



Republic of Serbia
GOVERNMENT OF THE REPUBLIC
OF SERBIA
ANTI-CORRUPTION COUNCIL
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**Report on the Possible Impact of Public Sector Institutions on Media,
through Financing of Advertising and Marketing Services**

INTRODUCTORY NOTE

The Anti-Corruption Council would like to emphasize that the goal of this Report is not to mark any of the legal subjects involved in contracting and financing advertising and marketing services as a perpetrator of a criminal offence, or any other type of punishable act.

Neither can all of the services presented in the Report be regarded as corruptive, nor are all of the presented expenditures made by the public sector institutions always a result of a systemic corruption.

The Council particularly supports all individual advertising services that are not discretionary and purposeless, but are established as mandatory, through various rules and regulations. Such services include publishing information about public procurements, bankruptcy procedures, privatization processes, and employment advertisements, thus affirming the principle of transparency in the work of public authorities.

Therefore, the Council finds that the said services are not harmful to the public budget, but at the same time points out that there are no clear criteria for selection of the media for publishing those kinds of advertisements.

The Anti-Corruption Council based its conclusions about the corruptive nature of contracting advertising and marketing services on the phenomena presented in this Report, with special emphasis on the possible impact of the public sector institutions on providers of these services (media).

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1. INTRODUCTION

1.1. The Council's review of the media scene in Serbia

Since it was established in 2011, as an expert, advisory body of The Government of the Republic of Serbia, the Anti-Corruption Council (hereinafter referred to as the “Council”) has been striving for establishing the rule of law, which cannot exist without an independent judiciary (and an independent judiciary budget); the strong integrity of the public authorities; the regulations guaranteeing equality before law, and without compliance with those regulations, but also without the free media. Because they can have a huge impact on society, the media are called “the fourth pillar of society”, in addition to legislative, executive and judicial power. Due to this huge impact, the media can be used as a weapon in the service of maintaining power, instead of having a controlling role in the society. Un-independent media easily fall under the control of those who are trying to adjust the society to their individual interests. It is dangerous when the highest authorities control the media, since that enables them to selectively publish information, or use biased reporting in order to strengthen their positions and divert public attention from the important existential issues that remain unresolved.

In The Report on Pressure and Control over the Media in Serbia, from 2011, the Council has presented the data that show the existence of strong political pressure and full control over the media in Serbia. It was concluded that there was no media that could offer complete and objective information to the public. Under the strong pressure from political circles, the media either remain silent about certain events, or report on them only partially. This analysis included fifty media that received funding from the public budget. All of the ministries of the Government of the Republic of Serbia were among the providers of these funds, as well as several public enterprises, city utility companies, state agencies and other public authorities. The Council also analyzed the ownership structure of the biggest media in Serbia.

In February 2015, the Council made an overview of the situation in the media, and presented a Report on Ownership Structure and Control over Media in Serbia. The Report shows that independent media are virtually non-existent, and singles out five major problems: 1) non-transparency of media ownership; 2) non-transparency of financing, economic influence through budget, tax reliefs and other indirect forms of public funding; 3) media privatization and uncertain status of public services; 4) censorship and self-censorship; 5) tabloidization. The Council has concluded that the media in Serbia do not control the authorities and their results; on the contrary, the media are in fact controlled by the government.

The previous two reports, especially the first one, did not attract a bigger media attention. Except being attacked by certain media, or media representatives, the reports were not presented in the media to a greater extent. Although the information presented in those two reports did not receive much publicity with general and expert public and representatives of the authorities, they were nevertheless addressed by the European Union representatives. The Council's recommendations were included into the Action plan for Chapter 23.

The Council firmly believes that a successful fight against corruption cannot exist without independent media to control the authorities, and therefore continues to monitor the situation on the media scene in Serbia, and identify the models of authorities' impact on the media. The Report on Impact of Public Sector Institutions on Media through Financing Advertising and Marketing Services,

which is presented here, is a continuation, i.e. an upgrade of previously conducted analyses. Advertising and marketing are the channels through which editorial policies of the media can be influenced, while at the same time none of the officials or their associates appears as a part of media ownership structure. A strong relationship between the media and representatives of all levels of governmental authorities is created through advertising and marketing. The media have a financial benefit in this relationship, and the authorities have a more "flexible" and servile media, who are blackmailed by the possibility of losing the funding they obtain from advertising and marketing services.

1.2. Control by the media and control over the media

Code of Ethics of journalists of Serbia explicitly states that any type of commercial advertisement and political propaganda, which is not clearly marked, should be treated as a serious breach of professional journalists' work standards. Information is one of the means for exerting influence. An article financed by the advertiser cannot be signed either by the editor or by a professional journalist. In practice, however, the criteria are not that clear, so the advertisers resort to various tricks in order to make their articles seem more journalistic. Under the excuse of doing a favor to the reader who is, undoubtedly, interested in the news, the service is often provided as a favor to the potential or existing advertiser. The provision of these services is additionally encouraged through the work of communication and PR experts, who aim to penetrate the news space and possess it by insisting on publication of articles that are favorable to their employers.

Domestic public space provides a number of examples of economic pressures on the media and undermining of the moral status of journalists: economic interests collide with moral obligations of journalists. Interesting things can be noticed on the lists of the most influential people in domestic media, which have been created and published for several years. In addition to the owner of the largest private media corporation in the region and the director of public media service, a marketing director of a largest domestic business company is also in top ten of the list. His media impact is in relation to investments in advertising - the mentioned company is the largest advertiser in the country, and the funds allocated for this purpose have a significant impact on the media content. Additionally, the owners of marketing agencies and public relation agencies are also at the top of the list of most influential persons in domestic media.

The fate of media companies largely depends on the decisions of political and economic elite about where they will advertise and how much money they will spend for that purpose. In order to attract clients, journalists and media employees are trying not to offend potential advertisers and tend not to create media content that goes against the messages their advertisers are promoting. When the commercial pressures violate journalistic standards, the ethical issues about the permissibility of such actions are also pushed aside. Media workers should stand as a role model and support for ethical expectations of the society, and when they are not, then the overall trust in the media significantly decreases.

Not only economic interests, but also political interests are causing ethical concerns in the work of the media. Economic interests are paired with the political ones. The Government is a main source of information for the mass media, and both sides benefit from this information flow. However, this also creates their mutual co-dependence. Therefore, it can happen that under the pretext of public interest which must be served by both the government and the media, specific trade-offs can be made between these two sides.

Hence, the media should control the authorities and not be controlled and disciplined by them. News creators have the power to specifically point out, comment or completely ignore political speeches and one of the media communication rules states – if it is not in the media, it does not exist.

2. METHODOLOGY

The following methodology was used in collecting and processing data for this Report.

Public authorities are divided into twelve categories:

1. category – The highest state authorities

- a) National Assembly of the Republic of Serbia
- b) The President of the Republic of Serbia
- c) Government of the Republic of Serbia

2. category – The ministries

- a) Ministry of Foreign Affairs – they responded to the Council’s request for information stating that the Ministry did not use promotional services in the reference period. On August 19, the Council sent its statement to the Commissioner for Information of Public Importance, regarding the response to the appeal.
- b) Ministry of Defense
- c) Ministry of Interior
- d) Ministry of Finance
- e) Ministry of Economy
- f) Ministry of Justice
- g) Ministry of Agriculture and Environmental Protection
- h) Ministry of Public Administration and Local Self-Government
- i) Ministry of Construction, Traffic and Telecommunications (currently: Ministry of Transport and Infrastructure)
- j) Ministry of Mining and Energy
- k) Ministry of Trade, Tourism and Telecommunications
- l) Ministry of Education, Science and Technological Development
- m) Ministry of Youth and Sport
- n) Ministry of Health
- o) Ministry of Labor, Employment, Veteran and Social Affairs
- p) Ministry of Culture and Information

3. category – Independent organizations and funds

- a) National Bank of Serbia
- b) Disability and Pension Fund of the Republic of Serbia
- c) National Health Insurance Fund
- d) Development fund of the Republic of Serbia
- e) National Employment Service

4. category – State agencies

- a) Regulatory Agency for Electronic Communications and Postal Services (*RATEL*)
- b) Regulatory Authority of Electronic Media (previously Republic Broadcasting Agency)
- c) Privatization Agency
- d) Medicines and Medical Devices Agency of Serbia

- e) Road Traffic Safety Agency
- f) Energy Agency of the Republic of Serbia
- g) Serbia Investment and Export Promoting Agency (SIEPA)
- h) Export Credit and Insurance Agency of the Republic of Serbia
- i) Agency for Restitution
- j) National Agency for Regional Development

5. category – State administration bodies

- a) Statistical Office of the Republic of Serbia
- b) Republic Geodetic Authority
- c) Building Directorate of Serbia
- d) Public Procurement Office
- e) Tax Administration
- f) The Treasury
- g) Directorate for Agrarian Payments
- h) Free Zones Administration
- i) National Mortgage Insurance Corporation

6. category – Institutions vested with public powers

- a) National Tourism Organization of Serbia
- b) Belgrade business School
- c) The University of Priština
- d) School of Electrical Engineering, University of Belgrade
- e) Gerontology Center of Belgrade
- f) National Museum in Belgrade
- g) Pharmacy Belgrade
- h) Clinical Center of Serbia
- i) Clinical Center Niš

7. category – Public enterprises

- a) PE Electric Power Industry of Serbia
- b) PE “*Elektromreža Srbije*”
- c) PE for Coal Mining “*Resavica*”
- d) PE “*Srbijagas*”
- e) PE for Forest Management “*Srbijašume*”
- f) PE “*Službeni glasnik*”
- g) PE Serbian Railways JSC
- h) PE Roads of Serbia
- i) PE Post of Serbia
- j) “*Telekom Srbija*”
- k) PE for shelters
- l) PE “*Jugoimport*”
- m) PE Ski Resorts of Serbia
- n) PE “*Emisiona tehnika i veze*”
- o) PE Nuclear Facilities of Serbia

8. category – Companies with majority state capital

- a) “Elektrovojvodina” Novi Sad
- b) “Jugoistok” Niš
- c) “Kolubara” Lazarevac
- d) Serbian State Lottery
- e) “Nikola Tesla” Airport
- f) Company “Galenika a.d.”
- g) Lubricants factory “FAM ad” Kruševac
- h) “HIP-Petrohemija” Pančevo
- i) Corporation “PKB ad”
- j) Holding company “Prva Petoletka”
- k) “DIPOS”
- l) Company “Koridori Srbije” Ltd
- m) PIU Research and Development Ltd. Belgrade
- n) Belgrade Waterfront
- o) “Srpska banka ad”
- p) SMATSA
- q) Civil Aviation Directorate of the Republic of Serbia

9. category – Local self-government institutions

- a) The Assembly of the City of Belgrade
- b) The Mayor of the City of Belgrade
- c) The Assembly of the City of Novi Sad
- d) The Mayor of the City of Novi Sad
- e) The Assembly of the City of Kragujevac
- f) The Mayor of the City of Kragujevac
- g) The Assembly of the City of Niš
- h) The Mayor of the City of Niš
- i) The Assembly of the City of Subotica
- j) The Mayor of the City of Subotica

10. category – Local public enterprises and local self-governments

- a) Tourist Organization of Belgrade
- b) PE “Gradsko stambeno” Belgrade
- c) “Arena Beograd”
- d) Public Utility Company “Infostan”
- e) FEST Directorate
- f) Belgrade Land Development Public Agency
- g) PE “Informatika” Novi Sad
- h) PE “Poslovni proctor” Novi Sad
- i) PE for City Construction and Development Novi Sad
- j) PE “Gradske tržnice” Kragujevac
- k) Public Utility Company “Zelenilo” Kragujevac
- l) Public Utility Company “Šumadija sajam” Kragujevac
- m) Public Utility Company “Gradska toplana” Niš
- n) Public Utility Company Mediana Niš
- o) Public Utility Company “Naissus” Niš

11. category – AP Vojvodina funds

- a) European Affairs Fund
- b) Capital Investments Fund
- c) Vojvodina Investment Promotion
- d) Vojvodina Development Fund

12. category–Government of the Autonomous Province of Vojvodina (Provincial Secretariats)

- a) Energy
- b) Finance
- c) Culture and Public Information
- d) Interregional Cooperation and Local Self-Government
- e) Science and Technological Development
- f) Agriculture
- g) Economy, Employment and Gender Equality
- h) Sports and Youth
- i) Urban Planning, Construction and Environmental Protection
- j) Health Care
- k) Education and Administration

The above listed categories include all levels of executive authority, which covered more than adequate sample for analysis.

The Council has addressed more than 120 public institutions, and requested information about marketing, advertising and PR services, as well as promotional and media campaign services, web site development and maintenance services, sponsorship/donation services, or any business-technical agreements that have been concluded and implemented, from the beginning of 2011 until the end of 2014. The information provided by the mentioned institutions included: the year of implemented service; the name of physical or legal entity – service provider; summarized description of the service provided; information on whether the public procurement procedure was conducted for the service; copy of the report on expert evaluation of bids; the amount of contracted service; the amount of paid service; explanation in case of a discrepancy between contracted and paid amounts; copy of the contract concluded with the service provider and any existing addendums; copy of service provider's report on services rendered, as well as the information on total contracted and realized costs per the aforementioned years (2011, 2012, 2013, 2014) and cumulatively for the period from 2011 to 2014.

For this Report, the Council requested information from a total of 124 public institutions, and received replies in accordance with its requests from 120 institutions. In addition to public institutions, the Council requested information from 16 largest political parties. The Council sent a total of 216 requests for information, as well as over 50 letters to the Commissioner for Information of Public Importance (hereinafter referred to as the "Commissioner") for failing to obtain information, of which 26 were official complaints regarding the institutions' disregard of the Council's requests.

On the day the Report was finalized, the Council still did not receive complete information from the Ministry of Foreign Affairs, the Government of the Republic of Serbia, PE "Srbijagas" and Telekom Srbija, so the information about total expenditures of these entities remained unknown to the public. Related to this, on August 24, 2015 the Council lodged a request for administrative proceedings against PE "Srbijagas" and Telekom Srbija, due to their failure to provide the information of public importance. However, neither of the two institutions has submitted any answer

even after they were penalized by the Commissioner. It should be noted that by September 2015, the Commissioner issued 13 financial penalties to “Srbijagas” amounting to 1,220,000 RSD, and 31 financial penalties to Telekom Srbija, in 2,860,000 RSD.

After a lengthy procedure before the Commissioner, PE Post of Serbia has provided the requested information, but only partially, and not in a requested form, so the proceedings are still ongoing.¹

The Council’s experience with “Dipos” should also be noted, since their first response to the Council’s request for information was that for the reference period the company had no advertising and marketing costs. However, after the Council conducted a research of company’s financial statements, it was concluded that they did have costs for this type of services (a minimum of 3m RSD). The Council asked “Dipos” for a written explanation, and after a lengthy correspondence, the company finally provided the requested information about the expenditures. For these reasons, the Council initiated an administrative supervision over “Dipos”.

¹ Data on 16 December 2015.

3. THE VALUE OF ADVERTISING AND MARKETING SERVICES

3.1. Expenditure analysis by authorities

In accordance with the data provided by relevant institutions and organizations, the Council prepared the following yearly breakdown of expenditures by authorities.

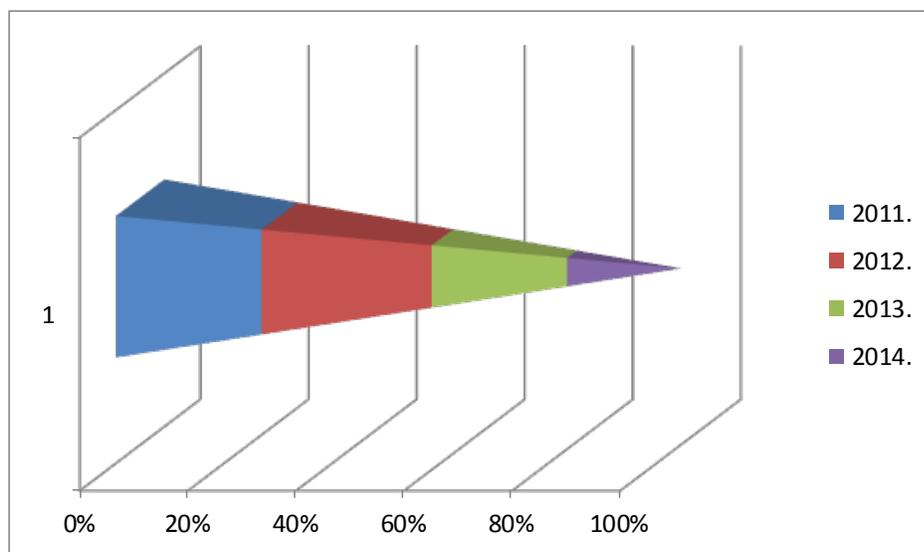
During the period from 2011 to 2014, the representative sample consisting of 124 state authorities, organizations, funds, public enterprises, companies with majority state capital, and local self-governments spent more than 60.9m Euros on advertising and marketing services. The Council notes that the stated amount represents only the expenditures of the sampled 124 institutions, i.e. it does not represent the total advertising and marketing expenditures at the state level.

Table 1 Expenditures per years						
TOTAL PER YEARS						
R.br.	CATEGORY	Expenditures per years (in RSD)				Total
		2011.	2012.	2013.	2014.	
1	HIGHEST STATE AUTHORITIES	4.776.739,43	86.685.920,00	96.118.016,00	93.621.299,84	281.201.975,27
2	MINISTRIES	106.446.168,78	112.937.068,55	99.317.775,48	62.159.744,03	380.860.756,84
3	INDEPENDENT ORGANIZATIONS AND FUNDS	80.075.575,85	83.033.779,12	42.235.790,32	19.904.165,61	225.249.310,90
4	STATE AGENCIES	78.428.938,85	62.872.090,96	66.918.196,55	30.153.198,76	238.372.425,12
5	STATE ADMINISTRATION BODIES	35.129.265,84	78.725.022,15	20.381.619,34	18.684.883,73	152.920.791,06
6	INSTITUTIONS VESTED WITH PUBLIC POWERS	80.572.194,86	204.940.804,88	157.696.285,48	68.846.122,46	512.055.407,68
7	PUBLIC ENTERPRISES	309.984.617,73	263.609.020,28	270.408.599,49	255.119.130,02	1.099.121.367,52
8	COMPANIES WITH MAJORITY STATE CAPITAL	783.493.147,64	906.104.644,04	624.917.217,30	580.944.936,74	2.895.459.945,72
9	LOCAL SELF-GOVERNMENT INSTITUTIONS	129.350.593,43	101.103.880,78	100.095.969,86	65.969.798,53	396.520.242,60
10	LOCAL PUBLIC ENTERPRISES AND LOCAL SELF-GOVERNMENTS	144.642.002,48	134.617.637,03	122.429.870,83	83.942.957,61	485.632.467,95
11	AP VOJVODINA FUNDS	6.743.544,37	6.076.169,45	2.301.295,12	5.146.834,89	20.267.843,83
12	GOVERNMENT OF THE AP VOJVODINA	31.637.569,44	30.408.763,51	50.896.296,75	106.090.383,62	219.033.013,32
	total per years	1.791.280.358,70	2.071.114.800,75	1.653.716.932,52	1.390.583.455,84	6.906.695.547,81

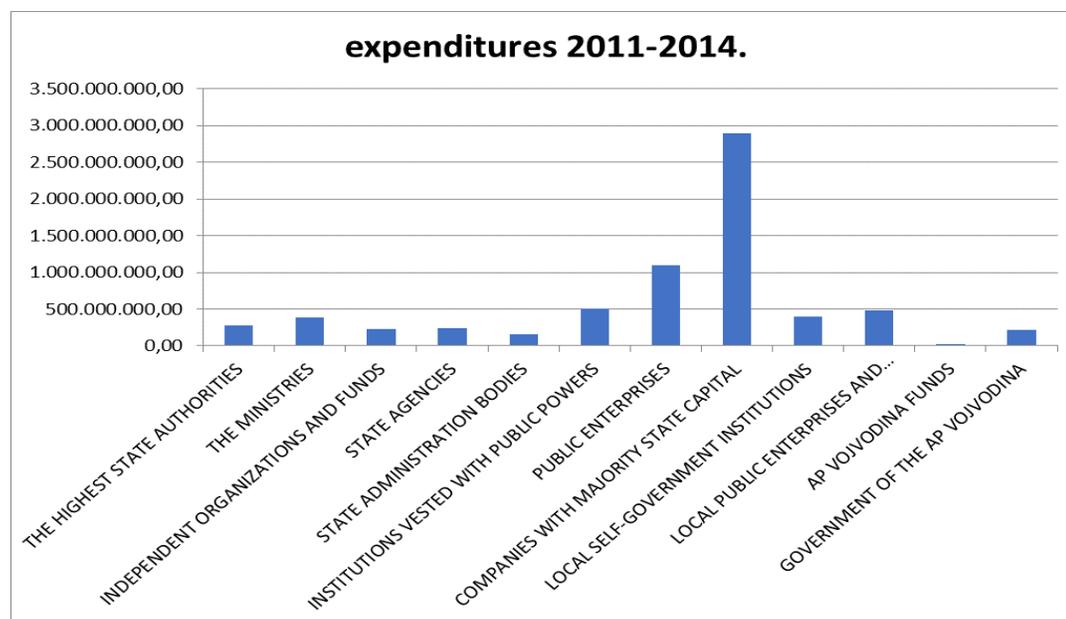
During the four years from 2011-2014, the representative sample consisting of 124 state authorities, organizations, funds, public enterprises, companies with majority state capital, and local self-governments spent more than 60.9m Euros on the above mentioned services². Most of the amount, 29.87%, was spent in 2012, and the least, 18.75% was spent in 2014.

