

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

Belgrade, 11/09/2025

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

CONTRACTING AUTHORITY'S CLARIFICATIONS No. 2

N o	Question	Answer
1.	<p>Dear Sir/Madam,</p> <p>I would like to ask for clarification regarding the equipment or goods purchased through future projects. The question is whether the purchased equipment or goods can be transferred into the ownership of the final beneficiaries of the project, for example NGOs, if they are not co-applicants or affiliated entities in the project.</p>	<p>In line with the General Conditions of the Grant Contract, the ownership of equipment, supplies and goods purchased with project funds remains with the beneficiary(ies) (coordinator and/or co-applicants) for the entire duration of the action.</p> <ul style="list-style-type: none"> • Use during implementation: Such equipment may be placed at the disposal of final beneficiaries or target groups for the purpose of implementing project activities. This does not imply a transfer of ownership but only use. • Arrangements: The use should be regulated by a written protocol or agreement between the beneficiary holding legal ownership (e.g. the local self-government) and the final beneficiary. This agreement should explicitly state that: <ul style="list-style-type: none"> ○ the assets were procured under an EU-funded project,

		<ul style="list-style-type: none"> ○ ownership remains with the beneficiary until the end of the action, ○ the final beneficiary may use the assets solely for the purposes of the action, ○ the final beneficiary is responsible for appropriate custody, maintenance and visibility requirements. <ul style="list-style-type: none"> • Inventory and visibility: The assets must remain in the beneficiary's project inventory and must comply with EU visibility rules. • After project completion: Should the assets be intended for transfer to a final beneficiary, this can only be done after the end of the action, subject to Contracting Authority authorisation and by means of the standard Transfer of Asset Ownership Form (Annex IX to the Grant Contract).
2.	Is it possible to apply the Regional Development Agency, which was founded by several municipalities and cities, of which only one city submits a project, as a co-applicant or associate?	<p>To ensure equal treatment of applicants, the contracting authority cannot give a prior opinion on the eligibility of lead applicants, co-applicants, affiliated entity(ies), an action or specific activities.</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, and in particular the part relating to Co-applicant(s) on page 7:</p>

		<p>'In addition to the categories referred to in Section 2.1.1, the following are however also eligible:</p> <ul style="list-style-type: none"> • public bodies – institutions, public enterprises and other legal entities whose founder or member is the Republic of Serbia, an autonomous province, a local self-government unit or a city municipality, • Regional development agencies (RDA), that operates in the territory of one or more local self-governments with adopted territorial development strategies, • business associations, clusters and science / technology parks, business incubators including co-working spaces and hubs, • regional chambers of commerce, • research and educational institutes/organisations, • civil society organisations (established and operational for at least two years prior to the publication of this Call for Proposals), etc.' <p>Also, for details regarding Associates, please refer you to Section 2.1.2. Associates, contractors, recipients of financial support on page 9:</p> <ul style="list-style-type: none"> • 'Associates <p>Other organisations or individuals may be involved in the action. Such associates play a real role in the action but may not receive funding from the grant, with the exception of per diem or travel costs. Associates do not have to meet the eligibility criteria referred to in Section</p>
--	--	--

		2.1.1. Associates must be mentioned in Part B Section 6 — ‘Associates participating in the action’ — of the grant application form.’
3.	<p>We kindly ask for confirmation whether costs under Budget Headings (BH) 1. Human Resources and 2. Travel can be budgeted as “Simplified Cost Options” (SCO), as defined in Article 2.1.3. Eligible actions: actions for which an application may be made/ Form of the grant: Reimbursement of eligible costs that may be based on any or a combination of the following forms as per Section 2.1.4:</p> <ul style="list-style-type: none"> (i) actual costs incurred by the beneficiary(ies) and affiliated entity(ies); (ii) one or more simplified cost options. <p>We kindly request clarification on how these costs will be justified, i.e., what documentation is required to be submitted during the project application evaluation phase?</p>	<p>Please note that Section 2.1.3 <i>Form of the Grant</i> refers to the possible forms of reimbursement of eligible costs as per Section 2.1.4, that further defines the reimbursement of costs and states that eligible costs can be reimbursed as actual costs.</p> <p>Simplified Cost Options are not allowed under this Call for Proposal.</p>
4.	How should local transport costs be justified if not budgeted as SCOs?	<p>If local transport costs are budgeted as real costs, they must be supported at reporting stage with appropriate documentation, such as tickets, invoices, mileage logs or travel orders with list of travel destinations, demonstrating that the costs were actually</p>

