

Blurred line between state, party and the President

Monitoring 2023 elections – Summary of preliminary findings and recommendations

Campaign for December 2023 parliamentary and local elections -

Transparency Serbia

Belgrade, December 31st 2023

Updated on January 26th 2024

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General conclusions

Premature national elections, Vojvodina province assembly elections and elections in 65 cities and municipalities, including the capital city of Belgrade, were called even if **none of the key recommendations of international and national observers were addressed**. Organising local elections only in the part of the country widely exposed the election process to the risk of organised voter migration aimed to influence the outcome of local elections in selected cities. Furthermore, the "temporary administration" of these local governments significantly decreased the transparency of their decision-making, thus exposing local public resources to additional risks of abuse.

As a consequence, the new election campaign began in November 2023:

1. Without a clear answer on violation of political party financing rules that potentially occurred in the period between 2022 and 2023 election campaigns (financing of May 2023 rally of ruling parties, work of public sector employees in favour of ruling parties on social networks);
2. Without rules that would effectively prevent using of advantage of incumbent public officials in the promotion of their political parties/electoral lists;
3. Without limits for the campaign finance expenditures, which additionally contributes to the inequality of election contestants in their potential to reach the voters;
4. Without rules that would ensure a sufficient level of transparency of campaign finance during the campaign;
5. Without clear rules on "third-party" campaign financing;
6. Without rules that would effectively prevent abuse of public resources in favour of incumbent political parties;
7. Without rules that would ensure effective pro-active (ex officio) and reactive (based on complaints and charges) control of wrongdoing, in particular by the public prosecution and Agency for prevention of corruption.
8. Without rules that could prevent organised voter migrations, which influence the local election results and without sufficient transparency of such migrations.

The election campaign was marked by the use of public resources for the purpose of promoting the list gathered around SNS. It is primarily about distributing money, at least 400 million euros, to various categories of citizens, but it is also an intensive public officials' campaign.

Based on TS monitoring, the overall cost of the election campaign is expected to be higher than that of the combined 2022 presidential and parliamentary elections campaign. Furthermore, TS monitoring indicates that the already huge discrepancy in campaign investments between SNS and all other contestants will increase in these elections. Final financial reports will be available only on February 12th 2024.

State bodies have not fulfilled the tasks for which they are responsible. As a result, presented cases of substantiated suspicions of rule violations were not investigated and punished during the election campaign itself. It did not happen afterwards, either. In addition to the fact that the Public Prosecutor's Office and the Agency for the Prevention of Corruption failed to act proactively and investigate possible illegal actions based

on their official duties, they did not do so on time, even based on the submitted reports (charges). Part of these conclusions also refers to the complaints submitted by Transparency Serbia.

Moreover, the Agency, with some of its decisions regarding reports, actively contributed to the fact that the key actor in the campaign – the holder of the "Aleksandar Vučić - Serbia must not stop" list, who is also the President of the Republic of Serbia, contrary to the legal obligation, did not separate his state function from the promotion of the electoral list. Also, the Agency's decisions related to the payment of promotion on social networks directly by public officials provided a clear roadmap for all those who want to bypass the obligations, restrictions and prohibitions of the law on the Financing of Political Activities on how to do so. The Agency's failure to collect evidence and establish whether there was a violation in the financing of the SNS call – centre (following evidence presented in journalistic research and TS complain) and lack of decision in at least two cases where government ministers are suspected of abusing public resources for the campaign, further undermined trust in effectiveness of this control mechanism.

The Higher Public Prosecutor's Office in Belgrade, although competent for prosecuting the criminal offence of giving and receiving bribes in connection with voting, indicated during the campaign that it would investigate criminal offences if it received reports from election commissions. However, there was no basis for it in the regulations. From the statement presented by this public prosecutor's office after the election, it is not evident that it is at all investigating the most famous case of vote-buying (disclosed as part of the CINS journalistic research, in connection with the recruitment to work in SNS's call-centre), where a criminal complaint was filed.

Aleksandar Vučić dominated the campaign, acting as President, not only in numerous guest appearances in the media and live appearances in the central information programmes of the public broadcaster and commercial TV stations with national frequencies (eight in the last seven days of the campaign alone) but also at the SNS rallies where he was announced in the capacity of the President of Serbia. His dominance and the extremely negative treatment of the opposition are also visible in the report on the front pages of the daily press.

Campaign financing in Serbia

Context

For decades, campaign financing in Serbia has been recognised as prone to corruption and other wrongdoings. While being regulated mostly in line with international standards (at the time) since 2003 and last through the new [Law on Financing of Political Activities](#) in February 2022, there are many unresolved shortcomings. Following the 2022 early parliamentary elections, ODIHR election observation [issued](#) a number of recommendations related to campaign finance, particularly related to issues such as threshold for campaign expenditures, third party financing, transparency of campaign finance before election day, and more effective oversight and sanctions. Furthermore, the report asked for more effective regulation to prevent abuse of administrative resources. Later that year, ODIHR and Venice Commission issued [joint opinion](#) on electoral law and legislation with similar recommendations in this part. Recommendations are well-based in international standards but are also using arguments obtained from the campaign finance monitoring of national civil society watchdog organisations, including Transparency Serbia in particular.

The Government and Parliament failed to address these concerns and even open dialogue on legislative changes and how to achieve them. Transparency Serbia tried to trigger such discussion by proposing [initiatives](#) to parliamentary finance and judiciary committees. Another attempt was the TS proposal in the context of the development of a new [National Anti-corruption Strategy](#) (drafted but not adopted yet).

The sudden announcement and initial steps to organise early elections in mid-December 2023 made improving the legal framework in a consultative process impossible.

Monitoring of campaign financing by civil society becomes more crucial, considering that the likelihood of international election observation of these elections is low due to the short time frame for the whole operation.

Transparency International chapters from Serbia and the Czech Republic cooperated for several years in this field, including the transfer of knowledge, promotion of more transparent campaign financing, monitoring of election campaign financing and advocacy for improving legal framework.

Campaign financing and EU integration process

Progress reports of the European Commission, including the [latest](#) (October 2022), rely mostly on findings and remarks of ODIHR Election Observation Missions. The issue is discussed within the "FUNCTIONING OF DEMOCRATIC INSTITUTIONS AND PUBLIC ADMINISTRATION REFORM" and "Chapter 23 – Judiciary and fundamental rights, under Fight against corruption".

Key remarks from the report:

"The combined impact of unbalanced access to media, undue pressure on public sector employees to support the incumbents, significant campaign finance disparities and misuse of administrative resources, led to unequal conditions for candidates."

"Serbia should implement all ODIHR recommendations from their Final Report of the Election Observation Mission, from August 2022, amend the legislation and improve the capacity of the Agency to perform controls in relation to the use of public resources during the electoral campaigns."

[Resolution](#) of the European Parliament (May 2023), following the EC Report, contains the following conclusions:

23. The European Parliament notes the conclusions of the final report of the Organization for Security and Co-operation in Europe / Office for Democratic Institutions and Human Rights election observation mission, according to which the April 3rd 2022 parliamentary elections presented diverse political options, but a number of shortcomings resulted in an uneven playing field, favouring the incumbents; regrets the fact that the long-standing issues of unbalanced media reporting, putting pressure on voters, including on the beneficiaries of social benefits and subsidies, and the abuse of public office have persisted throughout the election campaign; regrets the serious allegations of manipulating the voter registry and the lack of an adequate institutional response; expresses its political concern that it took 93 days to determine the final results of the early parliamentary elections; urges the Serbian authorities to ensure that the electoral results are determined efficiently and transparently in the future;
24. The European Parliament welcomes the amendments to the legal framework for election campaign finance, in line with the previous Organization for Security and Co-operation in Europe recommendations, and calls on the Serbian authorities to address the outstanding recommendations, in particular competing candidates' access to the media fully, the enhanced transparency and accountability of campaign finance, and measures to tackle pressure on voters and the misuse of administrative resources, in consultation with expert CSOs and well ahead of the next elections, in order to prevent irregularities and any fraud, and guarantee the democratic functioning of the country;

[Action Plan](#) for Chapter 23 (revised in 2020), includes the following benchmark:

- 2.2.2.** Serbia amends its Law on Financing of Political Activities and reinforces relevant supervisory authorities' independence and administrative capacity, notably the State Audit Institution and the Republic Electoral Commission. Serbia provides an initial track record on the proper implementation of the law, including deterrent sanctions where required.

Envisaged activities:

- 2.2.2.1.** *Amend the Law on Financing of Political Activities to clarify and separate duties of Agency, State Audit Institution and other relevant state authorities in the process of control of political activities and precisely determine duties and mechanisms for transparency of financing of political subjects in accordance with quality analysis on implementation of Law on Financing of Political Activities.*

Ensure that amendments encompass strengthening ACA capacity to receive the necessary information on financial flows.

2.2.2.2. Prescribe that the program of revision entails a compulsory revision of parliamentary political parties on the republic level and the introduction of the duty of the director of Tax administration to include in the annual or extraordinary plan of tax control, donors of financial resources and other services to political subjects, in compliance with a report of Agency on financing political activities and subjects.

2.2.2.3. Monitoring the implementation of Law on Financing Political Activities, including application of deterrent sanctions.

2.2.2.4. adoption of by-laws that regulate criteria and deadlines for controlling reports of political subjects by introducing the plan of priority control of reports in order to enable prioritisation of control of reports.