The trend of cost reduction is evident during 2014, except within the category of highest state authorities, the funds of the AP Vojvodina, as well as Provincial Secretariats of the AP Vojvodina.

² Source for the conversion of RSD to EUR
 Middle exchange rate of NBS on 31.12.2011 – 104.6409
 Middle exchange rate of NBS on 31.12.2012 – 113.7183
 Middle exchange rate of NBS on 31.12.2013 – 114.6421
 Middle exchange rate of NBS on 31.12.2014 – 120.9583



Most of the resources, over 57%, have been spent jointly by two analyzed categories: companies with majority state capital (42.15%) and public enterprises (15.46%). In the opinion of the Council (with a note that significant expenditures of Telekom Srbija, PE Post of Serbia and “Srbijagas” were not included), such large expenditures of public enterprises indicate inadequately conducted founders’ control over their business, as well as their depletion by political parties who are appointing inadequate management staff.



The attached tables (see Annex 1) show expenditures by category for the period from 2011 to 2014. The presented data is accurate and credible only as the information and documentation submitted by the mentioned institutions, organizations and enterprises.

TABLE 2: Public institutions' expenditures for provision of advertising, marketing, and PR services; promotional and media campaign services and web site development and maintenance services						
I category: THE HIGHEST STATE AUTHORITIES						
No.	Name of the institution	Expenditures per year (in RSD)				Total 2011-2014.
		2011.	2012.	2013.	2014.	
1	National Assembly	354,000.00	82,662,320.00	92,744,720.00	91,529,105.00	267,290,145.00
2	The President of the Republic	1,494,739.43	1,095,600.00	445,296.00	1,024,694.84	4,060,330.27
3	The Government	2,928,000.00	2,928,000.00	2,928,000.00	1,067,500.00	9,851,500.00
	Totals per year	4,776,739.43	86,685,920.00	96,118,016.00	93,621,299.84	281,201,975.27

After several interventions, the Government of the Republic of Serbia has provided the requested information only for the Office for Media Relations, and the contracted amounts without VAT, so the presented data should be taken with reservations. Having cross-referenced these data with the data obtained from the Treasury, the Council concluded that the Office of Deputy Prime Minister of Serbia, and the General Secretariat, made a number of financial transfers for advertising and marketing services, during 2012 and 2013. Because of this, on 26 October 2015, the Council sent a request for clarification to the Government and to the Prime Minister, respectively. Two days later, the Council received a reply regarding only the contracts that were specifically mentioned in the request. The Council addressed the Government, namely Secretary-General, once again, on November 24, 2015, stating that the Council was interested in total expenditures for advertisement and marketing services, not the expenditures of individual Offices or departments. The Council also attached new information with the dates and amounts of financial transfers, which were meanwhile discovered in the analysis of the data provided by the Treasury.

On the day the Report was finalized, the Council was still waiting for the response from the Government of the Republic of Serbia regarding the total expenses from 2011 to 2014.

TABLE 1: Public institutions' expenditures for provision of advertising, marketing, and PR services; promotional and media campaign services and web site development and maintenance services						
II category: MINISTRIES						
No.	Name of the institution	Total per years (in RSD)				Total 2011-2014.
		2011.	2012.	2013.	2014.	
1	Ministry of Foreign Affairs					
2	Ministry of Defense	9.982.085,00	4.035.766,00	1.488.987,00	1.629.164,00	17.136.002,00
3	Ministry of Interior	1.965.086,00	2.001.024,00	1.913.400,00	369.000,00	6.248.510,00
4	Ministry of Finance	1.279.260,00	66.080,00	243.000,00	33.561,60	1.621.901,60
5	Ministry of Economy	0,00	0,00	3.000.525,00	1.966.356,78	4.966.881,78
6	Ministry of Justice	2.207.320,00	1.880.460,00	2.123.760,00	2.559.042,00	8.770.582,00
7	Ministry of Agriculture and Environmental Protection	19.512.302,79	31.388.211,79	43.688.246,52	26.554.725,12	121.143.486,22
8	Ministry of Public Admin. and Loc. Self-Government	0,00	0,00	0,00	369.800,00	369.800,00
9	Ministry of Construction, Transport and Infrastructure	0,00	0,00	585.000,00	1.707.570,00	2.292.570,00
10	Ministry of Mining and Energy	599.001,00	776.537,04	4.580.841,77	586.695,00	6.543.074,81
11	Ministry of Trade, Tourism and Telecommunication	38.916.169,92	49.149.845,19	29.218.380,59	10.542.648,33	127.827.044,03
12	Ministry of Educat. Science and ech. Development	1.825.789,73	2.480.888,35	2.404.768,60	4.704.473,80	11.415.920,48
13	Ministry of Youth and Sport	13.173.198,40	13.174.512,51	4.763.491,20	4.591.109,60	35.702.311,71
14	Ministry of Health	4.224.680,65	4.787.663,67	2.386.804,80	1.894.190,60	13.293.339,72
15	Ministry of Labor, Employment, Vet. and Soc. Affairs	4.687.768,30	2.197.500,00	2.456.410,00	3.571.440,00	12.913.118,30
16	Ministry of Culture and Information	8.073.506,99	998.580,00	464.160,00	1.079.967,20	10.616.214,19
	Total per year	106.446.168,78	112.937.068,55	99.317.775,48	62.159.744,03	380.860.756,84

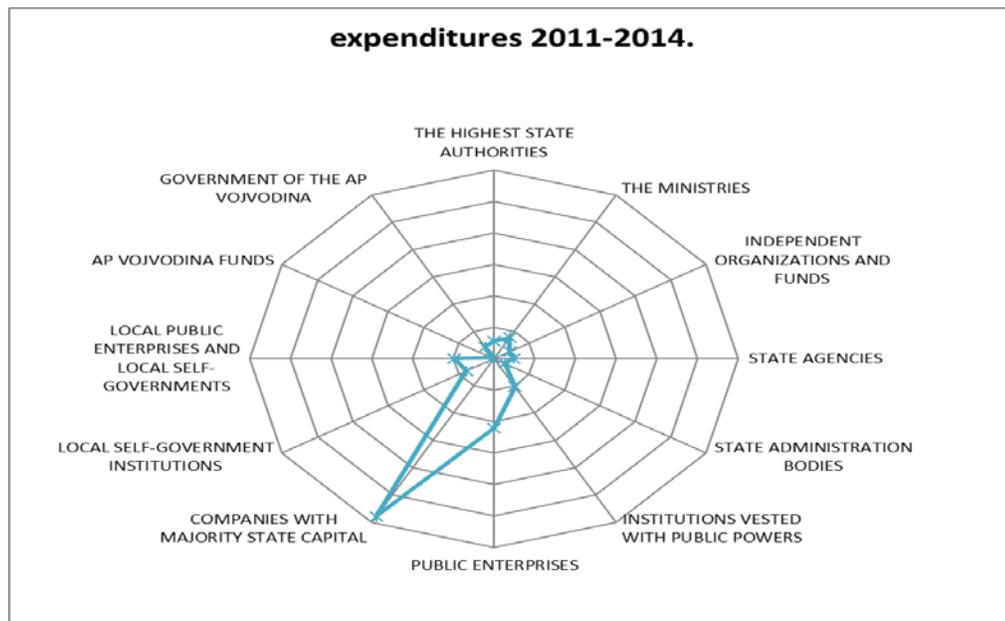
Having in mind all of the facts stated above, it can be concluded, with a great level of certainty, that the expenditures presented in this category are lower than actually paid.

The expenditures in this category are also presented to a much lesser extent than the actual expenditures.

This category presents the ministries established in 2014, some of them by merger or separation of previous ministries. Although all assets, liabilities and employees should be transferred through mergers or separations, in reality this is not adequately implemented. For example, the Ministry of Public Administration and Local Self-Government has submitted to the Council information only for 2014, so the question remains - where have the expenditures of the departments in this Ministry, which were previously parts of other ministries, been registered or reported? The same question applies to the Ministry of Economy. There is still an open question of both where are and whether the expenditures made by the closed or reformed ministries (such as the Ministry of Regional Development, or Ministry of Infrastructure, etc.) are presented.

Additionally, in a letter from 22nd June 2015, the Ministry of Foreign Affairs informed the Council that they did not use advertising and marketing services for promotion of the Ministry, but exclusively for promotion of the interests of the Republic of Serbia, although the information requested by the Council was in relation to the total of financed advertising and marketing services. In its letter the MFA states that they have financed PR services provided by a PR company in USA, through the Embassy of the Republic of Serbia in Washington, and that the disclosure of the elements of these contracts would cause more damage to the interests of the Republic of Serbia than it would contribute to the public's right to be informed. The Council once again requested from the MFA to provide the information about the total expenditures for advertising and marketing services, for the period from 2011 to 2014. With its request, the Council attached the dates and amounts of specific transfers discovered in the analysis of the data obtained from the Treasury. On the day the Report was finalized, the Council was still waiting for a response from the MFA.

Based on all of the facts stated above, it can be concluded, with a great level of certainty, that the expenditures presented in this category are also lower than actually paid.



The Anti-Corruption Council tried to calculate total expenditures on the state level, by taking the mean value of the expenditures by each category, and then multiplying that with the number of entities registered in each specific category in the Republic of Serbia. If the result of this calculation

was to be extrapolated, it could be indicative for further research of the market size of marketing and advertising of the public sector – and it amounts to more than 840m Euros for the reference period (2011- 2014).

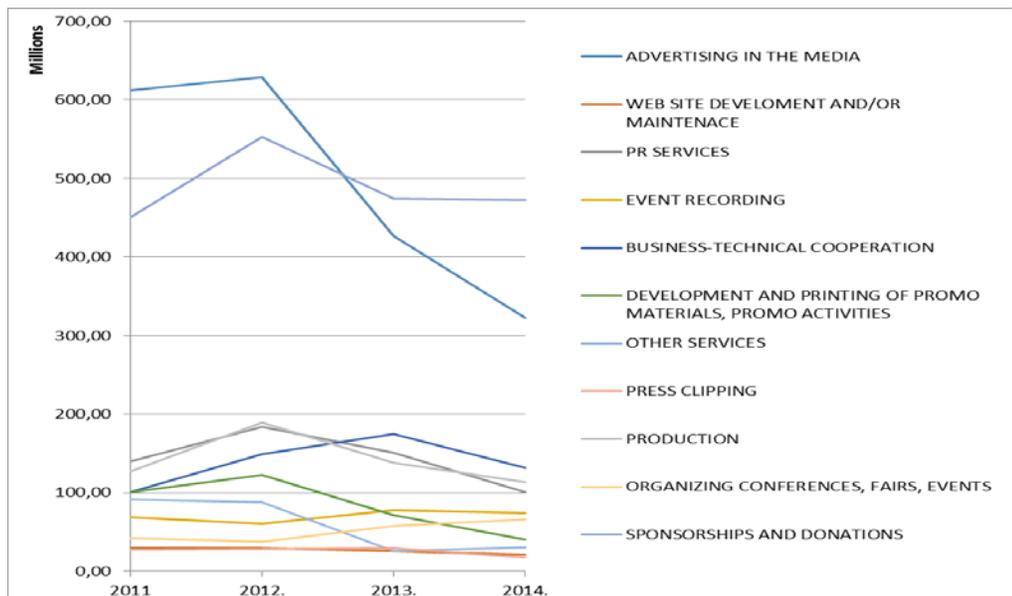
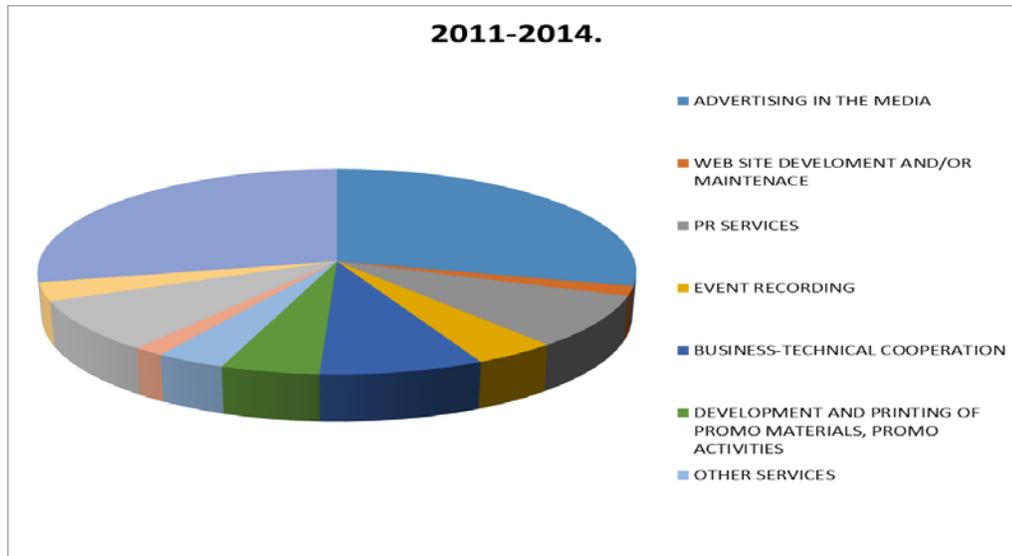
CATEGORY	NO. OF SAMPLED INSTITUTIONS	NO. OF INSTITUTIONS IN RS	AVERAGE VALUE OF EXPENDITURES RSD	AVERAGE VALUE OF EXPENDITURES EUR	ESTIMATED VALUE OF EXPENDITURES RSD	ESTIMATED VALUE OF EXPENDITURES EUR
CATEGORY- HIGHEST STATE AUTHORITIES	3	3	93.733.991,76	781.116,60	281.201.975,27	2.343.349,79
CATEGORY-MINISTRIES	16	16	2.378.797,30	19.823,31	38.060.756,84	317.172,97
CATEGORY- INDEPENDENT ORGANIZATIONS AND FUNDS	5	29	45.049.862,18	375.415,52	1.306.446.003,22	10.887.050,03
CATEGORY- STATE AGENCIES	10	22	23.837.242,51	198.643,69	524.419.335,26	4.370.161,13
CATEGORY-STATE ADMINISTRATION BODIES	9	76	16.991.199,01	141.593,33	1.291.331.124,51	10.761.092,70
CATEGORY-INS TITUTIONS VESTED WITH PUBLIC POWERS	9	1278	56.895.045,30	474.125,38	72.711.867.890,56	605.932.232,42
CATEGORY-PUBLIC ENTERPRISES	15	104	123.674.546,04	1.030.621,22	12.862.152.788,55	107.184.606,57
CATEGORY-COMPANIES WITH MAJORITY STATE CAPITAL	17					
CATEGORY-LOCAL SELF-GOVERNMENT INSTITUTIONS	10	171	39.652.024,26	330.433,54	6.780.496.148,46	56.504.134,57
CATEGORY-LOCAL PUBLIC ENTERPRISES AND LOCAL SELF-GOVERNMENTS	15	147	32.375.497,86	269.795,82	4.759.198.185,91	39.659.984,88
CATEGORY-AP VOJVODINA FUNDS	4					
CATEGORY- GOVERNMENT OF THE AP VOJVODINA	11	21	15.953.390,48	132.944,92	335.021.200,01	2.791.843,33
TOTAL	124,00				100.890.195.408,59	840.751.628,40

3.2. Expenditure analysis by the type of services

Table 1 Expenditures per years						
TOTAL PER EXPENDITURES						
No.	CATEGORY	Expenditures per years (in RSD)				Total
		2011	2012.	2013.	2014.	2011-2014.
3	ADVERTISING IN THE MEDIA	612.609.086,44	628.696.280,06	427.097.442,21	322.714.061,88	1.991.116.870,59
4	ADVERTISING IN THE MEDIA	29.205.789,70	29.382.660,35	26.274.963,53	21.046.294,07	105.909.707,65
5	WEB SITE DEVELOPMENT AND/OR MAINTENANCE	139.611.953,75	183.862.542,88	150.900.741,59	100.791.183,64	575.166.421,86
6	PR SERVICES	68.863.482,75	60.816.990,26	77.998.160,27	74.382.650,01	282.061.283,29
7	EVENT RECORDING	101.002.270,51	149.297.785,17	174.786.958,88	132.241.845,54	557.328.860,10
8	BUSINESS-TECHNICAL COOPERATION	100.418.031,89	122.758.723,80	71.422.656,08	40.158.180,65	334.757.592,42
9	DEVELOPMENT AND PRINTING OF PROMO MATERIALS, PROMO ACTIVITIES	91.299.146,98	87.816.449,35	25.944.508,62	30.124.855,05	235.184.960,00
10	OTHER SERVICES	27.670.126,33	28.773.184,29	29.377.075,73	17.401.652,36	103.222.038,71
11	PRESS CLIPPING	127.534.817,65	189.382.621,50	138.514.451,63	113.584.878,04	569.016.768,82
10	PRODUCTION	42.132.329,94	37.466.766,78	57.359.538,37	65.744.094,13	202.702.729,22
12	ORGANIZATION OF CONFERENCES, FAIRS, EVENTS	450.933.322,76	552.860.796,31	474.040.435,61	472.393.760,47	1.950.228.315,15
	Total per years	1.791.282.369,70	2.071.114.800,75	1.653.716.932,52	1.390.583.455,84	6.906.695.547,81

From total expenditures in the amount of over 60.9 million euros more than 57% of the total paid expenses relates to the costs of two categories - the costs of advertising in the public information services (media) (28.83%), and the costs of sponsorships and donations (28.24%).

There is an obvious trend of decreasing expenditures per year in all categories, except in the category of event recording, where the costs are higher in 2014 than in 2011 and 2012, as well as in the category of organization of conferences, trade fairs and events, with an evident growth in 2014.



4. THE PHENOMENA IDENTIFIED IN THE ANALYSIS OF CONTRACTING ADVERTISING AND MARKETING SERVICES

4.1. Contracting services through the open procedure of public procurement

4.1.1. The Building Directorate of Serbia (Serbian acronym: GDS)

In April 2014, *The Building Directorate of Serbia (GDS)* concluded a contract with a consortium led by **Studio marketing J. Walter Thompson doo** from Belgrade, on the development of advertising campaign for the sale of apartments built by GDS. The contract value was 21.1m RSD, including VAT, and the conclusion of the contract was preceded by conducting the open procedure of public procurement of high value

Besides the selected company, the company **Buzz Havas Worldwide Belgrade doo** from Belgrade also submitted its bid; however, the company representative was not present at the opening

of bids. The bid submitted by **Buzz Havas Worldwide Belgrade doo** was deemed incomplete as the bidder failed to provide professional references in electronic form, draft concept of the project, as well as confirmation that the company had no arrears.

It should be pointed out that the winning company, **Studio marketing J. Walter Thompson**, had also provided media services to GDS according to the contract from 2013, and in consortium with Media Jobs Beograd, together with subcontractors: **Cinnamon Production doo** from Belgrade and **Simpledot** agency from Nova Pazova. In that case, the contract was concluded also in an open procedure public procurement, and the contract value was 18.2 m RSD. In addition to the above-mentioned consortium, the other bidders in this case were **Mass media doo**, **SVA doo**, and **Žižgin doo** from Belgrade.

According to the documentation analyzed by the Council, the price offer submitted by **Mass media** was 5.4m RSD lower than the one submitted by the selected company, however, the consortium led by **Studio marketing J. Walter Thompson** was awarded more points on subjective criteria (technical solution). According to the report on expert evaluation of bids, awarding points for technical solution was conducted in the following manner: *“Foreseen possibility of subjective evaluation of submitted technical solution, which by its nature cannot be easily quantified, is controlled through intersubjective consent of the public procurement committee members. In other words, the objectivity in evaluation was achieved through an average score awarded by individual committee member to each of the categories within the technical solution”*

Owner of **Mass media doo**, Vladimir Andonov (100%), is one of the rare businessmen in the field of marketing who has publicly criticized the competition, stating: “There have always been political pressures on the advertisers regarding which agency to contract, but I was hoping that this would stop after 2012, and that the monopolistic market run by Đilas and Šaper would break, but what happened was the opposite. The situation has never been worse. It is impossible to find work now, everyone is going to Šaper and Goran Veselinović, because in them they recognize new centers of power“.³

THE COUNCIL’S CONCLUSION: *by the manner of its implementation, public procurement in the open procedure should represent the most transparent and the most competitive model of contracting advertising and marketing services. However, the authorities rarely choose this type of procurement. Even when there are reasonable grounds for conducting a public procurement in the open procedure, the executives of state institutions usually opt for their “fragmentation” by conducting several low-value public procedures instead. It can be assumed that the implementation of the open procedure for procurement of the same type of services on a yearly basis would ensure greater competitiveness and lower prices, which is obviously not the goal pursued within the public sector institutions.*

The problem of “rigged” technical specifications and subjective criteria for evaluation of bids submitted in sealed envelopes are one of the problems with public procurements in an open procedure. In such a situation, it is clear that the intention is to award a contract on the provision of media services to a predefined bidder, so the only measure the damaged bidders can take is to file an appeal with the Republic Commission for Protection of Rights in Public Procurement Procedures. In practice, however, unsatisfied and potentially damaged bidders avoid initiating appeal procedures, believing that this would hinder future potential business engagements.

