

Contracting authority: Standing Conference of Towns and Municipalities
(SCTM)

Belgrade, 13/08/2025

1st Call for Proposal EU Support to Integrated Territorial Development EU INTEGRA
Reference: GRT-3656/25

CONTRACTING AUTHORITY'S CLARIFICATIONS No. 1

No	Question	Answer
1.	<p>Dear Sir or Madam,</p> <p>Can a municipality submit an application to the INTEGRA Call on its own, or must it apply solely in cooperation with the partners covered with the same territorial strategy?</p>	<p>The municipality cannot submit an application as a single applicant. Whether it is covered by territorial strategy targeting more than one LGS or territorial strategy targeting a single LGS, cooperation with other partners is mandatory.</p> <p>For detailed eligibility requirements, please refer you to Section 2.1.1. Eligibility of applicants (i.e., lead applicant and co-applicant(s)) of the Guidelines for Applicants: ‘Project proposals based on territorial strategies targeting more than one LGS can be submitted by more local self-governments (as lead and co applicants), or just one city as lead applicant, within the defined strategic area. However, even if only one city is applying, the project must be designed to target and benefit other LGSs covered by the strategy and</p>

		<p>be approved by the Urban Area Development Council.</p> <p>The actions covering a territorial strategy targeting a single LSG must include at least one co-applicant.'</p>
2.	<p>Are the applicants required to submit project-technical documentation in four copies (one original and three copies)?</p>	<p>In line with <i>Change to Contract Notice No.1, Section 2.2.2. Where and how to send application</i>, the applicants are required to submit applications in one original and three copies, except for the project-technical documentation listed below:</p> <ul style="list-style-type: none"> • Design for a building permit (Projekat za građevinsku dozvolu – PGD or Idejni projekat - IDP) if required by the Law on Planning and Construction and relevant acts; • Design for a project that does not require a building permit (Idejno rešenje – IDR) <p>For these specific types of documentation, only one original needs to be submitted — no copies are required.</p>
3.	<p>Dear all,</p> <p>Will the lead applicant be allowed to transfer project funds to project partners? Is VAT exemption under the EU INTEGRA Programme applicable</p>	<p>The VAT exemption is not limited to the lead applicant (coordinator). All project partners who have a defined financial role in the project are eligible for VAT exemption under the EU INTEGRA Programme. This is clearly stipulated in the Model Partnership Agreement (Annex SCTM.1), particularly in Articles 3 and 5,</p>

	<p>exclusively to the coordinator, or does it also apply to all project partners?</p>	<p>which define the partners' responsibilities and financial roles.</p> <ul style="list-style-type: none"> · Each project partner, as listed in the Partnership Agreement and included in the project's budget, is entitled to receive a portion of the project funds from the lead applicant and is also individually responsible for managing and reporting on the use of those funds. Therefore, VAT exemption applies to each partner in proportion to their financial participation in the project, provided they follow national VAT exemption procedures and the EU-Serbia Financing Agreement provisions. · In accordance with Article 5.5 and Article 6 of the Partnership Agreement, the coordinator is responsible for receiving funds from the Contracting Authority and is explicitly allowed to transfer the appropriate share of those funds to the respective project partners as defined in the financial breakdown annexed to the agreement. · Thus: · VAT exemption applies to both the lead applicant and all project partners. · The lead applicant is allowed and obligated to transfer funds to partners, as per the agreed distribution and schedule outlined in the Partnership Agreement.
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