2.2.2.5. Strengthening capacities of all entities responsible for implementing the law on financing political activities, the Republic Electoral Commission, and training judges of misdemeanour courts.

2.2.2.6. Strengthening technical capacities of the Anti-Corruption Agency for monitoring the financing of political activities, software for on line notification, and better availability of published data.

2.2.2.7. Developing online training modules related to implementing the Law on Financing of Political Activities.

2.2.2.8. Designing a handbook for implementing the law on financing political activities.

Comment on achievements:

The government of Serbia [considers](#) these activities "fully implemented" (partially only for training module). Even though the law has been amended, a significant portion of previously identified problems remained, including some pointed out by relevant international organisations. The role of SAI in campaign financing control is marginal, while REC may influence it only indirectly. In practice, incompliance with the law is not even identified in most cases when it occurred, not to speak about sanctioning and its deterrence effects.

Key long – term problems not properly addressed – campaign finance regulation

- ▶ The duties of the Agency for Prevention of Corruption regarding ex officio control are not sufficiently clear.
- ▶ Budget funds dedicated to the campaign do not fully serve to provide equal opportunities for the presentation of election participants / or the possibility of using other budget funds for the campaign
- ▶ Lack of campaign finance expenditure cap
- ▶ Lack of third – party financing regulation
- ▶ Insufficient information on campaign finances during the campaign
- ▶ Possibility to pay campaign costs after reporting
- ▶ Lack of rules when it comes to several simultaneous election campaigns

- ▶ Insufficient rules when it comes to prices of campaign-related services
- ▶ Unclear and insufficient penal provisions (criminal offence, misdemeanours)

Key long – term problems not properly addressed – other related regulation

- ▶ Insufficient limits for public officials' activities during the electoral campaign
- ▶ Rules on public authorities' and political party advertisements are insufficient
- ▶ No limitation when it comes to budget expenditures during and before the campaign, and insufficient transparency when it comes to these costs
- ▶ Lack of possibility to implement special investigative techniques for criminal offences related to illegal campaign financing
- ▶ Insufficient whistleblower and complain mechanism regulation
- ▶ Insufficient transparency of institutions' work (Regulatory Body for Electronic Media, Republic Electoral commission, Oversight Board of the Parliament etc.)
- ▶ Extensive budget expenditures for parties' representatives in polling boards
- ▶ Insufficient regulation to prevent vote-buying
- ▶ Insufficient regulation on practices that may affect elections (collection of "guaranteed votes ", providing of free services or gifts to the voters by election participants)

Key problems identified by TS in the context of the December 2023 elections

- ▶ No information on sources of funding and absence of oversight of the costs of mass rallies (several million EUR) organised by the ruling party and public institutions since March 2023
- ▶ No conducted investigation following the reveal of civil servants' involvement in the promotion of the ruling party on social networks and cancelling of thousands of their accounts on Twitter, Facebook and Instagram
- ▶ The ruling party promotes delivering of goods to the citizens, allegedly purchased by "individual resources" of party members (i.e. not by the party)
- ▶ Criminal investigations of previously identified wrongdoings are ineffective
- ▶ The unclear status of the previously announced "Popular Movement for Serbia" (by the President of the Republic) in terms of party financing regulation
- ▶ Continuous abuse of administrative resources and budget spending aimed to increase support for those in power
- ▶ Legislative reform in the process (public debate), only slightly addressing problems (media laws), or not at all (draft amendments to the Law on Prevention of Corruption)

Key recommendations of TS before the elections

- ▶ To start a discussion on key problems related to election campaigns and campaign finance, with ODIHR recommendations as a starting point and to conduct these changes in the consultative process that includes international and Serbian stakeholders (institutions, CSO, political parties, media, service providers)
- ▶ To improve the transparency of campaign finance during the campaign by combining the concept of "transparent accounts" (actual income and expenditures) and duty to report on commitments (services contracted but not already paid for during the campaign)
- ▶ To introduce a threshold for expenditures of each campaign participant (TS proposal: 300 million RSD, i.e. 2,5 million EUR per one national electoral list)
- ▶ To regulate (ban or limit) comprehensively promotional activities of public officials and public authorities during the whole campaign (instead of partial regulation for reporting on such activities in some media)
- ▶ To regulate third-party financing of the campaign and monitoring of such financing
- ▶ To introduce more clearly the duties of the Agency for Prevention of Corruption for its ex-officio oversight of campaign finance and potential wrongdoings

Work of Transparency Serbia in the field

Since the presidential elections in 2004, [Transparency Serbia has been continuously monitoring the financing of elections campaign in Serbia](#), by collecting data on important campaign costs, financial analysis reports of political entities and monitoring state authorities' actions in connection with financing campaigns. Since the general elections in 2012, [Transparency Serbia has systematically monitored the transparency of official campaign](#), i.e., the activities of public officials aimed at attracting media attention during the campaign and who appear to perform their regular jobs. The TS methodology enables the comparison of the activities of officials in various election cycles, as well as a comparison with the corresponding non-election period.

- ▶ Campaign finance expenditures (monitoring), since 2006
- ▶ Campaign finance reports (analyses), since 2004
- ▶ Public officials campaigning / abuse of administrative resources (monitoring), since 2012
- ▶ Transparency of election participants (monitoring), since 2020
- ▶ Work of state oversight institutions (monitoring), since 2004
- ▶ Media reporting (since 2002)
- ▶ Legislative reforms (analyses and advocacy), since 2002

Public officials' campaign and its media coverage

The main findings and specifics of this campaign

The campaign for the parliamentary, provincial and local elections (in 65 out of a total of 170 municipalities, cities and in-city municipalities) ¹ held on December 17th, 2023, was marked by the complete dominance of the Serbian Progressive Party (SNS) and especially its recent President, Aleksandar Vučić. The names of Aleksandar Vučić were on the lists of parties gathered around SNS at all levels.

Public Officials' campaign

Aleksandar Vučić appeared at party gatherings as the President of Serbia, and sometimes he was presented as "the president of Serbia and a member of the SNS". In his capacity as President during the campaign, he had 14 promotional activities² (twice as many as in the same non-election period the previous year) as well as a number of other activities with a promotional character.

Other SNS officials contributed to this media dominance of the "Aleksandar Vučić - Serbia must not stop" list with an official campaign, especially Goran Vesić with 55, Aleksandar Šapić with 44 and Darija Kisić Tepavčević with 33 promotional activities. In total, the officials from the sample³ had 4.1 times more promotional activities during the campaign than in the same non-election period the previous year.



¹ On the same day, elections were held for deputies of the Assembly of the Autonomous Province of Vojvodina, which were not included in the monitoring.

² "Public Officials' campaign" is the term used by Transparency Serbia to denote the activities of public officials in the pre-election period, during the election campaign, which are presented as their "regular work", and are an essential part of political promotion. In a narrower sense, the public officials' campaign is most often manifested through the promotional activities of officials: visits to companies, schools, hospitals, courts, opening of factories, construction sites, fairs, signing of contracts and memoranda on construction and investment, scholarships, presentation of construction plans, handing out of scholarships, aid and gifts, visiting citizens, workers in the capacity of public official.

Other activities of officials can also have promotional effects, such as visits abroad, meetings in the cabinet with domestic and foreign officials, athletes, celebrities etc., meetings on the ground with domestic officials and the participation of officials in events (conferences, gatherings, round tables, formal academies, marking significant dates), but they are not included in the sum of "promotional activities".

³ The President of Serbia, the Speaker of the Parliament, the Prime Minister, 15 ministers and the President of the Provisional Authority of the City of Belgrade (ex mayor)

TV appearances

According to TS records, during the campaign, Vučić had 19 television guest appearances or live inclusions (longer than 10 minutes) in central news programs in the capacity of the President of Serbia and one (on RTS) in which he formally represented the list.

He used guest appearances in the primetime slots of commercial TV stations with national coverage as the President of Serbia to promote the list of which he is the holder, attacks on the opposition, but at the same time, he also spoke about the affairs of the President and Government of Serbia.

One of those appearances stands out. It is the "show" named after the list's slogan "Serbia must not stand still", in which, in addition to Vučić, other officials from the list around the SNS were the guests. It lasted 111 minutes, broadcasted on TV Pink on the evening of Thursday, December 14th, before the beginning of the election silence. The show had all the characteristics of a promotional programme but did not bear the mark of a leased slot.

Paid TV promotion

SNS also dominated in terms of paid promotion, given that it spent four times more money on advertising on TV stations alone than all other lists and parties together (7.3 out of a total of 8.9 million euros, in case the maximum discount was achieved in accordance with the published price lists).

TV stations – evening news

The list around SNS had the most time overall in the slots set for the equal representation of all election participants within the central information programs of the five TV stations included in the monitoring⁴. It was, however, only additional promotion compared to the time received in the news dealing with the activities (actual regular or promotional) of public officials that viewers/voters identify with the SNS electoral list.

Reports on the activities of the President of Serbia and the recent President of the SNS, whose name is the name of the list gathered around the progressives, Aleksandar Vučić, lasted 5,121 seconds (1h 25min 21s) in the evening news of the five observed TV stations in the three days of the election campaign - November 23rd, December 7 and 13.