³ <http://www.vreme.co.rs/cms/view.php?id=1185072>

4.2. Contracting services through low-value public procurement

4.2.1. Public Enterprise „Elektromreža Srbije“ (Serbian acronym: EMS)

In August 2014, *PE „Elektromreža Srbije“ (EMS)* contracted “media promotion of the company” services from **Buzz Havas Worldwide Belgrade doo** from Belgrade, at a price of 4.2m RSD, including VAT. In the low-value public procurement procedure, the winning company was the only bidder. Also in August 2014, EMS contracted “organization of fairs” services with **Smart selling solution** from Belgrade. The price of this contract was 1.8m RSD, including VAT. The second bidder in this low-value procurement procedure was **Integraltehnic** crafts association, from Aleksandrovac, whose price offer was 1.1m RSD. However, this bidder was disqualified, having failed to submit necessary documentation with its bid, i.e. the copies of “M” form as a proof of fulfillment of staff capacity requirements. Although formally these were two separate procurements, the Council concluded that there was a connection between **Buzz Havas Worldwide Belgrade doo**, owned by Lazar Labus (33.33%) and Buzz Group doo (66.67%), and **Smart selling solution doo**, owned by Ljiljana Labus (100%). The companies are registered at different addresses, but in its tender documentation **Smart selling solution doo** gave the same contact number as **Buzz Havas Worldwide Belgrade doo**. Nevertheless, in 2013, in the year preceding the conclusion of the contract with EMS, **Smart selling solution** had total revenues of 1.6m RSD and two employees.

In 2011, EMS contracted the provision of “marketing and consulting” services from **Bovan Consulting doo**, owned by Ana Bovan (100%) from Belgrade. The value of the contract was 1.8m RSD, including VAT. Two more companies participated in the low-value public procurement procedure at that time - **Smart Selling Solution doo** and **PRA doo**, from Belgrade. Both of their bids were rejected as invalid because both companies failed to fill in the form for evaluation of fulfillment of mandatory conditions and the financial offer template. In June 2012, EMS once again concluded a contract with **Bovan Consulting doo** for the provision of the same services, and this time the contract value was 2.3m RSD, including VAT. Once again, a low-value public procurement procedure was conducted before the conclusion of the contract, and once again, the same companies participated - **Selling Solution doo** and **PRA doo** from Belgrade. Both bids were again disqualified because the bidders failed to fill out, sign and stamp the contract template from the tender documentation. This strongly implicates that neither company had a serious intention to compete in the procurement procedure.

4.2.2. Public Enterprise Electric Power Industry of Serbia (Serbian acronym: EPS)

In June 2014, *Public Enterprise Electric Power Industry of Serbia (EPS)* concluded a contract on “marketing campaign for the liberalization of electric power market” with **Block&Roll doo** from Belgrade. The contract value in this case was 1.7m RSD, including VAT and the contract was awarded in the low-value public procurement procedure. Public procurement committee states in its report that **Lowe & Friends doo**, **BTL Agencija doo**, **Communis doo**, **Block&Roll doo** and agency **Lf industry** from Belgrade, all submitted complete and correct bids.

Bid evaluation process was conducted so that the maximum of 60 weighted points was awarded to the financial offer, and 40 weighted points to the creative solution for web application. The price offer submitted by **BTL Agencija doo** was about 251,655 RSD lower than the price offer submitted by **Block&Roll doo**, but **BTL Agencija doo** was not awarded any points for: educational value, clarity and creativity. The marketing campaign in question included the development of a web application focused on liberalization of electric power market, which was directly presented by

promoters on tablet computers, in five cities for 24 days. **Block&Roll doo** is owned by Aleksandra Bošnjaković (100%).

4.2.3. Export Credit and Insurance Agency of the Republic of Serbia (Serbian acronym: AOFI)

In 2014, *Export Credit and Insurance Agency of the Republic of Serbia (AOFI)* has concluded a contract on the provision of “development and implementation of communication strategy and PR services” with **International Communications Partners (ICP) doo** (owned by JSMR INTERNATIONAL INC. from USA – 100%) from Belgrade. The value of the contract was 1.99m RSD, without VAT, or 2.39m RSD, including VAT. Two more bidders participated in the low-value public procurement procedure, which was conducted beforehand - **Buzz Havas Worldwide Belgrade doo**, with the price offer of 2.3m RSD, without VAT, and **Kovačić&Spaić doo** with the price offer of 2.4m RSD, without VAT. Both bids were rejected on the grounds of their price offers, because both were higher than the estimated value of the public procurement. The estimated value of the public procurement was clearly indicated in the tender documentation prepared by AOFI and it was 2.1m RSD. The bidders must have known that their bids would be disqualified if they exceed 2.1m RSD, in accordance with the Law on Public Procurements.

It should be pointed out that Goran Vesić was working in **International Communications Partners (ICP) doo** in the period from 2008-2014, before he was elected as a Deputy Mayor – City Manager in the City of Belgrade.⁴ **ICP** submitted its bid to the AOFI on April 16, while Vesić was the company’s director. He was officially deleted from Serbian Business Registers Agency’s records as a director on 13th May, 2014.

4.2.4. Ministry of Labor, Employment, Veteran and Social Affairs

In 2014, *Ministry of Labor, Employment, Veteran and Social Affairs* conducted a low-value public procurement procedure with three participating bidders. Upon completion of the procedure, the contract was awarded to **Watchout doo** from Belgrade, in the value of 2.2m RSD, including VAT. The subject of the contract was the provision of advertising activities for important anniversary celebrations, and inserting materials in the form of illustrated publications on the following topics: *Sarajevo assassination, The Beginning of the First World War, Battle of Cer, Battle on Gučevo, Battle at Čačkov kamen, and Battle of Kolubara*. In the tender documentation, the Ministry envisaged inserting” with the daily newspaper that has national coverage and reports on serious topics, with a circulation of at least 60,000 copies, within the issue of 27th June 2014 (Friday), for the whole state territory.” The inserts were published as attachments to **NIN** and **Pečat** magazines, not with a daily newspaper as it was indicated in tender documentation. The editorial staff of **Politika** strongly protested because of the Ministry’s decision that this newspaper, with 110 years of tradition, was not eligible for the insertion of promotional materials related to celebration of important historical events. **Politika** cited its sources stating that **Watchout doo** suggested that the inserts should be published with **NIN** and **Vreme** magazines, but that the Ministry opted for **NIN** and **Pečat** instead.⁵ It should be noted that the minister Aleksandar Vulin was an editor in “Pečat” magazine, until 2012, when he was appointed as an official in the Government of the Republic of Serbia.

⁴ <http://www.beograd.rs/cms/view.php?id=1599063>

⁵ <http://www.naslovi.net/2014-12-20/politika/vulinov-celofan/12747425>

4.2.5. National Employment Service (Serbian acronym: NES)

In 2013, the *National Employment Service (NES)* concluded a contract with **A-media doo** from Belgrade, on “updating and maintenance of electronic edition of *Poslovi* publication”, at a value of 1.5m RSD, including VAT. NESNES invited three companies to participate in the low-value procurement: **A-media doo**, **Kovačić&Spaić doo** and **Proton Computers** agency from Belgrade. The director of NES at the time of the procurement, Dejan Jovanović, was a URS political party official. At the same time, co-owner of **A-media** was Tomislav Damjanović, also a URS official; the owner of **Proton Computers** was an employee in the Ministry for the National Investment Plan (2008-2010)⁶ when Verica Kalanović, a URS official, was the minister.

A-media doo and **Kovačić&Spaić doo** responded to the Ministry’s invitation and submitted the bids. However, the bid submitted by **Kovačić&Spaić doo** was evaluated as invalid as the bidder failed to provide a number of necessary documents, such as: a confirmation from the Tax Administration not older than six months, memorandum of association, financial statements (balance sheet and profit and loss account); failed to complete, sign and stamp two necessary forms; and failed to provide the evidence of fulfillment of mandatory conditions with three other forms. In the same manner, NES and **A-media doo** concluded a contract in 2012, for the same type of services, with the contract value of 1.1m RSD. In that case also, the only competition, with an incomplete bid (at least 10 irregularities were noted), was the company **Farmeri&Spaić doo**, which later changed its name to **Kovačić&Spaić doo**. Having in mind the irregularities found in both bids submitted by this company, it could be concluded that the winners of both tenders, in 2012 and 2013, were predetermined.

In March 2012, the *National Employment Service (NES)* once again concluded a contract with **A-media doo** for “purchasing broadcasting time on local media”. The contract value was 2.3m RSD, including VAT (26,600 RSD per second). Broadcasting content was described as “a video clip intended for disabled persons”, and it was to be broadcasted on seven local TV stations, chosen by NES. Conclusion of the contract was preceded by a low-value public procurement procedure, for which NES sent calls for participation to **BCA Mosaic doo**, **Farmeri&Spaić doo** and **A-media doo** from Belgrade. The bids were submitted only by **Farmeri&Spaić doo** and **A-media doo**, but the former’s bid was disqualified as incomplete, so practically there was no competition for the winning company. **Farmeri&Spaić doo** failed to submit all of the filled out, signed and stamped forms from the tender documentation, as well as the reference list, blank bills of exchange and signature specimen cards, memorandum of association, confirmation of paid tax obligations, balance sheet and profit and loss account, etc. The president of the public procurement committee was Ivana Grbić, who, at the time, was also the head of NES Information center, and who was previously a PR officer for G17 Plus political party.⁷

In March 2012, the *National Employment Service (NES)* concluded a contract with **Infobiro doo** from Belgrade on “development of TV material for the needs of NES”. The contract value was 3.5m RSD with VAT. Conclusion of the contract was preceded by a low-value public procurement procedure, for which NES sent invitations to **Placebo field**, **Frame TV Production doo**, and **Infobiro doo** from Belgrade. The owner of **Placebo field** is Marko Kovačević, who states in his biography that he has directed political campaigns for G17 and URS and that he has been professionally engaged in all of the election campaigns since 2004.⁸ **Frame TV Production doo** was the service provider for a large number of public institutions managed by the G17 and URS officials,

⁶ <https://rs.linkedin.com/pub/marko-milivojevic/b/89a/a66>

⁷ <https://rs.linkedin.com/pub/ivana-grbic/26/607/2b0>

⁸ <https://rs.linkedin.com/pub/marko-kovacevic/87/345/304>

respectively. The owners of the company, Mile Balać and Bojan Trajković were, at the time of this public procurement, also co-owners of **Infobiro doo**. It can be concluded, from everything stated above, that these are associated legal entities, not real “competitors”. **Placebo field** and **Fame TV Production doo** did not submit complete and correct bids (more than 10 necessary documents missing), so **Infobiro doo** was awarded the contract. At the time of conclusion of the contract, Dejan Jovanović, a URS official was the director of NES, and Ivana Grbić was the president of the public procurement committee.

4.2.6. Road Traffic Safety Agency

In 2011, **Road Traffic Safety Agency** concluded a contract with **Watchout doo**, owned by Toma Babović from Belgrade, on the provision of event organization services, for “The start of public safety decade” event. The contract value was 1.1m RSD, including VAT. Two more bidders participated in the low-value public procurement procedure - **Kreativa Unlimited doo** and **Media plus doo** from Belgrade. Their bids were disqualified due to not being prepared in accordance with tender documentation: they did not contain forms for assessment of fulfilment with mandatory conditions; they did not contain completed form on bidders and bids; neither the bidders submitted bills of exchange with authorization, and signature specimen cards. It is obvious that the mentioned firms had no serious attention to compete with **Watchout doo**. Members of the public procurement committee were employees of the Agency – Branimir Miletić, Radojica Rovčanin and Stefana Miladinović, who was later elected as an MP in the National Assembly of the Republic of Serbia, as a representative of Socialist Party of Serbia (SPS). In addition to this, **Watchout doo** was the provider of media services in the election campaigns for the coalition led by SPS, and was the donor of this party.⁹

4.2.7. Public Enterprise Roads of Serbia

In April 2012, **PE Roads of Serbia** concluded a contract with **Watchout doo** for the provision of recording services for “the documentary movie about modernized toll stations and rehabilitated bridges”. The contract value was 2.4m RSD, including VAT. Two more companies submitted their bids in the low-value public procurement procedure: **Media plus doo** and **Futura house doo** from Belgrade. Both bids were rejected as unacceptable since their offered prices exceeded the estimated value of public procurement - the offer submitted by **Media plus doo** by 650,000 RSD without VAT, and the offer submitted by **Futura house doo** by 400,000 RSD without VAT. The bidders were aware before they submitted their bids that they would be disqualified if they exceed the estimated value of public procurement, in accordance with the Law on Public Procurement. The estimated value was 2.1m RSD, which was the offered price submitted by **Watchout doo**, without VAT. It is indicative that **Media plus doo** was also a competitor with **Watchout doo** in the public procurement procedure conducted by the Road Traffic Safety Agency in 2011, and in that case, once again, submitted a “faulty” bid. The president of the PE Roads of Serbia Board of Directors in the moment of conclusion of the disputed contract was Zoran Lilić, and the company’s director was Zoran Drobnjak, both SPS officials, while **Watchout doo** was in charge of the election campaign for SPS and donated funds to the party.¹⁰

⁹ <http://www.nin.co.rs/pages/article.php?id=68219>

¹⁰ <http://www.blic.rs/Vesti/Politika/251715/Opozicija-cesce-krije-podatke-o-sponsorima/print>

4.2.8. Information Service of the City of Belgrade

In 2012, the *Information Service of the City of Belgrade*, concluded a contract “on cooperation in information-advertising activities” with **Ipsos Strategic marketing doo** from Belgrade. The subject of the contract was: “market research – Belgrade 2012 public opinion project” and the contract value was 1.6m RSD, including VAT. Conclusion of the agreement was preceded by a low-value public procurement procedure, in which two more bidders, besides the winning company, participated - **Ebart doo** and **Synovate doo** from Belgrade. All of the bids arrived in the City Administration Office on 2 July 2012 at 10:18h. The bid submitted by **Ebart doo** was evaluated as invalid since it did not contain all of the necessary documentation: memorandum of association and the original letter from the bank on issuing bank guarantee. It should be noted that three months before their bid was submitted in the mentioned public procurement procedure, Srđan Bogosavljević was appointed as a director of **Synovate doo** (SYNOVATE Limited, Cyprus – 100%), who, at the same time, was also the director of **Ipsos Strategic marketing doo** (owned by IPSOS STRATEGIC PULS, France). It can be concluded, from the above stated facts, that these are associated legal entities, not real “competitors” and that neither of the two companies had serious attention to compete in the procedure.

In March 2012, the *Information Service of the City of Belgrade* concluded a contract with **STOA doo**, owned by Ljubomir Podunavac from Belgrade, with a value of 3.3m RSD, including VAT. The subject of the contract was “the development of monthly analysis and strategic and tactical communication campaign proposals, for the needs of the Office of the Mayor of the City of Belgrade and Deputy Mayor of the City of Belgrade, the Office of the Chairperson of the Assembly of the City of Belgrade, and the organizational units of the City”. Because “the need for the contracted services ceases to exist”, the contract was terminated in November 2012. Besides the winning company, two more bidders took part in the low-value public procurement process that was conducted for the provision of the mentioned services - **Public & Creative doo** and **Bimbros ad** from Belgrade. Both bids were disqualified as invalid, with the exact same documentation missing: certificate from the registry of the competent authority, memorandum of association, certificate from the court that there was no prohibition of business activities, the certificate from the tax administration, solvency report, and the original bank confirmation on the intent to issue bank guarantee. The same situation occurred in March 2011, when the contract was also awarded to **STOA doo**, for the same type of services, only with the value of 3.3m RSD, including VAT. The other bidders in this case were **Bimbros ad** and **Grafoprojekt ad** from Belgrade, both with a registered office address in Belgrade, Albanske Spomenice Street, No. 17; both with the same co-owner and both bids were disqualified for failing to provide the exact same documentation. It should be noted that the owner of **STOA doo** – Ljubomir Podunavac, who was, at the same time, the director of PE RTV Šabac, signed both service provision contracts with the City of Belgrade, in 2011 and in 2012.

Because of the allegations in the Council’s Report on Media from 2011 and 2014, on 8 July 2015, Ljubomir Podunavac (through a legal representative) filed a lawsuit against the Anti-Corruption Council in the Higher Court in Belgrade, for non-pecuniary damages, in the amount of 5,000,000 RSD, for breach of honor and reputation. As mentioned above, Podunavac was the director of RTV Šabac at the same time he owned STOA doo agency, which provided services for a number of public institutions managed by the Democratic Party (DS) officials. The lawsuit stated that the Reports from 2011 and 2014 presented untruthful allegations due to which he suffered emotional pain.

Through the State Attorney’s Office, the Council pointed out that with the evidence the plaintiff provided, he did not dispute the veracity of any part of the content in the Reports. The court proceedings are ongoing.

4.2.9. Fund for Young Talents of the Ministry of Youth and Sports

In 2011, *Fund for Young Talents of the Ministry of Youth and Sport* used the advertising and marketing services provided by **A-media doo**, with the contract value of 1.9m RSD. **A-media doo** implemented contractual obligations by recording ten 5-minute clips and reportage (26 minutes long) presenting the work of the Fund. According to the service provider's report, the recorded materials were broadcasted on 10 local and regional TV stations, free of charge. For the provision of these services, the Ministry awarded the contract to **A-media doo** through a low-value public procurement procedure. Besides the winning bidder, two more companies participated in the procedure - **Stratcom** agency from Belgrade, owned by Bojan Selaković, and **Smart Team doo** from Belgrade, owned by Alen Bojinović¹¹. The bid submitted by **Stratcom** was disqualified as incomplete, since the bidder failed to submit the statement on fulfillment of mandatory conditions ("form No. 3"), while the offer submitted by **Smart Team doo** was 10,000 RSD higher than the winning bid (the amount offered was 1,680,000 RSD). It should be noted that Tomislav Damjanović, a URS official was in the ownership structure of **A-media**¹² and Marko Selaković, URS spokesperson, was in the ownership structure of **Stratcom**¹³. In addition to this, the owner of **Smart Team** was Alen Bojinović, and a person with the same name appears on the list of donors for URS in 2012.¹⁴

THE COUNCIL'S CONCLUSION: *Low-value public procurement procedure, through which the public sector institutions are contracting media promotion services, has proven to be an efficient mechanism for awarding contracts to privileged media service providers. These are the public procurements whose value has been determined on an annual basis by the Law on budget of the Republic of Serbia. The New Law on Public Procurements¹⁵, which has been in effect since 1st April 2013, stipulates that the low-value public procurement is procurement of goods, services or works of the same kind whose estimated value, at the annual level, is lower than 3,000,000 dinars, without VAT. The obligation of the contracting authority, according to the previous law was to invite at least three bidders, of their own choosing, to participate in the public procurement procedure, without having to inform a bigger number of potential bidders. According to the new law, the contracting authority also invites at least three bidders to submit their bids, but at the same time has an obligation to publish the call for competition on the Public Procurement Portal and on its own website. Practice shows that, until 2013, the public institutions obtained offers from three bidders, out of which two were usually incomplete, or faulty, which indicates that in specific cases there was some sort of informal agreement between the bidders and the contracting authority regarding the result of the public procurement. The same trend, to a lesser extent, has continued following the adoption of the new Law on Public Procurements, which is again manifested by submission of faulty bids, which actually simulates competition. The experts in the media services market do not show any willingness to compete in low-value public procurements, either because they have reliable information, or*

¹¹ www.transparentnost.org.rs

¹² <http://mondo.rs/a238259/Info/Srbija/URS-utvrdio-listu-kandidata-za-poslanike.html>

¹³ <http://www.istinomer.rs/akter/406/Marko-Selakovic>

¹⁴ www.transparentnost.org.rs ,

https://www.google.rs/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&cad=rja&uact=8&ved=0ahUKEwib_f6b8rvJAhXEFSwKHW05AtEQFggcMAA&url=http%3A%2F%2Fwww.transparentnost.org.rs%2Fstari%2Fimages%2Fstories%2Fmaterijali%2F25072012%2Fsrp%2FUporedni%2520izvestaj%2520donatora.xls&usq=AFOjCNFeoxzGyGp2k9NItsOsbid5hfC7PA&sig2=kWITrpnFU3i0AW8edDG-Kw&bvm=bv.108538919,d.bGg

¹⁵ http://www.paragraf.rs/propisi/zakon_o_javnim_nabavkama.html

because the perception that there is already agreement between certain contracting authorities and certain bidders regarding the result of the procurement. This further stultifies the institute of low value public procurement and the contracts are usually awarded to privileged service providers. All of the time, before and after 2013, when the new law was adopted, the same associated legal entities participated in the procedures, as well as companies close to politicians, and companies owned by political parties' officials and their families.