		<p>incurred for the purposes of the action and are related to project activities. At the application stage, applicants are required to provide a clear calculation method in the justification sheet (e.g. distance in km × EUR/km, or number of months × average monthly travel cost).</p> <p>In line with Section 2.1.3 of the Guidelines for Grant Applicants, travel and subsistence costs must be consistent with the applicant's internal rules and may in no case exceed the amounts foreseen in the approved budget. For reasons of transparency and easier verification, it is recommended that such costs be presented as unit costs (e.g. per km or per month).</p>
5.	<p>We kindly request clarification regarding the example from the info day held on 28 July relating to the calculation of salaries for project team members. At that time, a colleague stated that “in the case where the budgeted salary is less than the actual salary, the percentage of engagement is then planned based on the actual, and not the budgeted, salary” (this part of the recording begins at 48:45 minutes).</p> <p>We believe that this example is not entirely clearly defined, i.e., the final part of the explanation is missing.</p> <p>Example:</p>	<p>The budgeted salary always represents the ceiling (maximum eligible cost), but only if it is actually paid. The % of engagement is applied to the lower of the two amounts (budgeted vs. real).</p> <ul style="list-style-type: none"> - If real salary > budgeted, % applies to the budgeted salary. - If real salary < budgeted, % applies to the real salary actually paid. <p>The interpretation that staff could be charged at their real salary until the budget line is exhausted (leaving “zero” in later months) is not applicable. Costs are</p>

A5	<p>Contract duration: 18 months,</p> <p>Budgeted salary: EUR 2,000/month for 100% engagement,</p> <p>Actual salary: EUR 2,500/month.</p> <p>In practice, the calculation is as follows:</p> <table border="1" data-bbox="272 657 734 974"> <thead> <tr> <th>BUDGETED</th><th>ACTUAL</th><th>DIFFERENCE</th></tr> </thead> <tbody> <tr> <td>18 months * EUR 2,000 = EUR 36,000</td><td>18 months * EUR 2,500 = EUR 45,000</td><td>EUR 9,000</td></tr> </tbody> </table> <p>Did you mean to say that the salary will be calculated on a monthly basis at the actual amount (EUR 2,500/month) until the value of the budget line (budgeted amount), i.e., EUR 36,000, is reached? According to the calculation, this would equate to slightly more than 14 months (EUR 45,000/18 months = 14.4 months), after which the remaining 3.6 months' salary would be EUR 0/month, which would be clearly visible in the list of expenditure/budget breakdown of expenditure.</p> <p>In this case, in the first year, we would have spent more funds than planned, and would therefore be able to reach 70% of the pre-financing amount more easily/quickly.</p>	BUDGETED	ACTUAL	DIFFERENCE	18 months * EUR 2,000 = EUR 36,000	18 months * EUR 2,500 = EUR 45,000	EUR 9,000	<p>calculated monthly, proportional to engagement.</p> <p>Please see example below.</p>
BUDGETED	ACTUAL	DIFFERENCE						
18 months * EUR 2,000 = EUR 36,000	18 months * EUR 2,500 = EUR 45,000	EUR 9,000						

	Scenario	Budgeted salary	Real salary	Engagement %	Eligible monthly cost	Notes
	Applicant's example	2,000	2,500	100%	2,000	Ceiling is budgeted salary.
	Higher salary, 50% engagement	2,000	2,500	50%	1,000	% × budgeted, since real > budgeted.
	Lower salary	2,000	1,800	100%	1,800	Only actual cost can be claimed.
	Lower salary, 50% engagement	2,000	1,800	50%	900	% × actual, since real < budgeted.
6.	Is it permitted for members of a citizens' association who do not receive payments from the organisation, but are volunteers, to be included as members of the Project Team under BH 1? Can a member be listed in the budget with a salary of EUR 0/month?			<p>Members of a citizens' association who do not receive payments from the organisation, but are volunteers, cannot be included as members of the Project Team under BH 1. Only actual, paid staff costs may be entered under BH1.</p> <p><u>Note:</u> Volunteers' work is considered a contribution in kind and according to the Section 2.1.4 is not eligible cost under this Call for Proposals.</p>		
7.	Will it be possible, in accordance with the general terms of the contract, to use savings by reallocating unspent funds to other budget lines or for adding new budget lines/expenses through a notification letter, which would contain both a budget overview and justification for the reallocations? What is the procedure envisaged for such situations?			<p>Yes, reallocations are possible through reallocations between lines and/or introduction of new budget lines under Article 9 of the General Conditions (Annex G):</p> <ul style="list-style-type: none"> • Changes within 25% of a budget heading may be done by notification to the CA, with an updated budget table and justification. 		