If we add to that 4,029 seconds on the activities of national and local officials from parties from the list "Aleksandar Vučić - Serbia must not stop" and 2,392 seconds for that list in "blocs for equal promotion – electoral blocs", the total is 11,542 seconds (3h 12 min 22 s). That is 2.5 times as much as all the other lists in the election blocs (4,487 seconds), including those in the ruling coalition.



⁴ TS watched the central evening news on November 23, December 7 and 13 of RTS, TV Prva, TV Pink, TV Studio B and TV N1

It should be taken into account that the largest opposition list also had 441 seconds of "anti-campaign", i.e. presentation in a negative tone on the two monitored TV stations (Pink and Studio B), while the ruling party had 278 negatively intoned seconds on one TV station (N1).

There were also several reports in which state (or city) officials or party representatives did not appear, but they had a strong promotional, i.e. propaganda, effect. These are news in which the interlocutors, citizens, praise the Government and the President of Serbia. These "negative" seconds and praises are not included in the total time received by the election lists.

None of the observed TV stations had election thematic blocks in which they would represent the participants in the elections, that is, their election manifesto or pre-election positions on certain essential issues. In most cases, most TV stations broadcast footage from rallies or statements by party representatives.

Daily press front pages

Vučić and SNS sovereignly ruled the front pages of daily newspapers. In 46 days, from the edition the day after the election announcement (November 2nd) to the edition published on the day of the election (December 17th). Vučić appeared on the front pages 279 times. Out of those, 85% were in a positive tone.

The second, individually, in the number of appearances is Dragan Đilas - 65, of which only 7.7% in a positive tone.

Overall, Vučić and the SNS list had 471 appearances (82.4% in a positive context), of which 145 were the main topics. List "Serbia against violence" had 145 appearances (20.7% in a positive context), of which 50 times the main topic (46 in a negative context). Vučić, or one of the other representatives of the SNS list, even appeared five times on the front page of the daily sports newspaper "Sportski žurnal".



Vučić appeared on the front pages even during the election silence. The item on the front page of the tabloid "Srpski telegraf" titled "Our country is taking big steps into the future - A 10 times more powerful supercomputer is coming to Serbia" was particularly bizarre as it was illustrated with a photo of Aleksandar Vučić.

According to the TS assessment, despite all the above, the key elements of this campaign were extraordinary social grants and the distribution of money to certain categories of citizens (pensioners, high school students, students, people receiving social assistance, mothers, children under 16, demented, blind, severely ill, employees of the largest state-owned company Elektroprivreda Srbije and the company Pro TENT), for around 400 million euros.

The announcements of these payments, commentaries on them and statements, announcements and news about their realisation created additional media presence for ruling party officials (public officials – ministers), but the biggest impact was achieved by the payments themselves, which TS characterised as a kind of vote buying. The law prohibits such misuse of public resources in two countries of the region (North Macedonia and Montenegro), and the TS has been advocating for the introduction of the same restriction in the regulations in Serbia for several election cycles.

Additional data, tables, graphs – on [TS website](#) – Home page/Activities/Monitoring 2023 elections⁵



⁵ <https://transparentnost.org.rs/en/projects/301-monitoring-2023-elections>

Increasing the disparity between actors, estimating the total value of the campaign and preliminary reports

The Value of the Campaign and Assessment in Comparison to Previous Elections

Value Expectations

Data collected by Transparency Serbia on TV advertising and data from preliminary reports indicate that this campaign – although only parliamentary, Vojvodina and part of local elections were held – is more expensive than the sum of last year's parliamentary, presidential and Belgrade elections.

Several factors have a crucial influence on the cost of this election campaign, as was the case in all previous elections in Serbia.

The main influencing factor is the amount of money from the budget available to the election participants. In this regard, one should take into account that there is budget money distributed to cover the costs of the election campaign, but there is also money that parliamentary political parties receive from the budget for a different purpose – for financing their regular work, that is, everything that is not an election campaign. Private sources of financing (e.g., donations, membership fees, etc.) are used significantly less in Serbia. Even when shown in the financial reports on campaign expenses, there are very reasonable doubts that private sources are really the contributions of the persons listed as donors.

Political entities adjust their financial statements to the amount of budget grants that belong to them based on participation or success in elections so that they do not have to return the unspent part of that money to the budget, that is, to reduce part of the expenses that they have to justify with other sources of financing. Since the budget amounts of funding for the elections in Vojvodina and local elections are negligible compared to those allocated for the republican elections (e.g. from the Vojvodina budget in 2023, RSD 34.5 million/EUR 294 thousand are provided for financing the election campaign, from the budget of Belgrade less than RSD 75 million/EUR 640,000, and from the budget of the Republic RSD 1,142 million/EUR 975 thousand), the value of the campaign in certain elections is most affected by whether the parliamentary elections are held together with the presidential elections or not. Namely, when presidential AND parliamentary elections are held simultaneously, the amount of subsidies from the republic budget is doubled, and all parties with presidential candidates in addition to the parliamentary list benefit from it. Therefore, it was a realistic expectation that the reported costs of the 2023 campaign would be significantly lower than those of 2022.

On the other hand, the increase in the campaign's value, when it comes to parliamentary opposition parties, could be influenced by the fact that they could now (unlike the 2022 election) also count on previously received

budget funds to finance regular work. Due to the boycott of the 2020 elections, those funds were unavailable to them on the eve of the 2022 elections.

Another factor that could have influenced the reduction of campaign costs is the increasing possibility of using various types of targeted advertising for certain groups (social networks, ads on the Internet and other platforms) instead of indiscriminate advertising through traditional media and in physical public space. The third factor expected to influence the potentially lower costs of the campaign was its length. The campaign officially lasted 45 days, with most participants delaying the start of the promotion.

On the other hand, the importance of the elections for its actors, the uncertainty regarding the outcome of the elections in the capital (in which almost the same actors participated as in the republican elections) and the existence of competition for the same electorate within the political bloc commonly labelled as the "right", was a factor that could have been expected to contribute to higher costs. Finally, the relative increase in campaign costs (not only expressed in Serbian dinars but also euros) was undoubtedly influenced by inflation (i.e. the rise in the price of crucial services used in the campaign).

What Practice Has Shown

According to the insights so far, the factors that led to the election campaign being more expensive prevailed, while the imbalance in the investments of different participants increased significantly.

Regarding opposition parties, promotional activities in the campaign were at or below the 2022 level, with a very significant decrease in the most expensive form of advertising - TV advertising. It can partly be explained by the fact that most TV advertising service providers requested advance payments, and the payment of the first tranche from the budget could only be expected ten days before election day. Nevertheless, this outcome can be considered surprising when one considers the relative certainty that those lists that pass the census would receive relatively significant budget funds, enabling a larger-scale campaign.

On the other hand, regarding the ruling SNS, it is pretty clear that the party conducted a significantly more expensive campaign than last year, regardless of the much less expected subsidies from the budget coverage. As can already be seen from the preliminary report, SNS transferred money from the account to finance the party's regular work. Apart from the more expensive TV advertising of this list compared to the 2022 elections, there was also an increase in the use of other communication channels (internet platforms). In addition to all that, in connection with the activities of this party in the elections, some expenses were also observed, for which, according to the indicators so far, there is a doubt that they will be shown in the financial statements at all.

Based on the information available, it can be assumed with a high degree of certainty that the 2023 election campaign did not cost less than 20 million euros, even if only the direct and legally permissible expenses of political subjects are considered. This assessment does not include various forms of abuse of public resources, bribery or other undue influence on voters or campaign support indirectly provided by the media and third parties.

The Value of TV Advertising

Publishing Pricelists and Discounts

This year, Transparency Serbia observed RTS 1, Pink, Happy and their cable channels, TV Prva, B92, RTV, as well as some other cable channels (Kurir TV, K1, Euronews, Una TV, Blic TV, Klasik TV, Superstar). The electronic media complied with the legal obligation to announce the tariffs for political advertising before the start of the election campaign, except for Kurir TV and SUPERSTAR, with the fact that some TV stations did not give discounts, or at least did not advertise them (besides the mentioned two, RTV 1, Blic TV, Euronews Serbia and TV Klasik did not provide discounts). TV stations of the United Media Group (N1 and Nova S) did not broadcast political marketing this year, which was announced at the beginning of the campaign. This sample does not include numerous regional and local TV stations or other cable television stations. Still, according to previous experiences, it can be expected that the value of advertising on them will not exceed 10% of the value of advertisements that were broadcast on the monitored TV stations.

On some TV stations that had published price lists with discounts in 2022, advertising is more expensive this year. In the case of TV Pink and its associated cable channels, to obtain lower discounts (from 5 to 20%), the price was increased roughly by one-fifth, while for the highest discounts of 25 and 50%, it was doubled. Last year, for example, over EUR 1,2 million secured the top discount (40%), while this year, at least EUR 2,4 million was needed for 50%. RTS maintained the level of last year's discounts on total advertising, and RTV Vojvodina did not give (announce) discounts this year either.

TV Prva and B92 (as in 2022), then TV stations K1 and Tanjug, had the condition of previously paying the entire contracted advertising budget to broadcast advertising messages. TV Pink demanded mandatory advance payment or the realisation of appropriate means of payment security in the amount of 60% of the total value of the campaign before the start of broadcasting ads.