4.3. Contracting services through public procurement in a negotiated procedure

4.3.1. Republic Agency for Electronic Communications (Serbian acronym: RATEL)

In 2011, **Republic Agency for Electronic Communications (RATEL)** and Marketing Communication Agency **SVA doo** from Belgrade concluded a contract on the provision of public relations services, for a period of **three years** (July 2011 – July 2014). The contract value was 1,950 Euros, without VAT, per month. This amounted to a total of 70,200 Euros, without VAT, calculated according to the middle exchange rate of NBS on the last day of the month when the services were invoiced. This contract was concluded in a negotiated procedure with invitation to bid, and the negotiations had been conducted only with **SVA doo**. As an explanation of the reasons why RATEL conducted a negotiated procedure, it is stated that in the previously conducted open procedure, only one bid was submitted, by **SVA doo**, and it was evaluated as incomplete, so RATEL made a decision to conduct a negotiated procedure. The subject of concluded contract between RATEL and SVA doo included two components: 1) cooperation in public relations activities related to development and improvement of business on the Serbian market, and 2) cooperation in the field of media releases monitoring.

4.3.2. National Assembly of the Republic of Serbia

In 2011, **National Assembly of the Republic of Serbia** conducted a negotiated procedure for the procurement of TV broadcasting services for National Assembly sessions. Since there were no interested TV broadcasters for the provision of these services, the National Assembly has concluded a contract with **Radio Television of Serbia (RTS)** in a negotiated procedure. The contracts were also concluded in 2012, 2013 and 2014 for the provision of the same services. RTS committed to broadcast the sessions in live or delayed broadcasts for an annual fee of 80m RSD. Having analyzed the contracts concluded between RTS and the National Assembly, the Council has found that the price of the service of 80m RSD was a fixed amount, regardless of a daily, monthly or yearly total of recorded and broadcasted hours. Public appearances of several National Assembly officials indicate that the maximum yearly budget for the TV broadcasting services was exactly 80m RSD.¹⁶ Having analyzed the content of the available contracts, the Council was not able to establish which calculations and real cost values the contracting parties used, having in mind that the exact same fixed-price contracts were concluded for three consecutive years. The Council could not conclude whether the National Assembly paid a higher or a lower price in relation to the real costs of RTS arising for production and broadcasting of National Assembly sessions, and from which sources the potential losses suffered by the RTS in this arrangement were to be covered.

¹⁶ <http://www.novosti.rs/vesti/naslovnna/aktuelno.69.html:313631-Tender-za-prenose-sednica-u-januaru>

4.3.3. Business entity “Elektrovojvodina doo”

In the period from 2011 to 2014, **Business entity “Elektrovojvodina doo”** established a practice of procuring media services in negotiated procedures. In 2012, they concluded a contract with **NID Vršačka kula doo** from Vršac, the publisher of **Vršački nedeljnik**, on publishing advertisements against electricity theft, etc. The contract value was 2m RSD, including VAT. In the same year and for the provision of the same services, **Business entity “Elektrovojvodina doo”** concluded contracts with several publishers: **Novine kikindske doo**, **AD za novinsko izdavačku delatnost Zrenjanin**, **Subotičke novine marketing i plasman doo**, and **NIP Somborske novine ad**. Each of the contract’s value was 2.3m RSD, including VAT. It is indicative that all of the contracts were concluded in December 2012, the contract subjects were the same in all of the contracts, all of the service providers offered the discount of 25%, and the contract value in all of the contracts was the same. It is evident that this was a simulated negotiated procedure, and that the outcome was known in advance.

4.3.4. Serbian State Lottery (Serbian acronym: DLS)

In the period from 2011 to 2012, **Serbian State Lottery (DLS)** concluded several individual contracts on the provision of advertising services, through negotiated procedures without invitation to bid. Most important contracts with the print media were concluded in the period from March to May 2012, with: the publishing company **Ringier Axel Springer doo** from Belgrade (10.6m RSD, without VAT); company **Novosti ad** (9.9m RSD, without VAT); company **Agenda 2020 doo** that publishes “*Novi magazin*” (1.6m RSD, without VAT); **Adria media Srbija doo** (2.2m RSD, without VAT), **Attica Media SRB doo** (2.8m RSD, including VAT); and **Kurir-info doo** (6m RSD, without VAT). In 2011, DLS concluded a contract with **PPG marketing i distribucija doo** from Belgrade, on advertising in Press newspaper, with the contract value of 5.3m RSD, just to increase the scope of advertising services and the amount by another 1.1m RSD, by signing an annex in 2012. It is indicative that during the conclusion of those contracts in a negotiated procedure without invitation to bid, there was an election campaign for general elections in the Republic of Serbia, held in May 2012.

In April 2012, **Serbian State Lottery (DLS)** concluded a contract with **Direktni marketing doo** from Novi Sad, on the provision of advertising and marketing services in the print media published by: **Color media l&z doo**, **Color media special doo** and **Color media enigmatika doo** from Novi Sad, as well as **Hello media doo**, **Scandal media doo**, and **Svet media doo**, from Belgrade. The value of contracted services was 2.7m RSD, and the contract was concluded in a negotiated procedure without invitation to bid. **Direktni marketing doo** later changed its business name to **Color press marketing doo**. The founder of the company was **Color media international doo** from Novi Sad, owned by Robert Čoban (50%) and Velibor Đurović (50%). In 2012, DLS and **Masel Group doo** from Belgrade concluded a contract on a quarterly service of branding 60 public busses in nine cities, at a price of 18.4m RSD, without VAT. This contract was also concluded in a negotiated procedure without invitation to bid. The owner of **Masel Group doo** at the time was **Ruberta trading ltd** from Cyprus (100%).

4.3.5. Company “Galenika a.d.”

In April 2012, “**Galenika a.d.**” concluded a contract with **Watchout doo** from Belgrade on the lease of advertising time and space during the weather forecast on TV Studio B, as well as

production and marketing services. The contract value was 18.4m RSD, including VAT. The contract was concluded in a negotiated public procurement procedure.

“Galenika a.d.” had previously concluded a contract with **Watchout doo**, in May 2011, on the lease of advertising time on **TV Pink**, at the price of 315,180 Euros, and in the same year signed an annex for the provision of “additional services” for 5.6m RSD, without VAT. Additionally, in 2012, “Galenika a.d.” concluded a contract with **BB Soft doo** from Belgrade, on lease of advertising space in **Informer** magazine. The contract value was 470,400 RSD, without VAT, and it was also concluded in a negotiated procedure.

4.3.6. The City of Niš

In 2013, *The City of Niš* conducted a negotiated procedure for the provision of services for publishing information of importance to the City in the daily print media, and awarded a contract to the company **Narodne novine doo** from Niš. The contract value was 13.5m RSD. **PE Tanjug** from Belgrade was chosen for video production services, with the price of 450,000 RSD, with VAT.

In the Decision on Public Information of Importance to the City of Niš (Article 5.) it was determined that the Mayor of the City of Niš should conclude the contract with the service provider on the provision of services for publishing information of importance to the City, and the contracts on provision of other services in the field of public information, after the conducted negotiated procedure, in accordance with the Law on Public Procurements.¹⁷

In the Report on Expert Evaluation of Bids No: 404-2y/19-2013-11, it is stated that: *“In order to conduct a public procurement procedure for publishing information of importance to the City of Niš, the Deputy Mayor Ljubivoje Slavković held a meeting in his office at 7.Jul Street, No. 2, in the presence of the Head of the City Department for Education, Culture, Youth and Sports – Jelica Velaja, Jadranka Stojanović and Dejan Blagojević from the City Department for Education, Culture, Youth and Sports, Branko Stefanović from The Mayor’s Office and Milena Tanasković and Olivera Milenović from the City Department for Finance, Local Self-government Revenues and Public Procurements”. The Deputy Mayor Ljubivoje Slavković dictated to those present the subject of the public procurement in accordance to the stated Decision of the City Assembly, the title and the number of the lot, the estimated value of each lot, specification of procurement for lot I, as well as the duration of the contract, saying that it would be concluded by the end of 2013 fiscal year. The Deputy Mayor, Ljubivoje Slavković, has determined that the criterion for selecting the winning bid will be the lowest price offered, and that the Mayor of the City of Niš will initiate the procurement procedure, decide on the winning bid and conclude the contracts with selected bidders after the validity of the decision”.*

The Anti-Corruption Council believes that the Deputy Mayor had no authorization prescribed in the Law on Public Procurements or any other legal act, for the actions described above.

THE COUNCIL’S CONCLUSION: *A negotiated procedure for procurement of media promotion services for the public sector institutions is, in practice, very often a subject to various malversations. This type of public procurement, established by the Law on Public Procurements, is mostly used in the situations when the contracting authority wishes to procure media services from a specific, predetermined service provider. The explanations for conducting this type of public procurement include failed implementation of public procurements in an open procedure, various artistic reasons, technical reasons, copyrights, exclusive distribution rights or broadcasting rights,*

¹⁷ http://demo.paragraf.rs/combined/Old/t/t2013_03/t03_0402.htm

territorial coverage, etc. In most cases, the negotiated procedure is conducted with only one bidder, which limits the competition and reduces the possibility of contracting economically favorable price of media services. It is evident in practice that the provision of media services for public institutions is usually contracted with companies that provide their services also to political parties during election campaigns.

4.4. Contracting directly - without public procurement procedure

4.4.1. Ministry of Defense

In the period from 2011 to 2012, **Ministry of Defense** concluded individual contracts with several print media publishers on the provision of advertising services, without conducting a public procurement procedure. The publishers offered discounts to the services they provided, which were defined in the contracts. The contracts on direct advertising in print media were concluded with: **Politika** newspaper and magazines (40% discount), **Press** magazine (30% discount), **Status** (60% discount), **Danas** (35% discount), **Kurir** (35% discount), **Blic** (30% discount), **24 sata-Alo-NIN-Blic žena-Puls** (20% discount), **Novosti** (20-30% discount), and **Informer** (40% discount).

4.4.2. Privatization Agency

In the period from 2011 to 2012, the **Privatization Agency** concluded individual contracts with several print media publishers on the provision of advertising services, without conducting a public procurement procedure. The publishers offered discounts to the services they provided, which were defined in the contracts. The contracts on direct advertising in print media were concluded with **Dnevnik** (30% discount), **Novosti** (50% discount), **Informer** (55-60% discount), **Adria media – Kurir** (60% discount), **Danas** (20-30% discount), **Politika** (50% discount), **Ringier** (35% discount), **Press** (35% discount) and **Naše novine**. Several of the contracts contain price lists for advertising space, while in others it is stipulated that the prices are defined according to a “current price list” which is neither included in the contract, nor attached to it. Through these contracts, in the analyzed period from 2011 to 2014, the **Privatization Agency** had paid about 55m RSD for advertising services.

4.4.3. Public Enterprise „Nikola Tesla” Airport

In 2012, **PE „Nikola Tesla“ Airport** concluded a contract on provision of TV production and media monitoring services with **Videonet doo**, without conducting a public procurement procedure. The contract was concluded for a period of six months and its value was 2.3m RSD. After the contract period expired, an annex was signed for the next six months. During 2013, this public enterprise had paid a monthly price of 400,000 RSD, that is, a total of 4.8m RSD to **Videonet doo**, without conducting a public procurement procedure. For the services rendered in a period from 6th February to 5th May 2014, according to the contract, a total of 750,000 RSD was paid to **Videonet doo**. It is indicative that in 2013, Videonet doo provided the same services to the Airport at a price of 400,000 RSD per month, and in the next year, the price was reduced to 250,000 RSD even though practically the same services were provided. In addition to this, during 2011, **PE „Nikola Tesla“ Airport** used the same type of services from **Frame TV production doo** from Belgrade, at a price of 4.8m RSD. During the analyzed period, the director and co-owner of both **Videonet doo** and **Frame TV production doo** companies, which were registered at the same address, was Mile Balać, while the

director of PE “Nikola Tesla” Airport was Velimir Radosavljević, who was appointed to this position as a representative of URS political party.¹⁸

4.4.4. Serbia Investment and Export Promotion Agency (SIEPA)

In 2013, *Serbia Investment and Export Promotion Agency (SIEPA)* concluded a one-year contract, without conducting a public procurement procedure, with **Videonet doo**, for 3.5m RSD. The value of the contract was increased through an annex signed on 15th August 2013, to the amount of 4.1m RSD, without VAT. However, the content of the annex does not provide the reasons for this increase. It is indicative that this annex was signed only two weeks after it was publically announced that URS would withdraw from the Government of the Republic of Serbia.¹⁹

The contract concluded between SIEPA and Videonet doo stipulated that the payment would be conducted in two installments, and not after the implementation, while the services specified in the invoices were quantitatively and qualitatively vague and described as: “*production of promotional and video material, archiving and distribution to the media for broadcast according to the contract*” It should be noted that for the same type of services, in 2011, SIEPA concluded a contract with **Frame TV production doo** from Belgrade. The value of this contract was 3.5m RSD. Companies **Videonet doo** and **Frame TV production doo** are affiliated legal entities.

4.4.5. Ministries

In 2011, *Ministry of Culture and Information* concluded a contract with **Videonet doo** from Belgrade, on TV production services and monitoring of work. The contract value was 7.2m RSD, without VAT. The contract was signed by the then Minister of Culture and Information, Predrag Marković (G17/URS). In 2012, the new Minister, Bratislav Petković, continued using the contracted services, which were additionally paid 540,000 RSD, according to an annex signed in November 2012.

Additionally, the company **Frame TV production doo** (same director and co-owner as Videonet doo), provided TV production services for *Ministry of Youth and Sport*, in the period from 2011 to 2014, in the total value of 10m RSD.

Also without conducting a public procurement procedure, the *Ministry of Finance* concluded a one-year service provision contract with **Videonet doo**, on 31 December 2012, on “TV content production and following all important or selected events related to the Ministry’s daily work”. The contract value was 4.8m RSD, without VAT.

Although the Council addressed all of the competent ministries on this issue, the reports confirming the quality and quantity of the implementation of mentioned services were not provided.

4.4.6. National Agency for Regional Development (Serbian acronym: NARR)

In the period from 2011 to 2012, the *National Agency for Regional Development (NARR)* conducted a contract with **Videonet doo**, on the provision of TV content production and media monitoring services. In 2011, the said services were paid 1m RSD, including VAT, for a seven-month period, while in 2012 the same services, for a longer period (10 months) were paid only 820,000 RSD, including VAT. At the same time, without conducting a public procurement procedure, NARR

¹⁸ http://www.b92.net/info/vesti/index.php?yyyy=2014&mm=07&dd=02&nav_id=871332

¹⁹ <http://www.pressonline.rs/info/politika/281322/dacic-saopstio-dinkicu-da-mora-da-napusti-vladu.html>

also concluded a contract with **Beo kućica doo** from Belgrade, on the same type of services. The contracts with both companies were concluded on the same day. In 2011, NARR paid 1.25m RSD to **Beo kućica doo** for the provision of said services, and 1.1m RSD in 2012, respectively. The owners of **Beo kućica doo** are Nemanja Đorđević (50%) and Zlatko Jovanović (50%), and the company is registered for “**preparing and serving drinks**”. During the period from 2011 to 2012, this company had no employees and realized an operational loss of 4.2m RSD in 2012. The revenues of **Beo kućica doo** in 2012 amounted to 997,000 RSD, which was equal to the payment (without VAT) made by NARR during that year. The company account has been blocked since November 2013, and the debt of the company on 2nd December 2015 was 820,943 RSD.

At the request of the Council to provide the report on contract implementation for the mentioned contracts with **Videonet doo** and **Beo kućica doo**, NARR replied, “reporting on contract implementation was not stipulated in the contract”.

4.4.7. Business entity “Elektrovojvodina doo”

In the analyzed period from 2011 to 2014, *Business entity “Elektrovojvodina doo”* concluded several contracts on advertising and promotional activities with the founders of the print and electronic media on the territory of the AP Vojvodina. In all of the cases, the competent authorities in this company referred to a provision in the Law on Public Procurement, which states that this type of procurement is not subject to public procurement, but direct contracting. For example, in 2013, “Elektrovojvodina doo” concluded several contracts on “production and broadcasting of TV and radio content, related to the activities to combat electricity thefts and improve the billing system” with **Planeta 21000 doo** (Radio Planeta) from Novi Sad and **Euro Alfa doo** (Su City Radio) from Subotica. The value of each of the contracts was 3.5m RSD, including VAT. In 2012, several contracts were concluded: with **Santos-Comerce doo** from Zrenjanin – contract value was 13.8m RSD; with **Info local media group doo** from Novi Sad – contract value was 3.5m RSD; with **RTV-RTD doo Novi Sad** (Delta TV) – contract value was 10.2m RSD, etc.

During 2013, *Business entity “Elektrovojvodina doo”* concluded several contracts for the production of TV and radio clips, directly with service providers, without conducting public procurement procedures. A contract was concluded with **RTV Mega-IN doo** from Indija on “production and broadcasting of TV and radio content, related to the activities to combat electricity thefts and improve the billing system”. The contract value was 7.8m RSD. For the provision of the same services, “Elektrovojvodina doo” paid 15.4m RSD to **Kanal 9 doo** from Novi Sad. Production of radio content and broadcasting services “related to the activities to combat electricity thefts and improve the electricity billing system” were paid 1.3m RSD to **Radiodifuzno preduzeće 021 doo** from Novi Sad. Production of four corporative video clips, developed by **Link advertising doo** from Novi Sad, was paid 3.4m RSD, including VAT. Production services for the film “*Elektrovojvodina – 55 years*” and TV and radio clips on combat against corruption, developed by **Wathcout doo** from Belgrade, were paid 3.4m RSD, including VAT.

4.4.8. Business entity “Jugoistok doo”

In the period from 2011 to 2014, *Business entity “Jugoistok doo”* from Niš, which is engaged in electricity distribution in the region of Southeast Serbia and covers 40 municipalities, spent about 55m RSD on advertising and marketing services. Of this amount, about 21m RSD was spent on media activities contracted, without conducting public procurement procedure, with approximately 50 different local and regional media in Southeast Serbia. The contracts on provision of media services concluded between “Jugoistok doo” and media houses include “informing the public on conditions

and business results achieved by the company, reporting from the territory covered by company's business, organization of interviews and contract programs with company representatives, and organization of special-purpose programs with company representatives". Most funds provided by "Jugoistok doo" and five *Elektrodistribucija* offices for media services were given to Narodne novine doo (2.1m RSD), RTV Belle amie doo (2.1m RSD), PE Niška Televizija (1.8m RSD), TV Leskovac ad (1.6m RSD), RTV Zaječar (1.3m RSD), KCN doo (1m RSD), RTV Zona doo (945,600 RSD), RTV 5 doo (708,000 RSD), TV MT Studio (665,000 RSD), Radio srce (616,130 RSD), Nedeljnik Vranjske (584,668 RSD), Medija centar Niš (540,000 RSD), etc.

4.4.9. Belgrade Business School (Serbian acronym: BPŠ)

During the analyzed period from 2011 to 2014, *Belgrade Business School (BPŠ)* concluded 19 contracts on PR and advertising services. The total value of contracts was 15m RSD, including VAT, and all of the contracts were concluded directly, without public procurement procedure, in accordance with the Law on Public Procurement.

BPŠ has paid 1.6m RSD to *Mil&Mil* agency from Belgrade, owned by journalist Milovan Jovanović, for the provision of promotion and marketing services. It is evident from the invoice specifications that the services rendered are marketing and promotion on *RTV Vojvodina* ("Dvougao"), *TV BN* ("Telefon and "Rikošet"); on *Restart* web portal; broadcasting promotional video on *TV BN* and *TV Best* ("Info Arena"), as well as on *TV KTV*, *TV Kanal 9*, *TV Melos*, *TV Duga* ("Reč više"), *TV Art* and *TV Studio B*.

In 2014, *BPŠ* made an advance payment of 2.3m RSD to *RTV Studio B* for advertising services, without conducting public procurement procedure. It is evident from the invoice specifications issued by *RTV Studio B* that the services rendered are production and broadcasting of TV features on the school's work and hosting the school representatives in *RTV Studio B* news programs.

4.4.10. The Building Directorate of Serbia (Serbian acronym: GDS)

In the period from 2011 to 2014, *The Building Directorate of Serbia (GDS)* concluded contracts on production and broadcast of promotional programs, directly with service providers, without conducting public procurements. From April to May 2012, GDS contracted the broadcast of promotional clips regarding the sale of apartments in "Stepa Stepanovic" housing settlement in Belgrade, with *TV B92* (contract value was 28,000 Euros, without VAT), *Fox TV* (contract value was 22, 262 Euros, without VAT) and *TV Pink* (contract value was 3.4m RSD, without VAT).