		<ul style="list-style-type: none"> • Changes above 25% of a budget heading or that affect project objectives require a contract addendum. <p>In all cases, reallocations must remain consistent with the action's purpose and eligibility rules.</p>
8.	<p>We kindly ask for confirmation that it is not necessary to plan for the costs of external audit, "Expenditure Verification Report", in accordance with the definition in Article 2.1.4. Eligibility of costs and eligibility of results/conditions:</p> <p>The applicants (and, where applicable, their affiliated entities) agree that the expenditure verification(s) referred to in Article 2.8 of the general conditions to the standard grant contract (see Annex G of the guidelines) will be carried out by the contracting authority or any external body authorised by the contracting authority.</p>	<p>No. As specified in Guidelines Section 2.1.4 and Article 2.8 of the General Conditions, expenditure verifications will be carried out by the CA or an authorised external body. Audit costs are listed as ineligible.</p> <p>Therefore, applicants should not include a separate budget line in the budgets project proposals.</p>
9.	<p>We kindly ask for confirmation that, in the event 70% of the pre-financing is spent before the expiry of 12 months (i.e. before the deadline for submitting the interim report), it is possible to submit the interim report and request further pre-financing up to a maximum of 90% of the budget value, taking into account the co-financing percentage. This provision is defined in Article 15 of the general conditions of the grant contract, ARTICLE 15 – PAYMENT</p>	<p>Yes. Under Article 15.1 (Option 2) of the General Conditions, the coordinator may submit a request for further pre-financing as soon as 70% of the previous instalment has been used, even before the end of the reporting period. In such a case, an interim report must also be submitted earlier together with the request for further pre-financing payment.</p> <p>This allows applicants to receive additional</p>

	<p>AND INTEREST ON LATE PAYMENT /</p> <p>Option 2: Actions with an implementation period of more than 12 months and grant of more than EUR 100,000 (ii):</p> <ul style="list-style-type: none"> The coordinator may submit a payment request for further pre-financing before the end of the reporting period as soon as the part of the expenditure financed by the contracting authority and composed of the expenditure actually incurred for actual costs, or incurred for simplified cost options (thus excluding advance payments), and, for financial support to third parties, also including legal commitments, is more than 70% of the previous payment. 	<p>pre-financing earlier, up to a maximum of 90% of the total grant amount.</p>
10.	<p>Within the presentation of the Public Call, under the section concerning supporting documentation for infrastructure works, it is stated that one of the mandatory documents is:</p> <ol style="list-style-type: none"> Environment Impact Assessment Study or Decision that Environment Impact Assessment Study is not required issued by relevant institutions, in accordance with the Law on Environment Impact Assessment (Zakon o zaštiti životne sredine); 	<p>It is not necessary to request an additional decision via the CEOP system. The Location Conditions issued by the City Administration of Kruševac – Department for Urbanism and Construction, which explicitly state that no Decision on the need for an Environmental Impact Assessment is required, are considered sufficient documentation.</p> <p>However, please note that during the clarification process, the Contracting Authority reserves the right to request either an Environment Impact Assessment Study (Studija o proceni uticaja na životnu sredine)</p>

<p>Our question is the following:</p> <p>Is it sufficient to submit the Location Conditions issued by the City Administration of Kruševac – Department for Urbanism and Construction, which state the following:</p> <p>6.2. Environmental Protection: For carrying out works on the reconstruction of a public building – City Administration, basement + ground floor + first floor, on cadastral parcel no. 838/1 Cadastral Municipality Kruševac, located at Gazimestanska Street no. 1, City of Kruševac, no Decision on the need for an Environmental Impact Assessment is required, in accordance with the Environmental Impact Assessment Law ("Official Gazette of the RS" No. 135/2004 and 36/09).</p> <p>Or is it still necessary to request, through the CEOP system, an official decision confirming that the Study is not required?</p>	<p>or Decision that Environment Impact Assessment Study is not required (Rešenje da nije potrebna izrada Studije o proceni uticaja na životnu sredine) issued by relevant institutions, if it is assessed that such documentation is necessary for this type of reconstruction works.</p>
--	---