Investment value

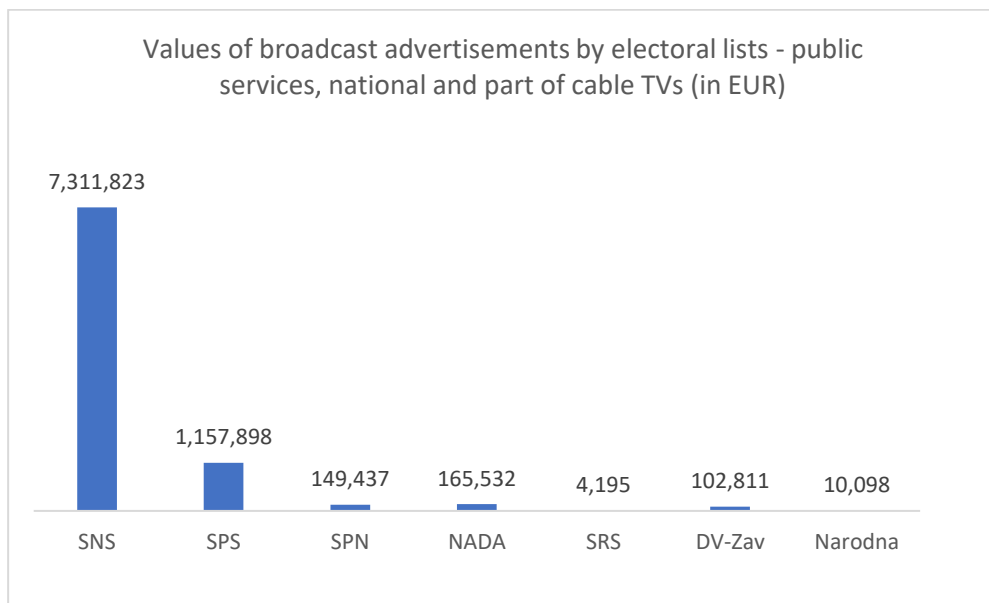
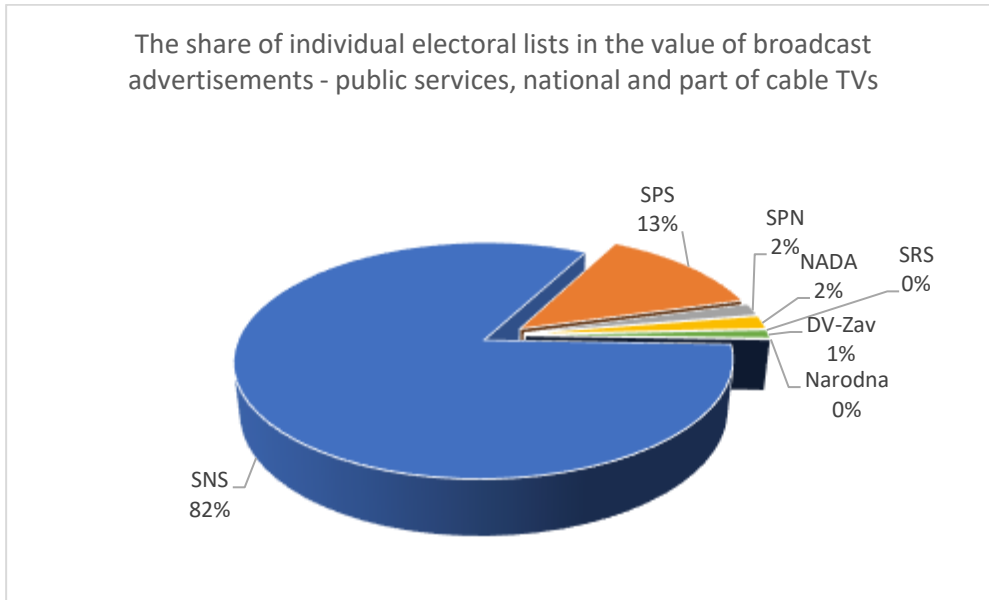
Advertising on TV stations took less time this year, but the total amount of funds exceeded last year's total for the parliamentary and presidential elections combined. According to independent TS monitoring, the six political entities that reported this type of expenditure spent about EUR 9 million on ads on the observed TV stations during the election campaign (compared to last year's record seven million euros). The value is calculated based on published price lists, including VAT and volume discounts.

It is important to highlight here that the broadcasting of the SNS and SPS rallies, as well as the guest appearance of Aleksandar Vučić on the eve of the election silence on TV Pink, are not included in the calculation, so it remains debatable how these programme contents will be treated financially and how their value will be determined. If we added the value of these programmes, calculated according to the advertisement price list, the expenses would increase by around EUR 1.7 million.

Investment structure

This year, there is an even more pronounced disparity among the actors in TV advertising. In 2022, SNS achieved a distinct dominance in this type of advertising with around 60% of total costs; this year, the disparity

is even more significant, at 82%. If the value of the rallies broadcast special shows were added to the above sum, the investment gap between individual electoral lists would increase further.



Money and Advertising – Preliminary Reports

The deadline for submitting preliminary reports on campaign expenses was December 10th, 2023. (with balance as of December 2nd, 2023). This year, the Agency gave precise instructions on which expenses should be shown in the preliminary reports to avoid some doubts and irregularities observed in 2022. Thus, the Agency precisely indicated that the preliminary reports should show all costs for activities incurred in a certain period, regardless of whether payment was made. Nevertheless, as can be concluded by reviewing the preliminary reports, the behaviour of political entities was still unequal.

The Agency has three days to publish those reports. The Agency's website published reports for 13 electoral lists during that period. Several submitted reports were registered as referring to the parliamentary elections but were actually related to the local level.

The following lists did not submit the reports, or at least they were not published:

- Zajedno za budućnost i razvoj – Koalicija za mir i toleranciju
- Koalicija "Dobro jutro Srbijo "(a report without data was submitted by the Democratic Union of Roma, which does not contain data on either income or expenses)
- Manjinska lista „Politička borba Albanaca se nastavlja“
- Lista „Čedomir Jovanović – mora drugačije“
- „Albanska demokratska alternativa – Ujedinjena dolina“

Thirteen lists that submitted reports reported total expenses worth RSD 518.5 million (about EUR 4.5 million), significantly more than for the 2022 presidential and parliamentary elections combined (RSD 331,2 million or EUR 2,8 million). However, the total costs, including the significant advance payments that SNS did not show as such but listed in the remarks, of RSD 382,658,228, increase the total expenses to slightly over RSD 900 million (EUR 7,7 million).

It is one of the strongest indications that this year's election campaign could be more expensive than last year's. However, the reporting of higher costs may also be a consequence of more precise instructions given by the Agency for the Prevention of Corruption in connection with preparing these reports.

On the other hand, this year, 13 election participants reported an income of RSD 313,615,423 – less than 2,7 million euros), about RSD 40 million more than in combined preliminary parliamentary and presidential reports in 2022. It shows that most of the election participants this time are in a situation to contract a part of the campaign costs with delayed payment while waiting for budget subsidies and to postpone those types of campaigns where advance payment is a condition for advertising (most commercial TV stations) until the last moment.

That the preliminary reports on campaign costs can lead as well to wrong conclusions due to the different registration methodology this year can best be seen from the fact that the list "Ivica Dačić - Prime Minister of Serbia "reported almost RSD 189 million in expenses, or about 42 RSD million higher than the reported cost of the list "Aleksandar Vučić - Serbia must not stop". A more realistic picture is obtained when the reported SNS advances are added to the expenses.

The third highest reported campaign expenses is the Zavetnici and Dveri coalition, with RSD 71,8 million, followed by "Serbia in the West (Ask the experts)" with RSD 24,3 million and the "Russian Party", with over RSD 19 million.

Like last year, in almost all reports, there are omitted or incomplete descriptions of costs and numerous situations where costs are not shown by item but collectively.

SRS stated only the costs of collecting signatures and the list "Glas iz Naroda - prof. Nestorović" only the costs of promotion and space rental. SDA and "MI-Glas from the People" did not report the costs of collecting signatures, even though it was an activity that ended before submitting the electoral list.

The cost reported by the list "A. Vučić - Serbia must not stop" (RSD 146 million) this year is about 40 million more than the total cost of the parliamentary and presidential campaign of this party in 2022, and with advance payments taken into account – which are 3,5 times higher than reported – as much as RSD 420 million above last year's expenses. The real costs are probably even higher because this list, for example, for the meeting in Belgrade held on December 2nd, 2023, which should have been included in this report, did not report the transportation costs of the participants at all, which was widely used. Also, it cannot be concluded from any item of the report that this list reported expenses related to the operation of the Call Center, which CINS wrote about.

For **promotional materials**, 13 electoral participants reported a cost of RSD 177 million, while last year, for both levels of the election, it was RSD 123,3 million. This cost was higher even before the final reports because the SNS list did not include advances in the total value of over RSD 41 million, of which RSD 26 million were for billboards. The SNS list, which has registered 15 billboards, stated the price for only one (RSD 805 thousand for the rental of the display space), while for all the others, it was stated that it was paid in advance and thus it was not included. Last year, SNS expenses for billboards, reported in total for both levels of elections in the preliminary report, amounted to more than RSD 10 million. The Dveri-Zavetnica coalition reported RSD 34 million, and NADA more than RSD 10 million. Both mentioned only the cost of renting space for billboards placement without any other specifications. SVM, SPP and the Russian Party also reported this type of promotion. For the **billboard campaign**, six newspapers reported RSD 42,3 million. With SNS advances, it amounts to RSD 79,1 million.