4.4.11. Serbian State Lottery (Serbian acronym: DLS)

In the analyzed period from 2011 to 2014, *Serbian State Lottery (DLS)* concluded contracts on production and broadcast of promotional programs, directly with service providers, without conducting public procurements.

In the contracts concluded in 2011 and 2012 between *DLS* and *RTS*, an annual obligation of *DLS* was defined to spend advertising time in the minimum value of 500,000 Euros, that is, a minimum of 300,000 Euros per year, in 2013 and 2014. *DLS* paid the lease of advertising time to *RTS*, in the amount of 95.7m RSD in 2011, 51.1m RSD in 2012, 4.5m RSD in 2013 and 37.6m RSD in 2014.

In addition to the contracts with *RTS*, *Serbian State Lottery (DLS)* concluded and implemented contracts on advertising services with *TV Fox*, *Fox Bulgaria*, *TV Prva* (305.5m RSD),

TV B92 (13.7m RSD), **TV Pink** (161m RSD), **TV Avala** (2.1m RSD). All of the contracts were concluded directly with the aforementioned media, without conducting public procurement procedure in accordance with the Law on Public Procurement.

According to the contract on production of TV program, concluded in February 2014, for the production of “*Loto*” TV show, DLS pays **TV Prva** 144,072 RSD per each of the broadcasted “*Loto*” show. Besides the fixed price for production, an annual broadcasting fee is included in the contract, which depends on the total annual turnover DLS makes from all of the payments in all of the “*Loto 7/39*” rounds during one year. Based on that, DLS has committed to pay TV Prva a variable fee, which can go from 0.85% to 2% of a gross turnover of DLS. The obligation of DLS according to this contract was also to make an advance payment of 10m RSD to TV Prva.

The cooperation between DLS and **TV Pink**, during 2013 and 2014, included an obligation of DLS to pay different minimal monthly fees (40,000, 50,000 and 60, 000 Euros) in different periods, for the provision of production, broadcasting and advertising services, for the “*Bingo*” prize game, as well as advertising services for other DLS games.

4.4.12. National Tourism Organization of Serbia (TOS)

National Tourism Organization of Serbia (TOS) is one of the public institutions that contracted PR services and advertising services without conducting public procurement procedures. For the PR services related to the organization of 11 fairs abroad in 2011, TOS paid 28m RSD and in 2012, 37.8m RSD, which is a price increase of 10m RSD. In 2013, TOS financed PR services for the organization of 22 fairs abroad with 36.6m RSD, but only the contracts for 11 fairs had been concluded through public procurements. In 2014, TOS has contracted PR services for all 14 fairs abroad through public procurements and the value of these contracts was 25.2m RSD in total. In 2013, TOS has spent 7.5m RSD on video production, of which 4.1m RSD was paid to **Potemkin** Agency, for the production of video clips, without conducting public procurement, and 3.6m RSD to the agency **Alternativa**, for a tourism promotional movie, through a public procurement procedure.

During 2011, *National Tourism Organization of Serbia (TOS)* paid 12.6m RSD for advertising in national and international media, and only in one case a public procurement procedure was conducted – for a contract with **Alma Quattro** (contract value was 1.1m RSD). TOS did not conduct a public procurement procedure either in the case of cooperation with **RTS** (contract value was 6.8m RSD), or for advertising services in England (1.5m RSD). In 2012, advertising in domestic and foreign media was financed with 11.6m RSD, of which the highest individual amount was paid to **Fresh production** for TV show “*Žikina šarenica*” (3.4m). In 2013, total advertising services were paid 29.8m RSD, of which more than 50% was divided between five service providers: **B92** (4.2m.), **RTS** (3.9m), **Alma Quattro** (3.5m), **Fresh production** for TV show “*Žikina šarenica*” (3.2m), **Cable&satellite** (1.8m). In 2014, for advertising in the country TOS spent 16m RSD, of which 2/3 was again divided between five service providers: **RTS** (2.4m), **Pink** (3.2m), **Alma Quattro** (3.8m) **TB B92** (2.5m), **AS media** (483,593 RSD). The only contracts concluded through public procurement procedure are the contracts between TOS and **Alma Quattro**, while the rest were concluded directly with service providers, without public procurement procedure.

4.4.13. Various institutions

During the analyzed period, from 2011 to 2014, several institutions had concluded contracts on TV production directly with **Videonet doo**, without conducting a public procurement procedure, given that such types of services were exempted from the Law on Public Procurement. The said institutions include **PE “Nikola Tesla” Airport, Privatization Agency, Ministry of Finance, National**

Agency for Regional Development (NARR), Ministry of Culture and Information, Serbia Investment and Export Promoting Agency (SIEPA). The contracts in question were mostly prepared by using a standardized template, and almost in all cases the contracted services were described as: “production of TV program, including development of promotional and video content, special TV clips and features related to promotion and work of ... (the name of contracting authority), archiving and distributing to media for broadcast, through monitoring of all important or selected events related to promotion and contracting authority’s daily operations”. Service prices on monthly basis were contracted differently from one institution to another and, based on the available data, the Council was not able to conclude what the criteria for determining service prices were, or the values of individual contracts. Based on the analyzed sample of available documentation regarding the cooperation of different public institutions and **Videonet doo**, the Council found that there was a lack of clarity in several issues, which raised questions regarding quantity and quality of contracted and rendered services. This is particularly important since the mentioned institutions did not provide the requested reports that would confirm if, and to what extent, the contracted and paid services were in fact implemented.

THE COUNCIL’S CONCLUSION: *In the opinion of the Anti-Corruption Council, direct contracting of media services for the purposes of and for the account of public institutions, without conducting public procurement procedure, has been one of the main problems in relation to the issue of promotion of public institutions. Advertising in the print media, including the services of development and publishing of PR articles, is most often contracted directly with the publishers, without conducting public procurement procedure. The practice shows that public institutions conclude contracts with several print media publishers, that they contract fixed prices or just accept prices from valid price lists, and that the management of these institutions determines the scope of monthly cooperation during one fiscal year. Much bigger problem is direct contracting of buying time, that is, purchasing of TV programs, video productions of special-purpose TV content and promotional video materials. Almost all public institutions contract this type of services directly, in accordance with Article 7, paragraph 1, item 10 of the Law on Public Procurement²⁰, which stipulates that the public procurement procedure shall not be applied to “acquisition, development, production or co-production of radio and television program or broadcasting time; however, this Law applies to the procurement of goods, services or works necessary for production, co-production or broadcasting of such programs”. Under this provision, most of the funds allocated for promotion of public institutions through video content are spent. The discretionary right of heads of public institutions is to select the production houses, marketing agencies or TV stations for the purchase of video production services. Contracting services in such conditions limits competition, increases expenditures, supports corruption, and leaves room for possible abuse. At the same time, political parties use the services from the same service providers with whom the state institutions, led by the officials from those parties, agree promotional services.*

²⁰ http://www.paragraf.rs/propisi/zakon_o_javnim_nabavkama.html

4.5. Contracting services through purchase order

4.5.1. Serbian Railways JSC

During the analyzed period, from 2011 to 2014, *Serbian Railways JSC* obtained media services, promotional services, as well as advertising and video production services, exclusively through purchase order, from more than 50 different service providers. Total value of purchased services in the reference period was about 100m RSD. In order to purchase promotional services, as well as advertising and video production services, Serbian Railways Media Center usually addresses preselected service providers with a detailed specification of the necessary services. For years, this manner of obtaining offers and selecting service providers has been a discretionary right of employees of Serbian Railways Media Center.

The Anti-Corruption Council addressed Serbian Railways JSC in the form of a letter and requested an explanation why this institution did not conduct public procurement procedures, in accordance with the Law on Public Procurements, for the services of the same kind, whose total value during one calendar year exceeded the limits of low-value public procurements and the limits of high value-procurement, respectively. In the response sent to the Council, representatives of Serbian Railways management claimed that they could not plan or predict the extent of necessary media services, since they included various types of media promotion.

A significant segment of its media activities in the reference period, **Serbian Railways** implemented through **KSR Beogradturs doo**. The owner of this company is the Republic of Serbia (100%). Since 2012, the company director has been Igor Ivanović. In July 2014, Serbian Railways and **KSR Beogradturs doo** concluded a contract on the provision of services in tourism mediation, as well as goods and passengers' transportation. According to the offer that was submitted by **KSR Beogradturs doo** and accepted by **Serbian Railways**, this included *advertising and marketing services*. The price of the services that were to be implemented by **KSR Beogradturs doo** in the period from July to December 2014 was determined in the amount of 15m RSD, including VAT. Until that moment, the basis for the cooperation between these two companies was a contract concluded in 2004, when **KSR Beogradturs doo** separated from the rest of Serbian Railways. Business cooperation between the two companies was regulated through annexes to the original contract that were signed each year. Nevertheless, the original contract states that the price of advertising and marketing services shall be determined based on the accepted offer submitted by **KSR Beogradturs doo**, while the annex signed in 2011 states that the price should be determined based on the price lists that are an integral part of the said annex.

Having analyzed the available price lists, the Council was not able to determine what the exact calculations and economic criteria were used to define prices for a specific group of services.

Additionally, during 2013, *Serbian Railways* purchased several different services from **KSR Beogradturs doo**, namely: "information activities on anti-corruption measures taken by Serbian Railways and monitoring of media effects" (360,000 RSD); "information activities regarding the thefts of Railways' property and monitoring of media effects" (381,000 RSD); development of non-commercial informative movie (multimedia) presentation, with the duration of 90 and 180 seconds, titled "Russian credits for modernization of Serbian railway system, and cooperation between Serbian Railways and RŽD International" (395,000 RSD), etc. For the needs of Serbian Railways in 2014, the said company developed informative movie reportage "Construction of a new railway bridge across Velika Morava and Gilje-Ćuprija railway" with monitoring of media effects (145,000 RSD); special-purpose informative movie "Modernization of the integrated telecommunications system and signing commercial contract with Chinese company Huawei" (160,000 RSD); "monitoring of internet content

in relation to railway traffic and activities aimed at its improvement, in a three-month period” (165,000 RSD), etc.

Through purchase orders, *Serbian Railways* contracted procurement of promotional and media services, whose justification and effects on company’s business could not be assessed from the documents and data provided to the Council. Very often, the promotion of the work of Serbian Railways and their advertising were conducted in low-circulation magazines that were not available to the public, such as **RS Press**, **Žena IN**, **Moja istina**, etc. The analysis of the paid services shows that mostly the same companies appeared each year as service providers for the needs of Serbian Railways, while different suppliers repeatedly conducted certain media services, in the same period. Those services were provided by legal entities associated in ownership structure, as well as legal entities registered for the activities completely unrelated to media services.

The Council particularly expresses doubt that the same video production and promotion services were being double-invoiced by different service providers and paid several times, at the expense of Serbian Railways, since the services in question were provided by associated legal entities.

Serbian Railways and **Recuparacion doo** from Irig implemented business cooperation, but the data analyzed by the Anti-Corruption Council indicate that in this case the procurement of promotional services represents a simulated legal transaction. In 2012, Serbian Railways paid 336,000 RSD to **Recuparacion doo** allegedly for the service of making a “promotional reportage, titled “New railway timetable” with the monitoring of media effects”. However, Serbian Railways provided no evidence that the financed services had actually been realized. Having analyzed the data from the Serbian Business Registers Agency (SBRA), the Council found that the company **Recuparacion doo** was established on 25th October 2012 and registered for “unspecialized wholesale trade”. In 2012, the said company generated total revenue of 336,000 RSD, which equals the payment made by Serbian Railways. In 2012, the company had no full-time employees, and company’s final annual accounts are not available on SBRA web site. Business account of **Recuparacion doo** had been blocked for more than 400 days, with a debt of 20,000 RSD. According to the data provided by SBRA, current director and owner (100%) of **Recuparacion doo** is Igor Mirić, but until March 2013, company owner and director was Milorad Stevanović. The company was based in Surčin (Dobanovci) at first, but was later moved to Irig.

In the period from 2011 to 2014, Serbian Railways purchased media promotion services from **ZAM centar doo** from Belgrade. The value of these services, paid through 13 individual installments during this period, was 1,063,000 RSD. In 2014, Serbian Railways obtained from the same company several different services: an article in **Ilustrovana Politika** magazine, on “Railway museum Požega” (45,000 RSD); publication of article “New railway timetable” also in **Ilustrovana Politika** (40,000 RSD); advertisement on “Winter tourism season ‘Šarganska osmica” in **Žena In** and **Moja istina** magazines (90,000 RSD); informational ad “Promotion of new electric trains by Swiss company Stadler” in **Biznis i finansije** magazine (108,000 RSD), etc. The owner of **ZAM centar doo** is Mateja Dičić (100%) and the company was registered in SBRA for “production of jewelry and related items”. The company owns a chain of jewelry stores in major cities in Serbia and deals with buying gold. It was established in May 2012, and the registered owners at that time were Zoran Vasiljević (33%) and Milan Dragičević (66%), while the company’s director was Sanja Dragičević. **ZAM centar doo** was registered at Albanske spomenice Street, No. 17 in Belgrade, the same address that was used by other companies that were service providers for Serbian Railways - **Bimbros doo** and **Grafoprojekt AD**. The owners (50% each) of **Bimbros doo** are Zoran Vasiljević, also the company’s director, and Vesna Čeratić Vasiljević. Zoran Vasiljević is also the biggest individual shareholder in **Grafoprojekt AD** (69.99%) and a member of company’s Board of Directors.

In the period from 2011 to 2014, Serbian Railways purchased media promotion services from **Bimbros doo** from Belgrade 59 times. The total value of these services was 11.3m RSD. At the same

time, the company purchased services from **Grafoprojekt AD** 30 times and their total value was 1.7m RSD. Both of these companies were paid for production of short promotional films and their broadcast on local TV stations, as well as publishing articles in the print media.

For the purposes of media promotion, Serbian Railways also engaged **Total media doo** from Belgrade, owned by Dragan Kljajević (100%) which cooperated with **Grafoprojekt AD**. This is confirmed by the data from SBRA, where a contract concluded between **Total media** and **Grafoprojekt from 2013**, is registered as a collateral, based on which "**Srpska banka AD**" approved a loan for **Grafoprojekt**.

The Council addressed Serbian Railways and requested the evidence on service of publishing texts in the media, however, for a certain number of paid media publications, the only evidence provided were invoices and creative solutions, without any proof that the advertisements were in fact published.

In 2014, **Serbian Railways** concluded a contract with **Bimbros doo** on: publishing a promotional advertisement "Beginning of the season on Mokra Gora" in **RS Press** magazine (73,312 RSD); broadcasting a promotional film "Restructuring Serbian Railways" (5 minutes) in TV show "Sport and Tourism plus", on 28 local TV stations (99,400 RSD); broadcasting a promotional film "Signing the Annex 2 of the Contract for the Russian loan and the beginning of works on Pančevo bridge" (5 minutes) on **TV Hepi** (103,000 RSD), etc. In 2013, the company was engaged for: recording, editing and production of special-purpose film "Signing a contract between Serbian Railways and RŽD International" (307,200 RSD); recording and editing of a promotional film "Blue train" (15 minutes) and reproduction of the said movie in the circulation of 100 copies (299,900 RSD), etc. Additionally, the service of "recording and following Railway Business Forum on Mokra gora, development of promo materials (20 minutes) and reproduction in 100 copies" was purchased from the same company, and paid 297,900 RSD, even though Serbian Railways engaged **PE Tanjug** for the purposes of media monitoring of the same event, and paid 90,000 to this company.

In 2011 and 2012, **Serbian Railways** purchased various media services from **Grafoprojekt doo**: development of a promotional film "Realization of Russian loan" (115,000 RSD); broadcasting a coverage "Serbian Railways – socially responsible" on local TV stations (248,400 RSD); informative ads "New railway timetable – FLY travel magazine", several TV shows on **TV Delta**, **TV Hepi**, **TV Metropolis** (290,516 RSD); informative ads "Railway Workers Day – 15 September", in several newspapers and magazines such as **Danas**, **Svet turizma**, **Auto magazin**, **Moja istina**; a promotional film "Commercial benefits of Serbian Railways – travel through Europe by train" (244,000 RSD), etc. Several TV shows in which Serbian Railways advertised through representatives of **Grafoprojekt doo** were produced by **Bimbros doo**. Both companies are registered on the same address and have the same co-owner.

Serbian Railways purchased services from **Trigon logistic team doo** from Belgrade, on 10 occasions. The owner of the company is Vladimir Mirković (100%). Total value of purchased services was 907, 320 RSD. Financed services included publishing an informative ad "Railways are selling 170 vehicles" in **Auto magazin**, which was paid 102,080 RSD. According to the data obtained from SBRA, this company's main field of work is "other supporting activities in transportation". In 2014, Agency for the management of computer equipment **Aranea** from Belgrade, owned by Marko Milutinović (100%) was engaged to provide several services: publishing the ad "Traffic safety on road crossings" in **Žena In** and **Moja istina** magazines (102,600 RSD); publishing an advertisement "Modernization projects" in **Večernje novosti** (81,000 RSD); broadcasting the "Museum train Romantika" advertisement in TV show "Arena" on **TV BN** (90,000 RSD), etc. **Aranea** agency was engaged on 9 occasions, and received 875,532 RSD for the provided services.

Company **Circus maximus production doo** from Belgrade, registered as a "performance art" company, received 677,160 RSD for the provision of 7 individual services. Said company has

provided publishing service for “Changes in traffic” advertisement in “RS Press” magazine (85,320 RSD) and “New railway timetable – international traffic” in **Biznis i finansije** magazine (116,640 RSD), among other services.

On three occasions, **Serbian Railways** used the services provided by **Books solution** from Belgrade, owned by Marina Svilar (100%). The total value of services was 509,000 RSD. In 2014, this company received 156,000 RSD for the development of special-purpose film “130 years of Serbian railways” (10 minutes). According to the data from SBRA, **Books solution** is registered for “**bookkeeping, accounting and auditing, tax consultancy**”, that is, business that has nothing to do with media and video production.

Company **Mongoose-the web company doo** from Belgrade, owned by Željko Jezdimirović (5%) and Beshara Brian Anthony (95%) from USA, received 2.1m RSD, for 10 services provided. This company, registered mainly for “**computer programming**” developed in 2014 one non-commercial film reportage “The train of wishes” organized by Serbian Railways and RŽD International (162,000 RSD). For the production of radio advertisement “Benefits in passenger transportation” (20 seconds), company **Sten creations doo** from Belgrade, received 40,000 RSD. It should be noted that **Sten creations doo** is registered in SBRA as a company for “**laying floor and wall coverings**”. The founder of the said company is a legal entity **Roda inženjering doo** from Belgrade (100%), whose owners are Vladimir Matić (90%) and Jadranka Matić (10%). This company is registered at the same address as **Sten creations doo**.

For the majority of articles and advertisements published in **Biznis i finansije** magazine, in the period from 2012 to 2014, **Serbian Railways** paid to: **Trigon logistic team, Circus maximus production, Bimbros, Total media, ZAM centar, Desing agency and Forma**. For example, publication of an advertising article “Relocation of Belgrade train station” in 2014 was financed through **Total media doo** (68,000 RSD); publishing the news on “Promotion of new electric trains by Swiss company Stadler in Serbia” was financed through **ZAM centar doo** (108,000 RSD); informative ad “Modernization of Serbian railways with Russian state loan” was financed through **Bimbros doo** (68,000 RSD), etc. Additionally, Serbian Railways financed media promotion in “Status” magazine, in 2014, so the announcement titled “Obtained consent from Kuwait for the construction of Prokop” was financed through **Total media doo** in the amount of 116,000 RSD, while the article titled “Implementation of the Russian loan” was financed through **Svet turizma doo** in the same amount. The article on “Serbian railways restructuring activities” in 2013 was financed through **Gema dcc doo** from Belgrade, in the amount of 155,700 RSD. In 2012, advertising article in **Kurir** newspapers regarding the introduction of Russian trains in Serbian railway traffic, which by content is no different from other articles usually published by **Kurir**, was paid 364,000 RSD directly to the publisher.

In the period from 2011 to 2014, **Serbian Railways** financed the development of various promotional films and video content. For the promotional film “Business results of Serbian Railways”, in 2011, Serbian Railways paid 230,000 RSD to **Pati invest doo** from Belgrade. This company received a total of 1,306,000 RSD for five different services. It should be noted that the owner of **Pati invest doo** is a certain Mr. Peter Voj (100%), and according to data from SBRA, the company is registered for “production of oil derivatives”.

Energoprojekt – Energodata doo from Belgrade, owned by Energoprojekt Holding a.d. received a total of 5.6m RSD, for 24 services provided. In 2011, this company provided services of production of a promotional film “End of 2011 business year”, which were paid 214,500 RSD. The company is registered in SBRA for “**computer programming**”.

