Rural Ireland deserves at a minimum that the Irish Government matches the EU contribution of €152.75 euro for euro in terms of co-financing (i.e. 50%), resulting in a LEADER programme of at least €305 Million. This would still be a cut of 33% on the last programme: however, it would be sufficient to get rural communities and small and micro businesses off the ground and on to recovery.
- 4. Whilst SKDP have a broad outline of method of county allocations, SKDP don't have the actual detail of the workings. The methodology used to allocate the funding is very questionable: minimum allocations per LCDC; population density; and a version of the Resource Allocation Model / RAM which, we understand, completely disregarded other important and relevant factors (e.g. depopulation rates, used effectively by the Clár Programme up to recent years). Our elected TDs should urgently request the detailed workings of this methodology which would assist all to understand the negative impact of its use, and facilitate discussion and transparency.

Finally, we feel it is vital that we take the opportunity to debunk one of the prevailing myths about existing LEADER groups regarding our expenditure on "administration". All LEADER groups are operating at not more than 20% administration, which includes our development staff members who work on the ground with individual and community promoters. This issue is actively policed by both the Department and EU, and the administration budget is set out and monitored separately. There are obviously fluctuations from month to month and year to year but all in all by the end of the programme the most any group will have spent on administration is 20%.

The three Local Development Companies in Kerry recently met with all the Kerry TDs to highlight both the reduction in LEADER funding as set out above and the urgent need for adequate co-financing of the programme by the Irish Government and to this end have requested that they facilitate an urgent meeting between the Minister responsible, Mr Alan Kelly, TD, and the Chairpersons and CEOs of the Local Development Company's in Kerry.

South Kerry Development Partnership Ltd strongly believe that all stakeholders (Including Community Groups) in Kerry need to strongly voice their concerns at the LEADER programme funding reduction for Kerry and should lend their support to efforts to secure additional LEADER programme funds for the County from Government. To this end South Kerry Development Partnership Ltd request that you bring the contents of this letter to the attention of your local elected representative and request that they fight for additional LEADER programme funds for Kerry.

We thank you for your attention in this matter, and feel there is now a real urgency and opportunity in highlighting this in a timely manner at both local and national levels. Yours Sincerely

Noel Spillane Chief Executive Officer

June 10th 2015

Sheila Casey Chairperson