The coalition "Serbia against Violence" presented the total cost of promotional materials (almost RSD 7 million) without any further specification (material, quantity, distribution, etc.). In contrast, the costs of public events, signature verification and representation were shown in detail.

This year's **reported advertising costs** amount to about RSD 179 million (EUR 1,5 million) and are higher by about RSD 65 million than last year's total (about RSD 113 million). However, including SNS list advances, they amount to RSD 520 million (almost EUR 4.5 million) and are 4.5 times higher than in 2022. TV advertising was reported by only six participants (SNS, SPS, coalition of Dveri and Zavetnici, SPP, SVM and the Russian Party) and is worth about RSD 130 million (last year RSD 53 million), which is four times higher when including SNS advances (RSD 520 million).

Interestingly, SNS and the "Nacionalno okupljanje" (*National Gathering*) reported all expenses for TV advertising (as well as for radio) as leased time slots, although it was about TV ads.

According to the reports of eight participants, the organisation of the rallies and other public gatherings cost them RSD 53,2 million (EUR 4,5 million).

As for other campaign expenses, the participants reported RSD 96 million, of which RSD 11,7 million was for signature verification.

The Dveri and Zavetnici coalition was the only one that reported expenses for public opinion research - almost RSD 3 million. However, it is unlikely that other participants in the campaign did not have this type of expenditure.

Eight political entities transferred funds from the party's permanent account to a special campaign financing account, of which SNS RSD 520 million and SPS 79 million.

Contributions from natural persons were reported only by SPS – about RSD 26 million (80 million last year) and the Russian Party (RSD 500,000), and donations by legal entities – half a million dinars – were reported by the New Party.

All the above data clearly show that the preliminary reports, although their quality has been improved, do not provide citizens with an adequate representation of how much the parties spent in the campaign while the campaign was still ongoing. It also suggests that a system of transparent reports should be introduced in Serbia, which allows insight into income and expenses on a daily basis (as, for example, is the case in the Czech Republic).

Financing of the election campaign from the budget

Since there were no changes in the Law on Financing of Political Activities, the system of allocation of budget subsidies remained the same. However, the total amount of subsidies available for contestants differs compared to the 2022 elections, as there were no presidential elections this time.

According to the criteria defined in LFPA and Budget Law for 2023 overall tax revenue, contestants were entitled to RSD 1.142.750.000 or approximately EUR 9,75 million. In 2022, central budget subsidies (parliamentary and presidential elections) were as much as 15,7 million EUR.

It was planned to distribute a total of RSD 457,1 million, or EUR 3,9 million, in advance. As there were 18 electoral lists, each political subject that submitted such a list could get RSD 25,394,444.44 or approximately EUR 216 thousand, no later than December 6th, 2023. The precondition was to deposit electoral bonds, which only seven participants did.

Out of those seven, one will have to repay money to the budget due to insufficient success in elections (citizens' group led by Cedomir Jovanovic).

Political subjects that did not deposit electoral bonds (11) are entitled to the abovementioned amount if they have more than 1, i.e., 0.2% of valid votes. That "budget threshold" was not reached by "Narodna stranka", "Srbija na zapadu", and two minority lists ("Koalicija za mir i toleranciju" and "Albanska demokratska alternativa"). It means that more than EUR 1 million of budget funds will either stay in the budget or be repaid. It is still unknown when the remaining budget subsidies will be paid to the contestants, as it depends on the proclamation of the final election results. However, based on the currently available data, distribution had to be⁶ as follows (table includes funds distributed before elections or to be distributed after elections):

| Amount RSD | Amount EUR | List title |
|---------------|------------|--|
| 0.00 | 0.00 | Koalicija za mir i toleranciju |
| 0.00 | 0.00 | Narodna |
| 25,394,444.44 | 216,719.97 | DJB-SDS |
| 0.00 | 0.00 | Srbija na zapadu |
| 0.00 | 0.00 | Č. Jovanović-Mora drugačije (money received but has to be repaid) |
| 0.00 | 0.00 | ADA |
| 25,394,444.44 | 216,719.97 | Dveri – Zavetnici |
| 28,137,044.44 | 240,125.73 | Ruska |
| 28,137,044.44 | 240,125.73 | PBA |
| 30,879,644.44 | 263,531.49 | SDA |
| 30,879,644.44 | 263,531.49 | SPP – DSHV |
| 41,850,044.44 | 357,154.51 | SVM |
| 61,048,244.44 | 520,994.81 | Mi-glas iz naroda |
| 61,048,244.44 | 520,994.81 | NADA |

⁶ Deadline for distribution of funds to the election contestants was January 7th 2024, but the Ministry of Finance did not publish these information proactively, nor responded to Transparency Serbia's request.

| | | |
|-----------------------|---------------------|------------------------------|
| 74,761,244.44 | 638,023.60 | SPS |
| 203,663,444.44 | 1,738,094.17 | Srbija protiv nasilja |
| 379,189,844.44 | 3,236,062.62 | SNS |
| 990,383,333.33 | 8,452,078.90 | Total from the budget |

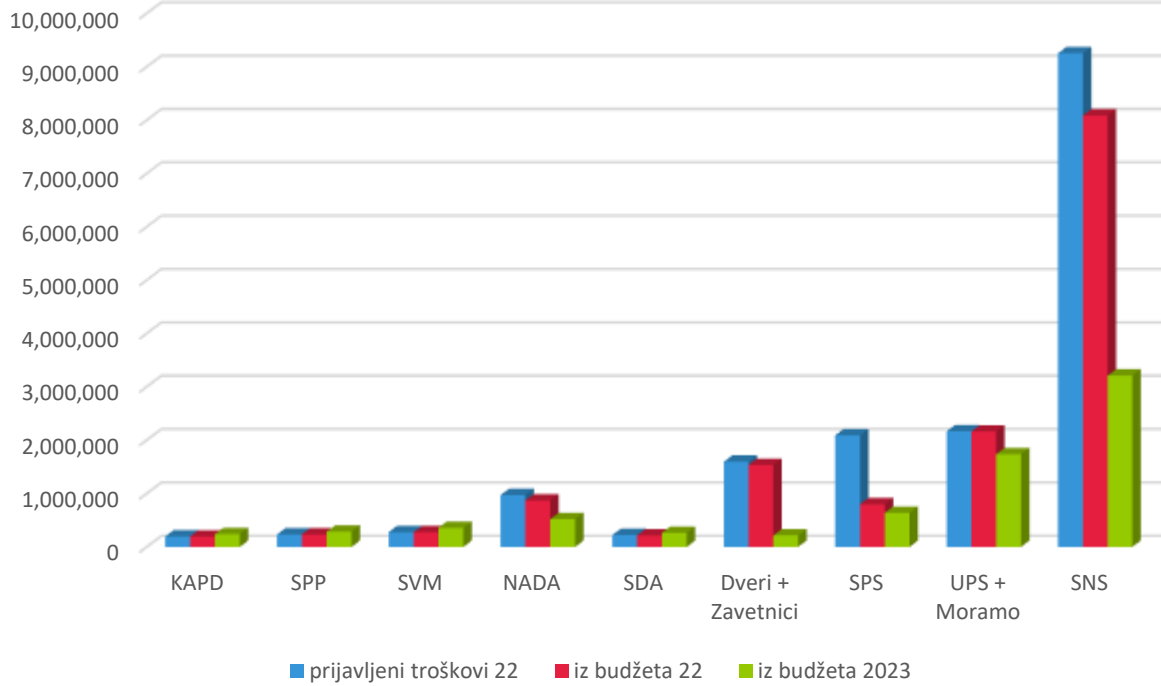
When compared to previous elections, national minority lists are in a more favourable position, but the increase in available budget funds will mostly cover inflation. These parties in 2022 reported expenditures mostly to the level of budget funds they received.

SPS will receive a smaller amount than in 2022 due to the worsening of its election results. This party will have to use significant other sources of income to reach the expenditure level, which was probably no smaller than in 2022 (blue column in the graph).

Parties with presidential candidates and parliamentary lists received comparatively higher levels of budget support than they are now entitled. That is why the grey column in the graph for NADA, UPS, and Moramo (in 2023 in "Srbija protiv nasilja") is lower than the orange one. The difference is particularly high for the coalition list of Dveri and Zavetnici, who will now receive only basic budget support, while in 2022, they enjoyed subsidies for two of their lists, presidential candidates and successful passing of the threshold.

The biggest financial changes are visible for the biggest party – SNS. In 2022, that party claimed that their election campaign costs were EUR 9.25 million, out of which more than EUR 8 million came from the state budget. However, in 2023, this electoral list could count to EUR 3.2 million from the budget only, which means that they require at least EUR 6 million from other sources to cover the campaign cost, similar to 2022. Furthermore, as shown in other parts of this report, the SNS campaign was significantly higher than in 2022, which means that an even more significant portion of the reported income would have to be from other sources.

How much was reported for expenses in 2022 for all type of elections, how much they received from the budget then and how much they will receive in 2023



Helicopter money - Abuse of public resources to ensure political affection

The latest elections in Serbia unveiled enormous **abuse of the national budget and public sources to create the impression of economic prosperity and provide an unfair advantage to political parties in power**. The use of this mechanism started before and was additionally boosted during the election campaign for the Parliament in 2023.⁷ These premature elections took place on 17.12.2023. Elections were officially called on November 1st, although they were announced in late September.