In April 2014, Serbian Railways purchased the services of media coverage of events from **TV Sky plus**. This TV station followed the implementation of modernization projects and introduction of novelties in the functioning of Serbian railways (modernization of Pančevo railway, construction of

bridge on Velika Morava, Belgrade Waterfront, Šargan eight, train traffic to Thessaloniki, transportation of vehicles for FIAT, engagement of Russian machines on Corridor 10) and for this received a total of 85,000 RSD. In 2014, the company **Ibg konsalting** from Belgrade, received 75,000 RSD for “preparation, organization and implementation of information activities, with the monitoring of media effects, using the technical potentials of TV Sky plus”. Owner of the said company is Monika Spalević, and the company is based in Tabanovačka Street, No. 5 where the headquarters of **TV Sky plus** are. This TV later changed its name to “Naša televizija”. As of June 2015, Dušica Spalević has been registered as the owner (100%) of Naša televizija, instead of the previous owner, Miodrag Tešić. Dušica Spalević is, at the same time, the owner of **DMD PR Consalting**, registered on the same address as Naša televizija.

THE COUNCIL’S CONCLUSION: *There are two cases when media/promotional services for the needs of public institutions are contracted through purchase orders: primarily this occurs when the service value on an annual level is lower than 400,000 RSD, that is, under the low-value public procurement limit. However, it often happens that the procurement value is simulated, when there is a clear intention to avoid the obligation to conduct low-value public procurements, or open procedure public procurement. Public institutions are obliged to make annual predictions and plan the types and extent of the same-type services that they will procure, and to conduct public procurement procedures in a timely manner. This especially applies to public institutions where the founder adopts annual business plans and procurement plans. Practice shows that frequent contracting of services through purchase orders is most often used as an excuse that the necessary procurements were impossible to foresee or implement in a timely manner. Contracting services through purchase order does not enable competitiveness and transparency of the procedure, and leaves room for favoring privileged service providers.*

4.6. Contracting services through the form of business-technical cooperation

4.6.1. Belgrade Business School (Serbian acronym: BPŠ)

In the period from 2011 to 2014, **Belgrade Business School (BPŠ)** paid 8.6m RSD to **Princip press doo**, owned by Miodrag Vujović (100%), based on several business-technical cooperation agreements, for publishing reportages on 3-4 pages in **Srbija – Nacionalna revija** magazine. The publisher committed to print out BPŠ logo in the magazine’s impressum and to deliver 100 copies of the magazine to the school. For the promotion in each of the contracted magazine issues, BPŠ had the obligation to pay the price of 200,000 RSD, plus VAT. The value of business-technical cooperation agreement concluded between BPŠ and **Princip press doo** ranged between 1.6 – 2.5m RSD, including VAT, annually.

The Council is of the opinion that, using the model of business-technical cooperation agreement, BPŠ avoided its obligation to conduct low-value public procurement in accordance to the provisions of the Law on Public Procurement.

4.6.2. Provincial Secretariat for Health, Social Policy and Demography

In the period from 2011 to 2012, **Provincial Secretariat for Health, Social Policy and Demography** used the services provided by **SZR Dinovizija** from Subotica, owned by Tomislava Dedović Tomić. The services were contracted through an agreement on business-technical cooperation, with the subject of media monitoring of the Secretariat’s work, business-technical

cooperation in marketing and public information activities, and media coverage of eight regular and special press conferences organized by the Secretariat, as well as publishing reports from the Secretariat's official press releases. Additionally, the contracted services included video recording of all important information related to activities of the Secretariat and archiving all of the events, broadcasting reports on the Secretariat's work, as well as public appearances of Secretariat's representatives in TV show "Zdravstvo u Vojvodini", and on www.subotica.rs website. In 2011, the stated services were paid 300,000 RSD, including VAT, and in 2012, 500,000 RSD. By contracting services through business-technical cooperation in 2012, the Secretariat avoided conducting low-value procurement.

4.6.3. Pharmacy Belgrade

In 2012, 2013 and 2014, **Pharmacy Belgrade** concluded cooperation agreements, according to which this institution was to pay an amount of 70, 000 RSD to the **Foundation for the Culture of Quality and Excellence** from Zemun, represented by Vladimir Trajković. The subject of this agreement was cooperation with **Kvalitet&Izvrnost** magazine. This edition addresses the issue of business improvement, and one part of the magazine was dedicated to the winners of the National Business Excellence Award. The Foundation's obligation was to print Pharmacy Belgrade logo in every issue of the magazine, to provide one-year subscription, to publish articles as necessary, to provide one participant for "Quality Week" event, without registration fee. On the official web site of the organization, it is stated that the Foundation for the Culture of Quality and Excellence (FQCE) is a "non-profit partner organization that manages the National Business Excellence Award – "Oskar kvaliteta".²¹ It should be noted that the said award was, in 2014, among others, also awarded to Pharmacy Belgrade.²²

THE COUNCIL'S CONCLUSION: *Concluding business-technical cooperation agreements between public institutions and specific legal entities is one of the models for avoiding public procurement procedures in cases when the subject of such cooperation is the provision of media/promotional services from one contracting party to another. Very often, business-technical cooperation is a legal form used to contract services that only selected contracting party can provide on the market. However, it is evident in practice that public institutions contract media coverage services and promotional services through the model of business-technical cooperation agreement in order to eliminate competition and determine service prices in an open negotiation. The Law on Public Procurement does not recognize business-technical cooperation as a model for contracting provision of specific services, thus conducting such contracts is exclusively a discretionary right of public institutions' managements.*

4.7. Contracting services free of charge and through compensation

4.7.1. Ministry of Labor, Employment, Veteran and Social Affairs

In 2013, **Ministry of Labor, Employment, Veteran and Social Affairs** concluded a protocol on cooperation with **Finest media doo** from Belgrade. The said company is the owner of the TV

²¹ http://www.fqce.org.rs/index.php?option=com_content&view=article&id=46&Itemid=56

²² <http://www.apotekabeograd.co.rs/sr/vest.php?id=106>

show “*Radim-gradim*” which broadcasts on **TV Studio B**, while the Ministry is the copyright holder for the promotional videos produced for a promotional campaign “Improving the safety and health at work in Serbia”. Through the protocol, **Finest media doo** committed to broadcast promotional videos during the show, without compensation, and to “invite a representative of the Ministry as a guest in TV shows dealing with topics in the field of safety and protection at work, or related to other competencies of the Ministry”.

Also in 2013, **Ministry of Labor, Employment, Veteran and Social Affairs** concluded a cooperation agreement with **Cekos in doo** from Belgrade. The Ministry committed to provide the said company with all official reviews, explanations and instructions related to the implementation of laws and other regulations that it adopts. The Ministry granted permission to **Cekos in doo** to publish and present all of the data in their publications. Contractual obligation of **Cekos in doo** was to “according to their abilities, provide intellectual services and other legal assistance related to interpretation/implementation of regulations within the Ministry’s field of work”. In addition, this company committed to provide to the Ministry free use of “*Ekspert*” digital database of regulations, official opinions and court practice, for 10 users during the term of the contract.

Ministry of Labor, Employment, Veteran and Social Affairs concluded another protocol on cooperation in 2013, in this case with a publishing company **Glosarijum doo** from Belgrade. The subject of the protocol is the publication of official opinions and other information relevant to the performance of activities from the Ministry’s field of work, in the magazines published by **Glosarijum doo**. The Ministry committed to provide its opinions and other documentation to **Glosarijum doo**, through coordinators from each of its sectors, namely “all the official opinions made from the moment of signing this protocol”. **Glosarijum doo** committed to provide the Ministry with five copies of the professional magazine **Izbor sudske prakse**, free of charge, for the duration of this protocol on cooperation.

4.7.2. Lubricants factory “FAM ad” under restructuring

In 2013, **Lubricants factory “FAM ad” under restructuring** from Kragujevac, owned by the Privatization agency (80%) and Equity fund (19%), contracted advertising services from the Agency for projects, marketing and services **Kviz** from Ljig, owned by Milan Damjanović. The mentioned agency committed to promote FAM on **TV Pink** during Saturday’s TV show “*Zvezde granda*” in the second marketing block. Instead of cash payment for advertising services in the amount of 345,600 RSD, FAM undertook the obligation to deliver goods from their program, according to the needs of agency **Kviz** and according to FAM’s current price list.

THE COUNCIL’S CONCLUSION: *It is unusual for public institutions to use and contract media services free of charge, while service contracting through compensation is present in practice. However, there are examples of signing specific agreements or contracts that directly or indirectly result in promotion of public institution that signed them. It is impossible to accurately, qualitatively and quantitatively determine which party benefits from these contracts. In particular, the interest of public and society is that the expert opinion of a specific public institution is published in an expert magazine, however, at the same time the said expert magazine, based on its circulation and number of users, collects profits from sales and subscriptions, respectively. This also raises the question of whether the cooperation without financial compensation is favorizing certain publishers or media service providers over others, as well as which contracting party has greater benefit from the cooperation. This issue can be resolved only through establishment of clear and transparent criteria for conclusion of contracts without financial compensation between public institutions and the media.*

This would eliminate discretionary right of public institutions' management to conclude contracts or agreements on the use of services without compensation, that is, compensation contracts.

4.8. Contracting public opinion research services

4.8.1. Public Enterprise “Nikola Tesla” Airport

In 2011, **Public Enterprise “Nikola Tesla” Airport** concluded a contract on “consulting services in the field of passenger research” with **TNS Medium Gallup doo** from Belgrade, and then in May 2012, a contract on “consulting services in the field of research and analysis of opinions of airport services users”. The value of the service contracted in 2011 was 1.48m RSD, without VAT, and the services contracted in 2012 cost 1.95m RSD, without VAT. The owners of **TNS Medium Gallup doo** are AD Indeks from Bulgaria (34%), Srbobran Branković (34%), Kančo Stoičev (16%) and Andrei Raičev (16%).

The Anti-Corruption Council did not receive the requested research results from the Airport, that is, the reports on services rendered according to the concluded contracts. It should be noted that **TNS Medium Gallup doo** also appears as public opinion researcher with **National Agency for Regional Development** (May 2012), **European Integration Office of the City of Belgrade** (2012), **PE Post of Serbia** (2012) and **Institute of Public Health of the Republic of Serbia “Dr Milan Jovanovic Batut”** (2014).

4.8.2. Public Utility Company „Infostan

In 2012, **Public Utility Company „Infostan”** from Belgrade paid 300,000 RSD to the company **Ebart doo** from Belgrade for the services of “analysis of Infostan presence on social network”, while in 2013 the same company received 100,000 RSD per month, that is, 1.2m RSD in total, for research services. The type of research services was not closely defined in the contract from 2013, but the contracting parties refer to the accepted offer. However, **PUC “Infostan”** did not provide the mentioned offer to the Council. At the Council’s request, they submitted the reports on the survey conducted by **Media archive Ebart doo**. The only difference between two documents titled “analysis of presence of PUC “Infostan” on social networks (Facebook, Twitter, LinkedIn, Google +)” consisting of **three** pages each, is the year of the research (2012, 2013) indicated in the title. Qualitative and quantitative assessment is the same in both reports, the results are the same, the conclusions are the same, and even the period of collecting data from the social networks is the same (1st July – 31st December). The reports submitted by **Ebart** state that the research of social networks included following key words: “*Public Utility Company Infostan/PUC Infostan/Infostan; acting director Bojan Milić/Bojan Milić; System of integrated billing of utility products and services/integrated billing of utility products and services*”. It should be noted that the owners of **Ebart doo** are: **Medija centar doo** (45%) and **Mediasres doo** (55%) from Belgrade. The founder of the first is Independent Journalists' Association of Serbia (100%), while the co-owners of the second company are Vladimir Đurguz (70%) and Svetlana Ljuboja (30%).

In 2013, **PUC “Infostan”** used the services provided by **E-way doo** from Belgrade, owned by Maja Torbica (100%) and paid 396,000 RSD to the said company for the services of “analysis of performance of “Infostan” on social networks”. In the report titled “Analysis of the performance of Infostan on social networks” which is six pages long, it is stated, among other things, that in the period from 6 January to 6 March 2013, 72 posts were published on social networks regarding Infostan; that “the most posts were published on Twitter, where people usually comment on good and

bad things”; that 80% of posts were from Belgrade and 20% from “other locations”, and that the authors of 89% of posts were men and 11% women. The report also presents all “authors of negative tweets” (27) with their color photos, their usernames and the number of negative tweets.

Having analyzed the provided documentation, the Anti-Corruption Council was not able to determine the purpose, quality and relevance of this three-month long research, or its relevance for PUC “Infostan” work.

It should be noted, however, that the company **E-way doo** appears as the provider of “promotional service of eGovernment portal” (2.9m RSD) with the *Ministry of Trade, Tourism and Telecommunications* (2011/2012), and “production services for the coverage from Stara Planina” (276,000 RSD) with *Serbia Investment and Export Promotion Agency – SIEPA* (2012). After the Council requested from SIEPA to provide the copy of the tape made by **E-way doo**, this institution responded that it “doesn’t have the recording in its archive and it was unable to obtain it”.

4.8.3. “Srpska banka ad”

In 2011, “*Srpska banka ad*” from Belgrade, whose biggest shareholder is the state (The Republic of Serbia 73.57% and PE “Jugoimport SDPR” 26.42%) concluded a contract with the Agency **Pragma** from Belgrade, owned by Cvijetin Milivojević. The subject of the contract was production and post-production of a video clip “*Đačka štednja Srpske banke*” (25-28 seconds), at the price of 2,831 Euros. It should be noted that the Agency **Pragma** from Belgrade appears as service provider for PE Serbian Railways (935,000 RSD) in 2011, 2012 and 2014. These are the services described as “annual qualitative and quantitative analysis of the print and electronic media content regarding Serbian Railways”.

4.8.4. Public Enterprise for City Construction and Development Novi Sad (Serbian acronym: ZIG)

In 2011, *PE for City Construction and Development Novi Sad (ZIG)* paid 3.5m RSD to the Agency for Public Opinion Research **SCAN doo** from Novi Sad, owned by Milka Puzigaća (100%). The Council was unable to identify the type of services provided, due to the lack of documentation provided by ZIG.

4.8.5. Ministry of Agriculture, Forestry and Water Management

In 2013, *Ministry of Agriculture, Forestry and Water Management* conducted a contract with **Ninamedia kliping doo** from Novi Sad, owned by Dragan Radić (100%) on “research on agricultural households in the Republic of Serbia, with a representative and national coverage on the territory of the Republic of Serbia, without Kosovo and Metohija” at a price of 3.4m RSD, including VAT. The research was implemented on a sample of 1200 registered agricultural households in the Republic of Serbia. The company **Ninamedia kliping doo** also appears in a large number of public institutions as a provider of press clipping services, video production services and translation services.

4.8.6. The City of Belgrade

In 2012, *The City of Belgrade* contracted a service of “market research – Belgrade 2012 public opinion project” from **Ipsos Strategic marketing doo**, represented by Srđan Bogosavljačić, at a price of 1.6m RSD, including VAT. Also in April 2012, the City conducted a contract on “analysis of opinions of social networks users on city authorities, and the topics and institutions (companies and

offices) that draw public attention, with quantitative and qualitative analysis of Facebook and Twitter, positive and negative user comments”, with media archive **Ebart doo**. This analysis was financed from the budget of the City of Belgrade, in the amount of 414,000 RSD.

Regarding the mentioned contract, the Anti-Corruption Council addressed the City of Belgrade and requested reports on all of the services rendered. The requested documentation was not provided.

It should be noted that **Ipsos Strategic marketing doo** appears as a provider of public opinion research services for a number of other public institutions: *Telekom Srbija* (2011), *Institute of Public Health of the Republic of Serbia “Dr Milan Jovanovic Batut”* (2011), *Republic Agency for Postal Services* (2011), *Agency for European Integrations of the City of Belgrade* (2011), the *National Bank of Serbia* (2011, 2012), *National Employment Service* office in Kragujevac (2012), *PUC Parking Service* (2012), *Department for Emergency Situations of the City of Belgrade* (2012), *The Commissioner for Information of Public Importance and Personal Data Protection* (2012), *Ministry of Public Administration and Local Self-Government* (2013); and the provider of analytical press clipping services, for the *Office of Cooperation with Civil Society of the Government of the Republic of Serbia* (2014) and *Serbian State Lottery* (2014).

4.8.7. Serbian State Lottery (Serbian acronym: DLS)

In the period from 2011 to 2012, *Serbian State Lottery (DLS)* concluded seven contracts on public opinion survey with **GfK doo** from Belgrade, owned by GfK Austria GmbH (100%) and represented by Marijana Agić Molnar. DLS paid a total of 2.8m RSD for six surveys. Those surveys included market research for the development of DLS new game, market research regarding instant games and DLS corporative concept, market research regarding the recognizability of prize games, as well as research with focus groups.

The Council addressed DLS and requested research results or reports on all of the services rendered according to the contracts concluded. The requested documentation was not provided.

THE COUNCIL’S CONCLUSION: *Due to their subject and their nature, public opinion researches should not be classified as a standard type of media or promotional services. However, these include market research services, that is, the research of opinions and views of citizens whose publication usually contributes to media affirmation of the public institution that appears as a contracting authority and the user of specific research. At the same time, it often represents an indirect promotion of the management of the same public institutions and public enterprises that finance such researches. In addition, it is not a rare situation that public institutions and political parties use public opinion research services from the same service providers.*

4.9. Contracting media campaigns and other media services

4.9.1. Ministry of Trade, Tourism and Telecommunications

In 2014, the *Ministry of Trade, Tourism and Telecommunications* (at the time called: Ministry of Foreign and Domestic Trade and Telecommunications), concluded a contract on promotion of projects and activities in the field of trade with **Adria media Serbia doo**, a publisher of the daily newspaper **Kurir**. The contract value was 2m RSD. Practically, the services in question included creation and publishing of PR articles on the subject of digitalization, in the printed and electronic edition of **Kurir** newspaper, which mainly included statements and photographs of the State Secretary Tatjana Matić and Minister Rasim Ljajić. As a part of this contract, on 30 June 2014,

“Kurir” published an interview with the State Secretary Tatjana Matić, titled “We will have had a digital signal by June 2015”, which was invoiced at a price of 73,800 RSD, and was financed from the budget of the Ministry. The second interview with Tatjana Matić, titled “Digitalization as an investment for development”, was published in “Kurir” on 10 October 2014, and invoiced as a PR article at a price of 94,440 RSD. The content of published interviews, which were attached to the reports and invoices issued by **Adria media Serbia doo** confirm that the topic of digitalization was used for a personal promotion of the Ministry’s officials.

Ministry of Trade, Tourism and Telecommunications (at the time called: Ministry of Foreign and Domestic Trade and Telecommunications) concluded, in 2014, a contract on the provision of “advertising services for the process of transition from analogue to digital TV broadcasting signal” with **Buzz Havas Worldwide Belgrade doo** from Belgrade, owned by Lazar Labus (33.33%) and Buzz Group doo (66.67%). The contract value was 3.5m RSD, including VAT. The Ministry and **Radio Television of Serbia (RTS)** also concluded a contract in 2014, on co-financing TV program production, that is, video clips and broadcasting time related to promotion of digitalization. The contract value was 6.8m RSD, without VAT. This contract stipulates that the Ministry shall finance the promotion costs in the amount of 5.3m RSD, and RTS in the amount of 1.5m RSD.

In 2013, **Ministry of Trade, Tourism and Telecommunications** (at the time called: Ministry of Foreign and Domestic Trade and Telecommunications) concluded a contract on the provision of advertising and marketing services with **Medija-internacional group doo** from Belgrade, owned by Ivan Stevanović (100%), in the value of 3.9m RSD, including VAT. The contracted services include marketing activities for strengthening consumer protection, advertising digitalization of TV broadcasting signal, development and positioning of national brand, preventing unfair competition, preventing money laundering and terrorism financing, as well as advertising in all other activities in the field of foreign and domestic trade and telecommunications. In its monthly report on services rendered, from April 2013, **Medija-internacional group doo** states that the media services have been provided within **Kurir Go International** edition of the newspaper “in order to promote digitalization project” through data collection for interviews, which, among other things, included “Sending journalists to interview Mr. Nebojša Vasiljević, sending reporters to photograph Nebojša Vasiljević, taking statements from the competent Minister, Mr. Rasim Ljajić”. In the report from September 2013, it is stated that the media services were provided within **Kurir Go International** edition from August 2013, titled “Top Serbian Brands”, through “data collecting for two articles”, which, among other things, included “sending journalists on assignments in order to write an adequate article on topics “Serbia wants cheaper roaming services” and “Computers for 3000 schools”. Since all of the reports are related to the promotion of topics and state officials in the international edition of **Kurir** newspaper in English, this service cost 396,000 RSD on a monthly level.