The government, led by the Prime minister and the majority of Ministers from the Serbian Progressive Party (SPP held 45% of MPs' seats in the Parliament), announced and implemented in several cycles prior to the elections massive budget allocations to different social groups and budget users under suspicion that this was being done to secure public support for this specific political party in the following elections, as the timing and justifications of such measures were missing. It was not just the republic budget that underwent extraordinary activities during the election period; such practice was also noted on a local level and with some public enterprises that provided beneficial treatment to their clients or paid unexpected bonuses to their employees.

It started with the **rebalance of the budget for 2023**, adopted in September 2023, that introduced, to the government's proposal, additional aid measures worth almost half a billion euros. The new measures refer to an **extraordinary increase in pensions and salaries in the public sector, an increase in subsidies for agriculture, a payment of 10.000 RSD to each child up to 16 years of age⁸, as well as an additional 100.000 vouchers for tourism⁹**. Some of these measures are justified, like the salary increase in the education and healthcare sectors. However, the most controversial decision is the extraordinary increase in pensions since this increase takes up to two-thirds of these funds.

According to the independent state body – the Fiscal Council, such measures are disproportionate and unjustified as they will affect the rise of inflation. FC also pointed out that these funds must be compensated through loans at an interest rate of seven per cent. Furthermore, extraordinary increases in pensions and agricultural subsidies represent a vested right that will continue to burden the budget in the long term. In this regard, the government agreed with the IMF that it would compensate these permanent expenses with other permanent measures of fiscal policies. The specific measure agreed upon and introduced with this rebalance is an extraordinary increase of 8% in the excise tax on all excise goods, which came into effect in October 2023. Regarding one-time payments to parents of minors, the rebalance implies a total cost of 100 million EUR. The Fiscal Council has warned countless times about the bad practice established with the outbreak of the health crisis in 2020, that the criterion for paying financial aid linked exclusively to age is unfounded and therefore unacceptable. Due to such payments in the past, Serbia is already in debt of approximately 2 billion euros at very high-interest rates (around 7%).¹⁰ Another distribution of public assets that envisages an increase

⁷ The elections were formally called on 1.11.2023 and took place on 17 December 2023, however, the President of the Republic already announced the date of the elections by the end of September (27.9.2023); Free Europe, *The President of Serbia announced the possibility of elections from December 17*, 27.9.2023, <https://www.slobodnaevropa.org/a/vucic-izbori-srbija-opozicija/32613156.html>

⁸ Miljana Pejić from the Umbrella Organization of the Youth of Serbia pointed out that for young people the support of 10.000 RSD was very significant, because the amount paid is equal to 27 annual allocations for youth policy in Serbia. <https://www.danas.rs/vesti/politika/odakle-dolazi-novac-za-podmazivanje-glasaca-i-bacanje-iz-helikoptera/> [accessed 27.12.2023]

⁹ Vouchers in the amount of 5.000 RSD (approximately 40 EUR) are intended for pensioners and persons with salaries below the republic average

¹⁰ Ibid

in agricultural subsidies was also estimated to be questionable and expensive as true problems in agriculture were not acknowledged in time. Fiscal Council concluded that instead of initiating a serious reform of this system, the government decided to solve the growing problems of agriculture "hastily" by using expensive and obsolete instruments.¹¹

The budget for 2024 was adopted on October 26th 2023, as one among 60 agenda items with almost no parliamentary debate. It envisages another **increase in pensions and salaries since January 2024**. Pensions will be enhanced by 14,8%, public sector salaries by 10%, and minimum wage by 17,8%. The Fiscal Council assessed that the public sector's expenditures for pensions and salaries are the two single largest budget expenditures. They account for almost 50% of the total general government expenditures. In managing pension expenditures, the fiscal rule was already violated in 2023 with an extraordinary indexation of 5.5% from October. After the introduction of the new legal indexation of 14.8%, which comes into force on 1. January 2024, the total state appropriations for pensions should reach 10.6% of GDP in 2024. The effect of these measures will be calibrated with the decrease in planned support to public energy companies. Fiscal Council also ascertains that the budget for 2024 will almost certainly surpass the budget framework for subsidies to road construction companies and allocations for social policy, and very possibly for agricultural subsidies as well.¹² This **increase in pensions was communicated through a letter sent to the physical addresses of all pensioners by the President of the Republic and the leader of the electoral list of the Serbian Progressive Party** in October 2023. The letter was signed just by "Aleksandar Vučić" without stating any of his professional positions, even though in the letter, President Vučić announces state measures and addresses the pensioners from his official status. The director of the public enterprise Post Offices of Serbia, a member of the same political party, stated that the Serbian Progressive Party paid RSD 39 million (approximately EUR 330.000) for the postage service. This misuse of personal data is still under investigation by the Commissioner for Free Access to Information of Public Importance and Protection of Personal Data. The suspicion falls on the Pension and Disability Insurance Fund of the Republic of Serbia as it is disposed of with the database of all pensioners in Serbia.

Just 20 days before the election, pensioners received a one-time payment of 20.000 RSD (approximately 170 EUR for around 1.65 million retired persons), representing another 280 million EUR burden to the budget. This payment was made from the allocation of The Pension and Disability Insurance Fund of the Republic of Serbia. For this purpose, the Fund made a rebalance of their Financial Plan for 2023 in late October 2023. At the same time, in October 2023, the **Fund announced that it would be issuing discount cards for pensioners**. This card was advertised by President Vučić, promoting discounts provided by, among others, several state-owned enterprises, such as Serbia Railways (Srbija voz), Air Serbia and Roads of Serbia.

One month later, **the students were granted the same possibility**; they were invited in November 2023 to apply for the **student discount card, with the exception that this card is at the same time a debit card** issued by the bank Poštanska štedionica, that is the only bank in Serbia with the predominant ownership of the Republic of Serbia. This debit card will have a student identification number; therefore, it will serve as an identification card as well. Each student who applies and receives this card receives an additional bonus of 1.000 RSD (approximately 8.5 EUR) to their account from the bank Poštanska štedionica. The largest SOE also provided discounts to students: Serbia Railways (Srbija voz), Air Serbia, Roads of Serbia and Ski Resorts of Serbia.

One week before the elections (13. 12.2023), without prior announcement, the Minister of Energy and Mining stated that **all employees of the SOE "Elektroprivreda Srbije" (EPS), power supply company will receive 20.000 RSD (approximately 170 EUR) bonus with their December salary**: "As a form of gratitude, to all

¹¹ Ibid

¹² Fiscal Council, *Assesment of the Draft Budget Law for 2024*, 20.10.2023, https://www.fiskalnisavet.rs/doc/ocene-i-misljenja/2023/FS_Ocena_Predloga_budzeta_2024_Final.pdf

employees for helping to stabilise our energy system"¹³. The number of employees in EPS is 19.591, and this public enterprise was restructured in April 2023 due to the collapse of the energy system provoked by its previous management and the huge debts it has imposed on the state budget. According to the Macroeconomic Analyzes and Trends published by the Serbian Chamber of Commerce, the EPS debt increased by 50 per cent in 2022 alone and, after three quarters of that year, exceeded 1.5 billion euros. After the restructuring, the sole member of the shareholders' assembly of this SOE is now the Minister of Energy and Mining, who decides and establishes the Supervisory Committee, which then sets the Executive Committee and the companies' directors. A large portion of the state debt is made of guarantees to SOE that generated huge debts in their work, whereas if the EPS fails to make a profit in 2023, the state will pay around 377 million euros on its behalf.¹⁴ Furthermore, **the delivery of November electricity bills was late and started one day after the elections**, on 18.12.2023, even though they are generally delivered by the 15th of the month. **These bills include the latest increase in power price of 9.28%**.

Another public enterprise that provided beneficial treatment to their customers during the election campaign is a public utility company in Belgrade – "Infostan tehnologije". The **City of Belgrade and "Infostan tehnologije"** announced during the election campaign that from November 1st 2023, they will be implementing a **debt reprogramming action under the most favourable conditions for users of communal services**. All citizens are given the opportunity to settle their debts in several monthly instalments, with interest write-off and principal debt reduction of up to 20%. Special benefits for reprogramming are provided for beneficiaries of social welfare and pensioners. The mayor and the majority of the Serbian Progressive Party run the City of Belgrade.

Mayor of the City of Belgrade scheduled a sitting of the Temporary Authority that runs the city in the period of calling for elections until the election of new authorities on 14.11.2023, with 176 agenda points. One agenda item was leasing billboards to promote **city projects in the amount of 100 million RSD** (approximately 850.000 EUR). The public was excluded from this sitting. This agenda item on this sitting served only to confirm the delivery of the contract to the only bidder who participated and won the tender. In November, the city of Belgrade conducted a public procurement of billboard rent during the election campaign, both for the parliamentary and Belgrade elections¹⁵. The rent of billboards should last one year; that is, 26 two-week campaigns will be implemented during this period. Technical specifications of the procurement precisely indicated 100 locations where the billboards should be, so judging by the conditions, this public procurement was already tailor-made for the only bidder who had billboards at those locations. The first two-weeks campaign was launched just before the elections, presenting the successful projects of the municipal authorities.