4.9.2. Ministry of Labor, Employment, Veteran and Social Affairs

In 2013, **Ministry of Labor, Employment, Veteran and Social Affairs** concluded a contract with **Radio Television of Serbia (RTS)** on broadcasting advertisements in the period from 25th April 2013 to 17th May 2013. It was agreed that the advertisements would be broadcasted within the morning program on RTS 1 in order to implement the campaign “Improvement of safety and health at work in Serbia”. The contract value was determined according to the RTS marketing price list, with a discount of 70%. In 2014, the Ministry contracted the provision of advertising services from **Ecopront doo** from Belgrade, a publisher of **Privredni pregled** magazine. The contract value was 720,000 RSD. In 2013, advertising services were contracted with **Dan Graf doo** from Belgrade, a publisher of the daily newspaper **Danas**, in the amount of 700,000 RSD. In 2011, consulting services in the field of anti-discrimination legislation and gender equality were contracted with **Beomedija**

marketing doo from Belgrade, owned by Zoran Jovanović (100%). This contract value was 1.2m RSD. The organization of a National Conference on “Economic Status of Women” in 2011 was entrusted to **Divka doo** from Belgrade, whose owner at the time was Ksenija Randelović (100%), and from 2013 Tanja Jovanović (100%). The value of the contract was 846,200 RSD.

Ministry of Labor, Employment, Veteran and Social Affairs concluded a contract with **Letter & sun doo** from Belgrade, owned by Jelena Milenković Orlić (100%) on development of media campaign for the project “Fight Against Sexual and Work-based Violence” in the value of 726,711 RSD, without VAT. Jelena Milenković Orlić is the wife of Slobodan Orlić,²³ an official from Social Democratic Party of Serbia, whose president is the then Minister of Labor, Rasim Ljajić, whose department financed the services provided by **Letter & sun doo** with a total of 4.34m RSD, in the period 2011-2012.

4.9.3. Ministry of Youth and Sport

In 2012, *Ministry of Youth and Sport* entrusted the project of promoting the “European opportunities for the young, with a focus on youth ambassadors of peace” to **Banbus doo** from Obrenovac and it was paid from the budget, in the amount of 1.4m RSD. The company’s director, Branislav Kovačević and State Secretary Ivana Kovačević, at the time a URS political party official, signed the contract. **Banbus doo** is a company registered for “**urban and suburban passenger transport**”. Only one component in the contract included the obligation from this company’s regular field of work – to provide logistic support, that is, “transportation services, food and accommodation for the partners” within the organization of promotional program in youth offices. The rest of the contracted services are related to logistic support to organization of info days for coordinators of youth offices in Belgrade for 30-40 youth office representatives, preparation and printing of promotional materials, as well as organization of competition for awarding grants to the top 20 local campaigns with the theme “youth ambassadors of peace”. The director of **Banbus doo**, Branislav Kovačević, had submitted two short reports to the Ministry (on 4th April 2012 and 3rd May 2012) where it was stated that the services were fully implemented, but it was not specified in which manner the project was implemented in all its aspects. The period of conclusion of the above stated contract and the scope of widely defined “promotional” services coincides with the election campaign in May 2012. Due to charges of bribery, Branislav Kovačević was arrested in Belgrade, in January 2015, together with the director of PE for Coal Mining „Resavica”.²⁴

Ministry of Youth and Sport engaged agency **Sportnetwork doo**, owned by Milan Cvetković, for the provision of TV production services. The value of the first contract from 2012 was 2.3m RSD, and the second, from 2013 – 3.3m RSD. It should be noted that the then Minister, Snežana Marković Samardžić, engaged the mentioned agency in 2012, for the provision of media monitoring activities, that is, the production of the TV program related to the promotion of 22 strategic goals defined in the Strategy for Sports. This included development and distribution of video materials for broadcasting and monitoring of events relevant to the work of the Ministry. The subject of the said contract coincides with the subject of the contract of the same year, signed by the then Minister, Snežana Marković Samardžić with the company **Frame tv production doo**, which received 3.4m RSD, for practically the same services.

²³ <http://www.sdpsrbije.rs/slobodan-orlic/>

²⁴ <http://www.novosti.rs/vesti/naslovna/hronika/aktuelno.291.html:530993-Medju-13-uhapsenih-funkcionera-predstavnici-DS-SPS-i-SNS>

In 2011, **Ministry of Youth and Sport** paid 2.9m RSD to the **Stratcom Agency** from Belgrade to “design campaigns and promotional activities on the occasion of the International Year of Youth, International Volunteer Day, the work of local youth offices, and affirmation of youth policy”. This company was also engaged in 2012, for “the preparation and implementation of promotion of 22 strategic goals defined in the Strategy for Sports”, and received 636, 946 RSD for the provision of these services. Having analyzed the provided documentation, the Council determined that the monthly activities of **Stratcom Agency**, among other things, included drafting of the interviews given by the Minister, Snežana Marković Samardžić (“*Danas*”, “*Blic*”, “*Novosti*”, “*Kopernikus*”), and editing her responses; writing articles that were signed for the media by the former Minister; as well as drafting the Minister’s speeches for a number of events. Council’s opinion is that the cooperation between the Ministry and the **Stratcom Agency** essentially was a personal promotion of the Minister and implementation of activities within the scope of regular and systematized work of the Ministry’s employees.

4.9.4. Digital Agenda Directorate (currently: Directorate for eGovernment of the Ministry of State Administration and Local Self-Government)

During the period 2011-2012, **Ministry of Telecommunication and Information Society**, that is, the **Ministry of Culture, Media and Information Society** implemented several media campaigns for promotion of activities from the scope of work of Digital Agenda Directorate.

The company **Gaia Consulting doo** from Belgrade, owned by Ivan Rečević (50%) and Dejan Pervulov (50%) was engaged for the production of four video clips for media promotion of “Digital school” project (2011), in the total value of 3.4m RSD, including VAT. **E-way doo** from Belgrade owned by Maja Torbica (100%) was engaged (2011-2012) for the promotion of “eGovernment” web portal and its new functionalities, in the total value of 2.95m RSD, including VAT. **Cross Communications doo** from Belgrade, owned by Svetlana Blagojević (100%) was paid 2.3m RSD, including VAT, for the organization of “Digital Agenda Days” (2011), while for the promotional activities for the project “Click Safely”, the same company received 3.2m RSD, including VAT. In 2011, **Fund B92** was paid 8.8m RSD, including VAT, for the production of two TV clips for the “Click Safely” campaign, with the duration of maximum 35 seconds and a shorter version of maximum of 15 seconds. RTV B92 creative team, engaged by the Fund B92, drafted creative solution for both videos. Media campaign of the project “Children on the Internet - Click Safely” was implemented through TV clips (“Jelena” and “Children’s Room”), which were broadcasted during 2012, under the contract worth 3.3m RSD, including VAT, concluded between the Ministry and **Foks televizija doo**. The very same promotion was paid 1,698,821 RSD to the **Pink international company doo**, including VAT.

In 2012, **Ministry of Culture, Media and Information Society** concluded a contract with **Kurir info doo** on advertising campaign “Click Safely” in the **Kurir** newspaper and on their web portal, in the total value of 2.1m RSD, including VAT. Within this campaign, the State Secretary at the time, Jasna Matić, published seven articles in **Kurir**, which were financed from the budget, in a total amount of 898,688 RSD. The Ministry contracted media promotion services with **Ringier Axel Springer doo** from Belgrade, for the advertising of “Click Safely” project in **Blic**, **24sata**, and **Alo!** newspaper, as well as PR articles in **Blic žena** and **Puls** magazine. The said services were paid 2,955,329 RSD, including VAT. **Hiron press doo** from Belgrade (new name: B.B. advertising), then owned by Slobodan Balaban (100%) was the provider of “public information” services required by the Ministry, at a price of 3.9m RSD. Company **Red art workshop doo** from Belgrade, owned by Miloš Đukelić (100%) was paid 481,687 RSD, including VAT for recording, production and development of video materials for internet broadcast, in order to promote “Girl’s days” event. The

promotion of the Ministry's activities was implemented through the agency **ACME** from Belgrade, owned by Aleksandar Ašković (100%). The activities were promoted on **B92 info** TV channel, in the TV show "*Kursor*" which deals with education in IT, at a price of 945,000 RSD (2012).

4.9.5. Statistical Office of the Republic of Serbia (Serbian acronym: RZS)

In 2011, *Statistical Office of the Republic of Serbia (RZS)* implemented a promotional campaign for the census of population, households and dwellings in the Republic of Serbia. **Blumen group doo**, owned by Nataša Pavlović-Bujas (100%), provided the services of "business coordination and organization of the PR campaign related to the organization of census of population, households and dwellings" at a price of 1.6m RSD. The company **Babbler media marketing doo**, owned by Vladimir Tepavac (100%), provided services of production of TV and radio clips regarding the said census, at the price of 1.6m RSD, and the services of production, setting up and lease of billboards at a price of 3.1m RSD. Advertising services for the census campaign were also paid to the following media: **Ringier Alex Springer doo** (Blic, Blic žena, Blic Puls) at a price of 1.3m RSD; **Novosti** (753,179 RSD), **NIN** (318,360 RSD), **Danas** (197,061 RSD), **Press** (302,581 RSD), **Gloria** (504,278 RSD), **Kurir** (541,030 RSD), **Politika** (733,540 RSD), and **Mag plus** Obrenovac (2.9m RSD). The advertising on RTS was free of charge, with an explanation that the census was an activity of national interest.

In 2012, *Statistical Office of the Republic of Serbia (RZS)* implemented promotional campaigns for the census of agriculture in the Republic of Serbia. **Babbler media marketing doo** was a provider of production services for TV and radio clips regarding the census of agriculture, at a price of 2.2m RSD. **Mag plus doo** from Obrenovac was contracted for the provision of lease of advertising space on local TV stations, at a price of 11.7m RSD. **Blumen group doo** was paid 6.4m RSD for design and coordination of media campaign for the census of agriculture. **Radgost doo** was contracted to mark the locations with high traffic for the positioning of constant reminders on census of agriculture, and this service was paid 9m RSD. **W&E production studio doo** was contracted as a service provider for "design and implementation of promotional tour for census of agriculture", at a price of 9.8m RSD. For the services of "production, setting up, and lease of billboards", the company **Nortec doo** from Subotica received 13.1m RSD. Advertising services for the census campaign were paid to: **NIN** (203,309 RSD), **Blic** and **Blic žena** (930,738 RSD), **Kurir** (625,408 RSD), **Press** (304,837 RSD), **Novosti** (588,837 RSD), **Danas** (463,591 RSD) and **Politika** (946,636 RSD).

4.9.6. Ministry of Defense

In the period from 2011 to 2014, *Ministry of Defense* implemented several promotional campaigns for the promotion of activities in the field of defense, as well as for the promotion of its Ministers at the time.

Ministry of Defense financed the placement of advertising banners (*promotion of life and work of the members of Serbian Armed Forces in the peacekeeping missions*) on the demolished General Staff building ("Kula B") in Birčaninova Street, No. 5 in Belgrade, with 3.1m RSD from a donation received in 2014 from the company **Borbeni složeni sistemi doo** from Belgrade (where PE "Jugoimprot SDPR" is 100% shareholder).

In 2011, the Ministry contracted the services of posting video materials on web sites from the company **Infobiro doo** from Belgrade, at a price of 990,000 RSD, including VAT. In 2012, the price for the same services was 660,000, including VAT. The reports provided by **Infobiro doo** show that the biggest number of promotional video clips is about the statements given by the then Minister Dragan Šutanovac, and later Aleksandar Vučić.

In 2011, the *Ministry of Defense* paid 2.9m RSD to **Dexin doo**, owned by Jasminka Janković (100%), for the development and setting up of 800 advertising banners for the promotion of Media center “Defense” and artistic ensemble “*Stanislav Binički*”. The banners advertised a number of events, such as: ceremonial promotion of new SAF officers, the exhibition of memorial collection “*Pavle Beljanski*”, the book fair, the campaign “Professionalization of SAF”, promotion of the exhibition “Masters of Banat crafts”, “The 4th sports championship of the SAF”, promotion of the SAF logos, promotions “Momo Kapor – Belgrade stories”, “Springtime in Belgrade”, “The orchestra of the US Army”, promotion of the exhibition of paintings and sculptures by Nadežda Petrović, advertisement for the concert of ensemble “*Stanislav Binički*”, and New Year opera concert. Additionally, the company **Alma Quattro doo** from Belgrade, owned by a legal entity APG SGA SA from Switzerland (100%), was paid in accordance with two contracts concluded with the Ministry of Defense – 3.4m RSD in 2011, and 1.7m RSD in 2012, for the lease and setting up of promotional billboards for four campaigns implemented by the Ministry. These billboards promoted the campaign for professionalization of the SAF, and the promotion of the SAF officers.

The *Ministry of Defense* paid 1.5m RSD, including VAT for graphic design and printing services of 2,800m² billboard posters, to the company **Oniks doo** from Belgrade, owned by Borivoj Grković (50%) and Veselin Bajagić (50%). These billboards were set up by the above-mentioned **Alma Quattro doo**. The billboards set up in 2012, were printed by **Digital printing centre doo** from Belgrade, owned by Slobodan Petrović (100%). Printing costs for 1,770m² of posters were paid 753,984 RSD.

In 2011, **Masel Group doo** from Belgrade received 1.5m RSD, including VAT for the development of 600m² of banners and 100m² of roll-up posters, which were used for the purposes of the Minister’s meetings, aero meetings, concerts, central celebrations for the SAF Day, artistic exhibitions, etc. Until January 2015, **Masel Group doo** was in the ownership of Ruberta trading ltd Cyprus (100%), after which Jelena Pavlović (100%) was registered as a new owner.

Marketing press doo from Belgrade, owned by Vojislav Nikolić (50%) and Zoran Nikolić (50%) received in 2013 the payment of 1,064,580 RSD, including VAT from the Ministry’s budget. This amount was paid for the production of banners, roll ups, panels, metal constructions for banners and roll-up mechanisms. In addition, in 2014, this company was paid 722,080 RSD, including VAT, for the production of banners, roll ups and panels for the Ministry’s needs. For the promotion of military parade in 2014, 25 exhibitions in the SAF institutions and decoration of the office of the Chief of SAF General Staff, 705 banners, roll-ups and panels were produced.

4.9.7. The City of Belgrade

In 2011, *The City of Belgrade* implemented a media campaign through the broadcast of promotional videos “*Pešački je zakon*”, in accordance to the concluded cooperation agreements in information-advertising activities, with: **Radio Novosti doo** from Belgrade (111,156 RSD); **Sport FM radio doo** from Belgrade (111,510 RSD); **Naxi doo** from Belgrade (254,880 RSD), **Alma Quattro doo** from Belgrade (2,523,747 RSD), **Maxim media doo** from Belgrade (650,652 RSD).

Also, for the services of broadcasting the radio clips “*Pešački je zakon*” in the period from 27 April to 15 May 2012, at the time of the election campaign, a contract was concluded with **RDP B92** from Belgrade, in the value of 2,950,000 RSD

Broadcast of 40 TV reportages, titled “I love Belgrade”, in duration of 2 minutes, in the period from 26 April to 6 May 2012, at the time of the election campaign, was contracted with **TV Pink**, that is, the company **Pink international company doo** from Belgrade, in the amount of 2,950,000 RSD.

The conclusion of the said contracts was preceded by a process of drawing a conclusion by the then Mayor, Dragan Đilas. Most of the Mayor's conclusions also contain: "Information Department is released from the obligation of requesting bank guarantees for good performance in this project".

4.9.8. The City of Niš

In the period from 2011 to 2014, *The City of Niš* paid advertising services in a total amount of 233.4m RSD, while the annual expenses in this period ranged from 55m to 65m RSD. During the analyzed period, most of the funds were received by **PE Niška televizija**, about 188m RSD, while the rest of 45m RSD was divided between six media: **Narodne novine doo** (39m RSD); **RTV Belle amie doo** (720,000 RSD); **Zona plus doo** (720,000 RSD), **Kopernikus cable network doo** (94,839 RSD), and a production house **Infobiro doo** (4.7m RSD).

The City of Niš funded **PE Niška televizija** through subsidies from the city budget, in accordance with the contract on financing of program activities. Based on the said contract, this television was in obligation to produce and broadcast the following information programs in 2014: TV show "Telepres" (on working days, as well as weekends, 5 times a day), news (five times a day, and in addition three times a day program in sign language for the hearing impaired and news in the languages of national minorities), additional "Telepres" shows (if necessary, depending on current events), live broadcasts of the City Assembly sessions and other events of importance to the city (total of 600 hours of live broadcast), other information programs, according to the program schedule of **PE Niška televizija**.

The contracts concluded with **Zona plus doo** and **RTV Belle Amie doo** included, among other things, monitoring of the work of local self-government of the City of Niš, its institutions, public officials and authorities, city enterprises, funds and organizations founded by the City of Niš, as well as city events and all of the events of interest to the City of Niš, through the preparation of articles, video materials, audio content and reports.

THE COUNCIL'S CONCLUSION: *Contracting media services for the implementation of promotional campaigns and PR activities of public sector institutions is provided through the models of public procurements and direct negotiations between the contracting authorities and the service providers. Most often, the subject of contracts between service providers and public institutions include PR consulting services, lease of media space on TV stations, radio stations, the print media, internet and billboards, as well as production of TV programs and commercials. It is not rare that these multi-million services are provided by legal entities associated with politicians, or political parties, and that the services rendered are not qualitatively or quantitatively verifiable even in the detailed reports and accounting documentation. It is evident in practice that different thematic media campaigns are also used for personal promotion of the officials managing public institutions. The decisions on implementation of media campaigns, their goals, scope, price, etc. are determined largely discretionary by the management of public institutions, within the available budget. This often creates a situation of inequality between the preferred and other media, which has a negative impact on their economic position. The public is usually unaware of the fact that specific media content and interviews with the highest state officials are financed from the budget funds, while some of the promotional activities are put in the function of support to the activities of political parties.*

4.10. Contracting services of promotional activities of public enterprises

4.10.1. Public Enterprise „Gradsko Stambeno“

In the period from 2011 to 2014, *PE „Gradsko Stambeno“* spent about 3.3m RSD on promotional media activities focused on peer education in elementary schools. Educational campaign “Elevator is not a toy” was based on interactive lectures, intended for elementary school pupils, specifically for first and second grades. The aim of the campaign was to draw attention of the youngest citizens to the proper use of elevators, and the procedure in case of emergency – being stuck in an elevator. The “Elevator is not a toy” campaign was financed with 978,800 RSD in 2012 and in 2013 with 1,034,000 RSD. The campaign “Housing etiquette” cost 492,000 RSD, in 2013. Those joint campaigns, and the distribution of existing promotional materials was financed with 3,479,820 RSD in 2014, while the organization of promo-educational activities “Sports etiquette” “The most beautiful entrance” and “Housing etiquette” was financed with 745,200 RSD, in 2014. The company **New assist doo** from Belgrade was engaged for all of the mentioned campaigns. The company is owned by Damir Dragić (30%), Vladimir Sibinović (30%), Predrag Mokranjac (30%) and Dušan Šević (10%). It should be noted that Damir Dragić is also the director of **Informer** newspaper, which is published by **Insajder tim doo** from Belgrade.

In the period from 2011 to 2014, *PE „Gradsko Stambeno“* spent about 7.6m RSD for PR and media consulting services. In 2011, training services in public relations, in the amount of 2.3m RSD, were contracted with the company **Farmeri&Spaić** from Belgrade, which later changed its name to **Kovačić&Spaić doo**. The owners of the company, in the mentioned period, were Nebojša Spaić (90%) and Bogdanka Rangelov (10%). At the same time, Nebojša Spaić was at the position of editor-in-chief of the **NIN** weekly magazine.

In 2012, *PE „Gradsko Stambeno“* concluded a contract on PR activities and media consulting services, in the amount of 3.3m RSD, with **Stratcom** agency from Belgrade, formally owned by Bojana Selaković (100%). In fact, Marko Selaković who was in charge of public relations in G17plus political party, was behind this agency²⁵, while at the time of contracting the mentioned services, acting director of PE “Gradsko Stambeno” was also one of the G17plus officials²⁶. In addition, in 2013, PE “Gradsko Stambeno” and agency **Stratcom** concluded a contract on PR activities and media consulting services, in the amount of 3.4m RSD. This contract was terminated by a mutual agreement in October 2013. Until the moment of termination of the contract, **Stratcom** agency received 2.2m RSD for the contracted services. It should also be noted that two months before the termination of this contract, URS political party (into which G17plus has transformed), stepped out of the Government of the Republic of Serbia.