¹³ Politika, *Employees of EPS and "Pro Tenta" bonus of 20,000 dinars*, 14.12.2023,

<https://www.politika.rs/scc/clanak/589542/Radnicima-EPS-a-i-Pro-Tenta-dodatak-od-20-000-dinara>

¹⁴ Nova.rs, *This is a top-list of the biggest government losers whose debts you pay, and whose budgets are bottomless pits*,

16.6.2023, <https://nova.rs/vesti/biznis/ovo-je-top-lista-najvecih-drzavnih-gubitasa-cije-dugove-placate-vi-a-budzeti-su-im-rupe-bez-dna/>

¹⁵ <https://inportal.ujn.gov.rs/tender-eo/183009> [accessed 28.12.2023]

Proceedings of the Agency for the Prevention of Corruption following reports

Legal framework for handling reports

During the election campaign, Transparency Serbia submitted to the Agency for the Prevention of Corruption a series of reports related to the possible violation of two laws under its jurisdiction - the Law on Prevention of Corruption and the Law on Financing of Political Activities. Most of the reports point to a possible violation of both regulations.

Based on those laws, when reports are submitted during the election campaign, the Agency should resolve them within a very short period of five days. All of this is aimed at ensuring that disputed situations are resolved as soon as possible, and in most cases, while the election campaign is still ongoing. Undoubtedly, the nature of the Agency's measures when it notices that the law has been violated (warning measure), leads to such a conclusion. However, the rules turned out to be inadequate. Namely, when it comes to the violation of the law on the Financing of Political Activities, the deadline is calculated only from the day when the Agency receives confirmation that the political entity has been notified of the report, which leaves room for manipulation by the political entity (if it depends only on him whether it will be confirmed receipt of notification).

When it comes to a possible violation of the rules by public officials, the Agency interprets the Law on Prevention of Corruption as having no obligation to decide on the report with a decision, while the publication of the Agency's decision is not even prescribed as a legal obligation (unlike the ZFPA). As a result, as well as the practice of the Agency, which does not send notifications about the procedure's outcome by electronic mail but by regular mail, the applicants remain deprived of the reasons for rejecting the report for an even longer period. Finally, in cases where the director of the Agency determines that a measure should be imposed on a public official, that decision is not published until it is resolved by the official's appeal, which renders the urgency of this procedure meaningless.

With all that, regarding both mentioned laws, the only legal remedy against the Agency's decision is an administrative dispute. The experience of TS, which tried to use this legal remedy, shows that this legal remedy is completely inadequate. Namely, the Administrative Court did not resolve the disputes initiated by the TS after the 2020 elections and did not treat them as urgent.

Types of reported violation

Paid political advertising

Based on publicly available data from the database of the company "Meta" (Facebook Add Library), due to the suspicion that during the election campaign, there was a violation of regulations by public officials, authorities and political subjects, Transparency Serbia submitted to the Agency for the Prevention of Corruption **five (5)** report against:

- Aleksandre Ćirić Bošković, president of the Municipality of Ruma;
- Goran Vesić, Minister of Construction, Transport and Infrastructure in the previous Government of the Republic of Serbia;
- Vladan Zagrađanin, President of the Executive Board of the Socialist Party of Serbia;
- Miloš Jovanović, President of the New Democratic Party of Serbia and
- Electoral lists "Aleksandar Vučić - Serbia must not stand still."

The aforementioned reports indicated the need for the Agency for the Prevention of Corruption to determine whether there has been a violation of the regulations governing the payment of the costs of promotion of certain user announcements and the recording of possible contributions, i.e. whether the so-called "Sponsored ads" reported as an expense of the election campaign of a certain political entity or users reported to political entities that they provided them with a free service, what is the market value of that service and whether the contribution is allowed under the rules of the Law on Financing of Political Activities.

In addition, the reports mentioned above indicated another possible violation of the regulations - failure of the duty of the political entity to identify itself in the promotional material.

The Agency decided on **the four (4)** listed reports (the report related to the ads paid by the SPS official has not been resolved at this time) by "**determining that there is no basis for deciding on the existence of a violation of the Law on the Financing of Political Activities**" which is a euphemism that the Agency uses for decisions to **reject reports as unfounded**. The reason for making such decisions is the fact that "the political entity did not violate the regulations" because the political party did not create or finance the "sponsored ads" mentioned in the reports.

Based on the interpretation of the legal norms that the Agency has chosen, these decisions open up a wider space for circumventing the existing prohibitions, restrictions and obligations of political subjects and persons who advertise on their behalf. In this specific case, it is about advertising on social networks, but the phenomenon can be related to any other type of promotion or campaign activity. If there is no obligation to record as a campaign expense advertising that is not paid for by the party but by another person, it further means that that person can finance the campaign in a larger amount than the one set by the ZFPA as the limit for contributions of a natural or legal person. Unlike a political party, which must submit a report on its funding sources and which may not use certain types of income, there are no such obligations or prohibitions for a person who directly advertises a political party.

Using public resources to the advantage and/or to the detriment of a political party or other political entity

Based on publicly available data from official web presentations of public authorities, due to suspicion that during the election campaign, there was a violation of regulations by public officials and public authorities, Transparency Serbia submitted **six (6)** reports to the Agency for the Prevention of Corruption against:

- Dr. Aleksandar Martinović, Minister of State Administration and Local Self-Government in the previous Government of the Republic of Serbia;
- Goran Vesić, Minister of Construction, Transport and Infrastructure in the previous Government of the Republic of Serbia;
- Aleksandar Vučić, President of the Republic of Serbia and Dejan Ristic, graduate historian (within one report);
- Aleksandar Vučić, President of the Republic of Serbia (separate report)
- Relja Ognjenović, Director of the Republic Fund of Pension and Disability Insurance and
- Aleksandar Šapić, President of the Provisional Authority of the City of Belgrade.

The reports indicated the need for the Agency for the Prevention of Corruption to determine whether there has been a violation of the regulations governing the use of public resources, especially the use of official websites of public authorities by public officials for the benefit and/or detriment of a political party or other political of the subject.

In addition, the reports pointed to the fact that the announcements were not made in the capacity of a public or party official because the public officials did not unequivocally present to the public whether they were expressing the position of the body in which they performed their public function or the position of a political party, i.e. a political entity.

Transparency Serbia received decisions from the Agency regarding the **four (4)** listed reports. Regarding the report against A. Šapić, the Agency submitted a document entitled "**Notice of the outcome of the action on the report**" in which it was stated that "the public official was announced and presented as a representative of the public authority, without specifying the party function and without promoting the list of candidates for elections". In the decision, the Agency did not refer to the fact that those same activities were presented on the website of the political entity as the activities of the "candidate for mayor" from the election list. In the second case (A. Vučić and D. Ristić), the report was rejected because, according to the Agency, the public officials did not violate their duty to present to the public and interlocutors unambiguously whether they were expressing the views of a state body or a political entity. It remains unclear on what basis the Agency came to such a conclusion, considering that they were announced precisely for their public functions and did not refer to it in any way in their speeches. Similarly, the Agency ruled that A. Vučić did not violate its duties as a public official when being the guest on the TV Program on TV Pink in the evening before the "election silence" (December 14th 2023). Even if that program was titled "Interview with the president of Republic" and even if Mr Vucic was addressed by his official title, the Agency concluded that there was no doubt that he participated in the show in another capacity, i.e. on behalf of the electoral list. The Agency rejected the last resolved report **due to incompetence**, finding that "the director of the Fund PDI is not a public official, in the sense of the Law on Prevention of Corruption, bearing in mind that he is appointed to that position by the Management Board of the Fund". In this case, the Agency's decision is correct because it is based on the authentic interpretation of the Law on Prevention of Corruption, which significantly narrowed the definition of the term "public official". Nevertheless, the fact remains that it is a matter of abuse of public resources for the purposes of political promotion, which is why TS indicated to the Agency that, in this case, it could be a criminal act of abuse of an official position.

In the two remaining cases (G. Vesić and A. Martinović), since TS was not notified that there was no violation of the law, it is possible that the Agency determined that the rules were violated and that measures were imposed but that this was not announced because the procedure is ongoing on appeal. Be that as it may, if the measures are imposed, they will not have a full effect because they will be known to the public only far after the end of the election campaign.

Financing of political entities, i.e. performing certain services on their behalf and for their account

The report was filed on December 5th 2023, against the electoral list "*Aleksandar Vučić - Serbia must not stop*" due to allegations published in the media that individual natural persons (334 of them, including a CINS journalist) were employed without a contract by a business entity (M&J Lady Hostess), i.e. paid in cash for her work in the premises of the non-governmental organisation "Centre for Education and Development of the Youth of Belgrade" (CEROB) in order to participate in the political activities of the Serbian Progressive Party, in the work of calling citizens by telephone and entering data about citizens into records.

The Agency for the Prevention of Corruption issued a decision only on January 9th 2024, far after the legal deadline. Contrary to Article 17 para 5 of LFPA, the Agency did not establish whether the rules were violated. Instead, the Agency concluded that "there is no basis for deciding on the existence of a violation of the Law on the Financing of Political Activities". As visible from the explanation of that decision, the Agency collected only written statements from SNS, M&J Lady Hostess and CEROB, claiming, contrary to the evidence presented in journalistic text, that those three didn't have any mutual business relation and any connection with the activities presented in the text. The Agency did not use its powers to collect additional evidence, such as a visit to the premises where the centre is organised, direct access to financial documentation, taking statements from the individuals, etc.

Use of company labels and information about the investments of companies within the promotional activities of the political entity

The report was filed against the electoral list "*Aleksandar Vučić - Serbia must not stand still*" due to the use of the symbols of business companies and information about their investments in the Republic of Serbia within the promotional activities of the Serbian Progressive Party. The reports indicated the need for the Agency for the Prevention of Corruption to determine whether foreign companies, i.e. their subsidiary companies registered in the Republic of Serbia, have given their consent for the use of their symbols for the purpose of promoting the Serbian Progressive Party, more precisely on the interactive map of the Republic of Serbia under with the title "*Serbia must not stop*", which creates the impression among the users of this interactive map that the investments of business companies were the result of the activities of that political entity, that is, that the business companies supported his election campaign.

The Agency decided by "**determining that there is no basis for deciding on the existence of a violation of the Law on the Financing of Political Activities**", which is a euphemism that the Agency for the Prevention of Corruption uses for decisions to **reject reports as unfounded**. The reason for making such a decision is the fact that "the use of the data of the mentioned companies does not constitute an advertisement for those companies, nor can it be concluded from the information presented in this way that these companies support or finance the Serbian Progressive Party in any way, that is, that the use of the data and the logo of those companies cannot be considered a contribution to a political party.

Publication of promotional material of a political entity in the media

The report was submitted in connection with the publication, on the page of an internet portal, of news that was not marked as an advertisement, i.e. a promotional ad of a political entity, even though by its substance and name ("In five days we will decide on the fate of Serbia" newspaper "Aleksandar Vučić - Serbia must not stop") represents political advertising. The report pointed to the fact that the largest part of this "news" consists of a picture taken from the social network Instagram from the "SNS Serbia" account, which is of a promotional nature, through which a political entity is promoted - the electoral list. Aleksandar Vučić - Serbia must not stop," while the "news" published only the text: "In five days we will decide on the fate of Serbia".

The Agency decided by "**determining that there is no basis for deciding on the existence of a violation of the Law on the Financing of Political Activities**", which is a euphemism that the Agency for the Prevention of Corruption uses for decisions to **reject reports as unfounded**. The reason for making such a decision is the fact that "the publication of the aforementioned news is a service that has been paid for and will be shown in the final report on the expenses of the election campaign, as well as that the Agency will control the expenses of the election campaign in accordance with the adopted control plan ". The Agency's assertion "that in this particular case, there is no violation of the law" is disputed, bearing in mind that the decision does not refer to the fact that the advertisement, which will allegedly be paid for, was published in the news program, nor is any explanation provided for it.

Promotion of a political party in the TV program not labeled as political promotion

TS asked the Agency to investigate whether there was a violation of campaign finance rules related to the TV program on TV Pink in the evening before the "election silence" (December 14th 2023). Namely, the program was not labelled as "political promotion", which raises questions on whether the cost will be incorporated in the campaign finance report, whether it was a donation in kind to the SNS by that TV and whether such a donation would be allowed. The issue was controversial, not only because of the absence of a "political promotion" label but also because the programme lasted much longer than it would be allowed by media regulation for such promotion. SNS claimed that this program was part of the political promotion, which will be reported, and the Agency concluded that there was no violation of campaign finance rules.

Post-election initiatives

Following controversies on election day and after, Transparency Serbia in late December addressed with initiatives and requests for information from the Ministry of Interior¹⁶ and Higher Public Prosecutor of Belgrade.¹⁷

In the initiative towards the Ministry of Interior, TS asked for details about the database of citizens' residence registration. TS also suggested to the Ministry to make that database publicly available (with personal data excluded) so the public may draw conclusions on whether there was increased registration of citizens' residence in the city of Belgrade and other cities where local elections were organised in December 2023. TS also pointed out that information on the overall number of registered citizens with residence in Belgrade (published by the Ministry) cannot be sufficient to conclude that there was no organised voters' migration. TS also asked the Ministry for information about checking if citizens' residence registration was fake, particularly when such citizens were previously registered as residents of foreign countries. Not only did the Ministry not accept this initiative, but it asked for a prolonged time (40 instead of 15 days) to respond to the request.

In the request to the Higher Public Prosecutor of Belgrade, Transparency Serbia asked for information on ex officio investigations of criminal offences related to the election process and election financing, i.e., whether there was any such action and what is a procedure in the HPP in general when it comes to the investigation of potential criminal offences based on documented media articles. TS also asked for information about two specific investigations of potential vote-buying. HPP responded only to the one question from the request, and TS appealed to the Commissioner.

Recommendations

Immediate

- Public Prosecution Offices should promptly investigate all reported criminal charges and other suspected cases related to the election process, vote buying, and illegal campaign financing and inform the public about their conduct and findings.
- The Agency for Prevention of Corruption should conduct control of preliminary campaign finance reports (submitted till December 10th 2023) without delay and inform the public on identified wrongdoings and actions conducted;
- The Agency for Prevention of Corruption should conduct control of final campaign finance reports immediately after their submission (deadline: February 12th 2024, for parliamentary elections) and promptly inform the public about every identified violation and conducted measures (i.e. even before publishing its comprehensive report on control, where the deadline is June 10th 2024).
- Ministry of Interior and Ministry of State Administration and Local Government should publish appropriate sets of information from their databases of registered residence of citizens and voters lists that would enable independent verification of the scope of voter migration in cities where local elections were organised in December 2023. In that context, public prosecution should investigate allegations of organised voters' migration and potential violation of residence registration rules.

¹⁶ https://www.transparentnost.org.rs/images/dokumenti_uz_vesti/Zahtev_i_inicijativa_MUP_-_prebivali%C5%A1ta.pdf

¹⁷ https://www.transparentnost.org.rs/images/dokumenti_uz_vesti/Zahtev_i_inicijativa_VJT_-_krivi%C4%8Dna_dela_u_vezi_sa_izborima.pdf

Short and mid-term

- The Government and the Parliament should, without delay, take all necessary measures to improve the law on the Financing of Political Activities by prescribing an appropriate deadline for deciding on the report in the election campaign (shorten the current deadline of five days and determine it in such a way as to prevent abuses by the political subject from whom, according to the current solutions, it solely and exclusively depends on whether the receipt of the notification will be confirmed or not as a prerequisite for the adoption of the decision -- for example from the date of delivery of the notification instead of the date of receipt of the confirmation);
- The Government and the Parliament should, without delay, take all necessary measures to improve the law on the Prevention of Corruption by explicitly and unequivocally prescribing the Agency's obligation to decide on submitted reports by means of a decision and not by a notification of the outcome of the procedure, which, because it is not an administrative act, disables judicial review of the Agency's decision;
- The Government and the Parliament should, without delay, take all necessary measures to improve the law on the Prevention of Corruption by explicitly prescribing the Agency's obligation to publish a decision upon report, as well as the deadline by which it must do so, especially bearing in mind the need for urgent action.
- Third parties' financing should be regulated in a way that disallows bypassing the obligations, restrictions and prohibitions of the law on the Financing of Political Activities. Before regulating third parties' financing, all paid promotions made by party officials should be incorporated in the party's campaign financing report.
- Prosecution should act proactively at the beginning of the election campaign; it should educate the public about criminal offences related to elections, vote buying and illegal campaign financing and inform them about open channels for reporting on wrongdoings.
- The prosecution should promptly investigate all suspicions in the 2023 campaign regarding vote buying and illegal campaign financing, regardless of whether there were criminal charges or it merely went public in classic media or social media.
- Public officials' campaigns should be regulated by amending Article 50 of the Law on Prevention of Corruption by limiting promotional activities for public officials in their official capacity during the whole campaign. The current Law on Electronic Media provision does not prevent public officials' campaigns; its restrictions are easily circumvented, and its additional tightening would not prevent undue advantage for incumbent officials.
- In order to prevent abuse of public resources to gain voters' affection in the form of hidden/indirect vote buying, all extraordinary money dispersing and social benefits should be prohibited (with strictly regulated possible exceptions). It should include waivers and write-offs of debts and hiring in the public sector (with strictly regulated possible exceptions).
- The Ministry of Interior and the Ministry for Public Administration should make public data on change of residence to enable analysis and identification of possible manipulations with voters' migration.
- The Criminal code should be amended in order to cover all known forms/modalities of vote buying identified in practice. It should be aligned with election legislation. Prosecution offices in charge of suppressing corruption should have jurisdiction over illegal campaign financing.
- Maximum expenditures in the election campaign per election list/candidate should be limited
- Transparency of campaign financing during the campaign should be increased by introducing a system of parties' "open bank accounts", accessible to the public online (Czech model).
- The distribution of budget funds for the campaign should be revised – to allow distribution in the early stage of the campaign, with the individual amount per campaign participant not related to the total and final number of participants, as prescribed in current rules.

- Misuse of public resources in the form of websites and social media of ministries, other institutions and state organs for positive or negative promotion of political options should be tightly regulated.
- Election participants should be obliged to publish data on all websites and social media profiles used in the campaign, including all its local branches/chapters and its officials.
- Reports on campaign financing on the Anti-corruption agency's website should be published in user-friendly, searchable form.
- The form for submitting reports on campaign financing should be improved to explicitly cover new types of promotion (such as social networks, web platforms, etc.)