4.10.2. Public Enterprise “Emisiona tehnika i veze” (Serbian acronym: ETV)

In 2012-2013, *Public Enterprise “Emisiona tehnika i veze” (ETV)* financed different promotional activities for the project of digitalization in Serbia, in the value of 6.4m RSD. ETV concluded a contract, in 2013, with **B.B. advertising doo** from Belgrade, owned by Svetlana Miletic (100%) on provision of marketing and promotional services for PE ETV, promotion of digitalization,

²⁵ <http://www.istinomer.rs/akter/406/Marko-Selakovic>

²⁶ http://www.ekapija.com/website/sr/company/photoArticle.php?id=515687&path=kravata_biznis_021213.jpg

promotion of Avala tower, etc. The contract value was 474,000 RSD, including VAT. In 2012, ETV concluded a contract with **A-media doo** from Belgrade on development of www.digitalizacija.rs and www.avalskitoranj.rs at a price of 708,000 RSD, including VAT. The company **A-media doo** is owned by Tomislav Damjanović (5%), Veran Matić (5%) and the Association of Independent Electronic Media – ANEM (40%). At the same period, Damjanović was a G17Plus political party official, while the director of PE ETV was Vladimir Homan, also one of the G17Plus officials.²⁷

Also in 2012, ETV and **Milošević creative communications (MC2) doo** from Belgrade, concluded a contract on management of promotional campaign for digitalization and organization of media relations, in the value of 3,540,000 RSD with VAT. It should be noted that the owner of **MC2**, Ivan Milošević (100%) was previously engaged as an advisor for Deputy Prime Minister and head of G17Plus, Miroljub Labus. According to its financial reports, company **MC2**, which had only one employee in 2012 at the time of conclusion of the mentioned contract, generated revenues in the amount of 13m RSD, while in 2013, the company operated without any income, that is, with a loss of 3.1m RSD. According to the data from the National Bank of Serbia, **MC2** bank accounts have been blocked since September 2012, and after three years, the debt on the accounts amounts to about 11.6m RSD (according to the NBS register of debtors in enforced collection).

4.10.3. Public Utility Company “Naissus” Niš

During the analyzed period, from 2011 – 2014, **Public Utility Company “Naissus” Niš** concluded a number of individual contracts on business cooperation, with various print and electronic media in Niš. This company concluded contracts with several Niš media on promotional services that are that are not measurable in all contracts in quantitative and quantitative terms. Some contracts contain the amount of the leased advertising time on a monthly basis, while in a number of contracts it is unclear what the stated service represents, what the price units are and the parameters used to define the fixed monthly value of the service. In the majority of contracts, the subject of cooperation is almost identically defined. For example: *“Based on mutual interests ... (name of the media) and “Naissus” agree to conclude a business-technical cooperation and jointly contribute to increased media monitoring of all joint activities of PUC “Naissus”, and thus contribute to better inform the citizens regarding this company’s work”* or *“... (name of the media) and PUC “Naissus” agree to establish cooperation and jointly contribute to increased media monitoring of all important joint activities implemented by this company and thus make an effort to better inform the citizens”* PUC “Naissus”, as the contracting authority, had the obligation to *“provide all necessary information for journalists and editorial staff”* and *“inform the editorial staff about all important activities, in a timely manner”*, while the obligation of the media was to inform the public on activities implemented by PUC “Naissus” and to call the representatives of this company as guests in their programs, that is, publish informative articles in the print media or on web portals. Also, a number of contracts was concluded between PUC “Naissus” and electronic and print media from Niš on broadcasting the New Year’s, Christmas, Easter and Labor Day greeting cards at different prices.

During the analyzed period, from 2011 to 2014, **PUC “Naissus”** from Niš financed advertising and information services, in the amount of about 6.5m RSD. The services were provided by: **TV DŽAMBO** – 425,000 RSD (2013-2014), **RTV BUM 018** – 185,000 RSD (2013-2014), **PE Niška televizija** – 2,081,560 RSD (2011-2014), **Association Lokalna demokratska ideja** – 320,000 RSD (2014), **RTV Zona** – 720,000 RSD (2011-2012), **TV Zona plus** 210,000 RSD (2014), **KCN** – 60,000 RSD (2014), **Jugmedia** – 60,000 RSD (2014), **RTV Belle Amie** – 1,390,400 RSD (2012-

²⁷ <http://www.otvoreniparlament.rs/politicari/vladimir-homan/>

2014), **City marketing centar** – 530,000 RSD (2011-2014), **Narodne novine** – 607,400 RSD (2012 and 2014). According to one of the contracts concluded between **RTV Belle Amie** and PUC “Naissus”, from 2014, the said TV station commits to providing “*informative presentation of this company, through guest appearances (minimum two guest appearances per month in prime time), as well as monitoring of PUC “Naissus” activities through the news program*”. The value of these services provided by **RTV Belle Amie** varied depending on the year of the conclusion of the contracts on a monthly basis: 30,000 RSD in 2012, 60,000 RSD in 2013, 30,000 RSD in 2014. TV broadcasting services of PUC “Naissus” annual celebration from the Town Hall (27th June 2014), in one live and one delayed broadcast on **Niška televizija**, were paid 120,000, without VAT. According to the contract concluded with **Narodne novine** from Niš, this media committed to “*according to the needs and per request of PUC “Naissus” follow and report on the work of this company and publish informative articles about it*”. The price of this service was 25,000 RSD per month in 2012, and 20,000 RSD per month in 2014. Promotion of PUC “Naissus” in **Narodne novine** through publication of the New Year’s and Christmas greeting cards (1/2 page) for 2015, was contracted at a price of 75,000 RSD, while the greeting card for the Orthodox New Year (1/2 page) was contracted at a price of 37,800 RSD, without VAT.

4.10.4. Public Utility Company Mediana Niš

Public Utility Company Mediana from Niš promoted its activities from 2011 to 2014, through the lease of time for broadcasting video programs on **RTV Belle Amie**, owned by Vidosav Radomirović (100%) and in **Narodne novine**, owned by Tomislav Radomirović (100%). It should be noted that the owners of these media are brothers, and both of these contracts were concluded through direct negotiation. According to the contract whose subject is defined as “*the lease of TV time for broadcasting a program about the work of PUC Mediana*” and which was concluded for one-year period (2011-2012), the price of the service provided by **RTV Belle Amie** was defined on a monthly basis, in the amount of 50,000 RSD, without VAT. The obligation of the broadcaster is to “*broadcast programs about the work of PUC Mediana, according to the company’s needs and at its request, in a total duration of 30 minutes per month*”. The defined price in another contract (2014), which was concluded for a one-year period, was 60,000 RSD per month, for the provision of broadcasting service, while the broadcast time was leased “*in a total duration of at least 45 minutes per month*”. The contractual obligation of **RTV Belle Amie** was to “*produce video materials about the ongoing activities implemented by PUC Mediana, to provide broadcasting time for the recorded materials in its programs and to provide time for hosting PUC Mediana representatives in TV programs relevant to PUC Mediana*”. The duration of the contract concluded with **Narodne novine** from Niš was one year (2011-2012), while the duration of the next contract concluded in September 2012 was not time-limited. At a monthly price of 50,000 RSD, without VAT, company **Narodne novine** was in the obligation to “*follow and report on the work of PUC Mediana and publish informative articles about the work of this company, according to its needs and at its request, as well as daily delivery of 25 copies of the newspaper*”.

4.10.5. Public Enterprise for City Construction and Development Novi Sad (Serbian acronym: ZIG)

Public Enterprise for City Construction and Development Novi Sad (ZIG) implemented promotional activities in the period 2013-2014, in accordance with the business cooperation agreement concluded with **Pan Media** from Novi Sad, owned by Emilija Popović. The total value of the provided services was about 1.2m RSD. The financing was performed on a monthly basis: at first

70,000 RSD per month and later 50,000 RSD per month. The subject of the contract was a business cooperation with the aim of broadcasting programs to inform the public about the work of the City of Novi Sad and PE ZIG, “specifying the broadcasting time on TV Most, during the program ‘*O svemu po malo...*’, created by Miroslav Vukašinović, as well as TV show ‘*Ekstremi*’, created by Bojan Panaotović”, and broadcasting relevant information once a month within one of these two programs. In 2015, the above-mentioned journalist, Bojan Panaotović was appointed as director of Cultural Center of Novi Sad. TV Most is owned by the parents of an SPS high official, and a director of PE “Srbijagas”, Dušan Bajatović. In addition to this, from 2012 to 2013, PE ZIG, used promotional services provided by the Agency for Corporate Social Responsibility **CSR** from Novi Sad, owned by Sandra Ivanišević, in the value of 1.2m RSD. The monthly price of services provided was defined by contract at 70,000 RSD, and 50,000 RSD. The obligation of CSR was to “publish announcements, thematic discussions and interviews with representatives and experts employed in ZIG, in print and electronic media; follow activities of ZIG and report from the events organized by and involving ZIG”

In the period from 2012 to 2014, **PE for City Construction and Development Novi Sad (ZIG)** realized promotional activities amounting to 5.2m RSD, or 200,000 RSD without VAT on the monthly basis, in accordance to the business-technical cooperation agreements, concluded with **Broadcasting Company “021 doo”** from Novi Sad. The owners of the said company are Slobodan Stojišić (77%), Slobodan Krajnović (7%), Darko Rudić (4%), Žarko Simović (3%), Dejan Pralica (2%), Svetlana Tomov (1%), Vladan Miljković (1%), Robert Kiš (1%), Ivanka Jević (1%), Zoran Radusin (1%), Gordana Mihajlović (1%), and Milena Jerkov (1%). According to the contract from 2012, **“021 doo”** committed to “*provide increased attention of the appointed journalist to the contracting authority, as well as report regularly from previously announced press conferences and other events organized by ZIG*”. According to the latest concluded agreement (from 2013), service provider committed to “*provide an increased media attention, as well as regularly report from previously announced press conferences and other events organized by ZIG*”.

In the period from 2011 to 2014, **PE for City Construction and Development Novi Sad (ZIG)** realized promotional activities, in the amount of 4.2m RSD, according to the business-technical cooperation agreements concluded with **PE City Information Center “Apolo”** from Novi Sad (Novosadska TV). At that period, the Assembly of the City of Novi Sad owned the company. According to the agreement, **Novosadska TV** was obliged to provide at least two guest appearances of ZIG representatives, to include the ZIG experts in its program if needed, to follow the activities of ZIG and report from the events organized by or participated by ZIG, record and produce a promo movie – reportage (with a duration of 15 minutes), regularly communicate with ZIG representatives and broadcast reports from official announcements made by ZIG. The price of the stated services was defined at a monthly value of 50,000 RSD in 2012, and increased to 70,000 RSD in 2013. In addition to this, ZIG has financed the sponsorship of New Year’s program on **Novosadska TV**, with 180,000 RSD. It should be noted that from 2012, the director of **PE City Information Center “Apolo”** was Emilija Marić, a journalist, appointed to that position by SNS political party.²⁸

In the period from 2011 to 2014, **PE for City Construction and Development Novi Sad (ZIG)** contracted the provision of promotional activities in the print media and media websites. **Info lokal media group doo** from Novi Sad, owned by Srđan Vučurević (100%), received about 1.7m RSD for the provision of the said services (2013-2014). The services provided by this company included promotion of ZIG on NS Reporter weekly website, publication of information on all activities of ZIG, interviews with ZIG management, news on plans and programs for development of the city of Novi

²⁸ <http://www.021.rs/Novi-Sad/Vesti/Novosadski-odbornici-potvrdili-gazenje-obecanja-o-departizaciji.html>

Sad, as well as information about the results achieved on the results of the operations of city construction site. In 2014, ZIG and **Association of Architects of Novi Sad** concluded a contract on promotion of ZIG within the magazine **Danas** and its website, through publication of ZIG logo and promo materials. According to this contract, ZIG was obliged to co-finance program activities of the Association with 300,000 RSD. ZIG also financed promotional and advertising services, or the services of media following in **Kurir** newspaper, with 2.6m RSD (2011-2012), **Vojvodanski magazin**, with 413,000 RSD (2013), **24 sata** and **Blic**, with 3.4m RSD (2011-2012), **Novosti**, with 922,973 RSD (2011), **Press**, with 1.5m RSD (2011), **Dnevnik** from Novi Sad, with 2.1m RSD (2011-2012), and **Danas** newspaper, with 478,509 RSD (2011-2012). The subject of the contract concluded between ZIG and **Danas** newspaper included a list of obligations of the newspaper to *“provide the contracting authority with an increased attention of directly appointed journalist, as well as regularly report from previously announced press conferences and other events organized by the contracting authority”*.

4.10.6. Mining basin “Kolubara” doo

During the analyzed period, from 2011 to 2014, **Mining basin “Kolubara” doo** concluded a large number of individual business cooperation agreements with various print and electronic media, on provision of information services regarding the work and activities of the said company. In almost all contracts, the services to be provided for “Kolubara” included information services about the activities organized, implemented and financed by “Kolubara”, or the activities performed under the auspices of this company, such as reception of delegations, organizing celebrations and anniversaries, etc. In addition to this, the media that have a contract with “Kolubara” are obliged to broadcast/publish official announcements provided by the contracting authority, to produce special-purpose programs at Kolubara’s request, record video materials and produce documentaries and movies as requested by Kolubara. Individual contracts defined payments in such a manner that the value of provided services may not exceed maximum monthly value, depending on the specific media (90,000 RSD, 100,000 RSD, 150,000 RSD, 210,000 RSD, 300,000 RSD and 670,000 RSD). Uniform contracts have been concluded with all of the media, without conducting public procurement procedures, for the same type of services that are not qualitatively or quantitatively measurable, regardless of the fact that several media cover the same territory and, thus, inform the same population.

In the period 2011-2014, **Mining basin “Kolubara” doo** financed the services of media monitoring, provided by: **KCN doo** from Niš (TV Kopernikus) - the amount of 1,248,000 RSD, including VAT; **RTV Fleš** from Arandelovac - the amount of 1,069,200 RSD, including VAT plus another 1,440,000 RSD, including VAT; **TV GEM** from Lazarevac – the amount of 9,521,712 RSD, including VAT, plus another 18,576,000 RSD, including VAT, and another 8,985,600 RSD, including VAT; **KISS radio** from Lazarevac – the amount of 926,000 RSD, plus another 2,196,000 RSD, without VAT and another 2,790,000 RSD, including VAT; **Studio MAG** from Obrenovac – the amount of 2,133,000 RSD, including VAT, plus another 2,736,000 RSD, including VAT, and another 2,639,995 RSD, including VAT; **RTV Sunce** from Arandelovac – the amount of 2,772,000 RSD, including VAT; **TV Vujić** from Valjevo – the amount of 619,752 RSD, including VAT; **RTV Siti Ub** – the amount of 1.2m RSD, without VAT; **Kolubara Press** from Lazarevac – the amount of 1.23m RSD, without VAT, plus another 2.28m RSD, without VAT; **Radio Lazarevac** – the amount of 2,832,000 RSD, including VAT, plus another 1.2m RSD, without VAT, and another 1.8m RSD, without VAT; **TV Avaks** from Lazarevac – the amount of 2,592,000 RSD plus another 2,664,000 RSD, including VAT; **RTV Pruga from Lajkovac** – the amount of 1,503,084 RSD, including VAT, plus another 777,712 RSD, including VAT, and another 1,074,345 RSD, without VAT; **TV 3M** from

Ub – the amount of 1,080,000 RSD, without VAT; **TV Studio B** – the amount of 3-54m RSD, plus 2,065,000 RSD, including VAT, and another 4,266,000 RSD, including VAT, and 6,467,760 RSD, including VAT; **SENS Marketing doo** (TV SKY PLUS) – the amount of 4,110,810 RSD, without VAT; **Prave novine doo** from Lazarevac – the amount of 1,050,000 RSD (2013), and **PR Sebn Agency** from Obrenovac – 840,000 RSD, without VAT.

4.10.7. Public Utility Company City Heating Plant Niš

In the period from 2011 to 2014, **Public Utility Company City Heating Plant Niš** concluded 19 individual contracts on media coverage of its activities, and financed advertising services with about 9.7m RSD, even though this is a public utility company, which holds a monopoly over the heating supply services. The contracts were concluded with: **PE Niška televizija** – 50,000 RSD a month (2011); **City radio** – 8,850 RSD a month (2011); **Infobiro doo** – 650 Euros a month (2011); **Narodne novine** – 40,000 RSD a month (2011); **Belle amie doo** – 40,000 RSD a month (2012); **PE Niška televizija** – 50,000 RSD a month (2012); **Narodne novine doo** – 40,000 a month (2012); **City marketing centar** – 60,000 RSD (2012); **RTV Zona** – 30,500 RSD (2012); **Infobiro doo** – 650 Euros a month (2012); **PE Niška televizija** – 60,000 RSD a month (2013); **Narodne novine doo** – 60,000 RSD a month (2013); **BUM 018** (Citizens' and TV broadcasters' association) – 20,000 RSD a month (2013); **Belle Amie doo** – 60,000 RSD a month (2013); **Kopernikus cable network doo** – 40,000 RSD a month (2014); **Belle Amie doo** – 30,000 RSD a month (2014); **Narodne novine doo** – 60,000 RSD a month (2014); **Zona plus doo** – 50,000 RSD a month (2014). It should be noted that the contracts on the provision of video production services by **Infobiro doo** from Belgrade were concluded in the same period when PUC City Heating Plant was using the services provided by three media houses (**PE Niška televizija, RTV Zona and RTV Belami**), which means that the same type of service was practically multi-financed.

In the contracts concluded from 2012 to 2014 with **RTV Belle amie doo, Zona plus doo, Narodne novine doo** and **Kopernikus cable network doo, PUC City Heating Plant Niš** limited, in certain segments, the media rights and liberties, which inevitably led to censorship or self-censorship, regarding the manner and quality of reporting and presenting information about this company's work. Individual contracts with media services providers, that is, providers of "increased media coverage of all significant activities implemented by this public enterprise", include the following obligations of the media: to diligently and promptly inform the audience on all important activities of the company; to broadcast coverage in appropriate time slots in accordance with the program schedule and the requests of the company; to enable hosting of the representatives of the company in appropriate programs; to publish written announcements of the company; **to affirmatively present primary activities of the company during the entire duration of the contract; not to publish any negative information regarding the company, before consulting with the company on their stand; to provide every audio or video content that mentions the company, which was used on RTV Belami at the request of the company; to credibly present the information provided by the company, without expressing personal attitudes and opinions of the journalists;** to provide media coverage of press conferences organized by the company; to present service information of importance to the heating service users during the heating season, in the first following information program from the moment of obtaining the information; to appoint a journalist in charge of following the activities of the company. It should be noted that PUC City Heating Plant retains the right to unilaterally terminate the contract if the service provider does not comply with the above stated contract obligations.

4.10.8. Holding company “Prva petoletka” Trstenik – under restructuring (Serbian acronym: PPT)

During the period from November 2011 to November 2013, **Holding company “Prva petoletka” Trstenik (PPT) – under restructuring** paid a total of 5,508,193 RSD to the **Stratcom** Agency from Belgrade, for the provision of PR services. The said agency is formally owned by Bojana Selaković (100%), but the person standing behind was URS official and spokesperson, Marko Selaković. It should be noted that the directors of PPT, Zoran Veselinović and Ljubisav Panić, were candidates at the local elections, as representatives of URS in the Municipality of Trstenik.²⁹ The reports on the rendered services showed that, even though Marko Selaković was not the person who signed the contract, he was often present at the meetings with PPT officials, as a representative of the Stratcom agency. The reports also confirmed that he often provided consultation “in preparing the general manager for media appearances” during 2012. Monthly reports show that, among other things, **Stratcom** provided the following services to PPT: *development of PPT newsletter (January 2012); preparation of questions for hosting the PPT management in TV programs on TV Trstenik (February 2012); organization of visits to PPT by ministers Mlađan Dinkić and Verica Kalanović (January 2013); writing a speech for managing director of PPT (September 2013); writing three press releases (October 2013)*, etc. The report on the services rendered for October 2013 shows that the amount on the invoice issued by **Stratcom** depended on the number of media releases in print and electronic media provided by Stratcom for PPT. Each release in the print media was invoiced with 3,000 RSD, while the releases in electronic media were invoiced with 500 RSD each.

4.10.9. Lubricants factory “FAM ad” – under restructuring

Lubricants factory “FAM ad” – under restructuring from Kruševac, owned by Privatization Agency (80%) and Equity Fund (19%), spent 29.5m RSD for advertising services, promotion and donations in the period from 2011 to 2014, even though this company recorded operational losses of 497.3m RSD in 2012, and 725.5m RSD in 2013. Most of the advertising funds, about 3.6m RSD, were received by **Add production doo** from Kruševac, owned by Irena Gašić (100%). This was received for the production of advertising clips broadcasted on **TV Plus** from Kruševac. The said TV also received 420,000 directly for commercials (in 2013). It should be noted that Irena Gašić is the wife of Bratislav Gašić, the owner of TV Plus, who, at the time of cooperation between “**FAM**” and **Add production doo**, held the position of the Mayor of Kruševac and from 30th April 2014, Minister of Defense in the Government of the Republic of Serbia. According to a six-month contract signed in April 2013, **Add production doo** committed to: advertise FAM on **TV Plus** 56 times a day; broadcast advertisements within the Info block of **TV Plus**, four times a day; broadcast advertisements before and after the news program “Vesti”, four times a day; in agreement with “FAM” marketing team, provide guest appearances in **TV Plus** exclusive programs (“*Razgovor sa povodom*”, “*Reč po reč*”), and follow any important company events, as requested by “FAM” marketing service. The value of promotional services provided by **Add production doo** was 50,000 RSD a month, from 2011 to 2012, and later was increased to 100,000 RSD a month in 2013.

²⁹ <http://www.trstenik.rs/files/Odbornici-URS.pdf>

4.10.10. Public Utility company “Infostan” Belgrade

During the period 2012-2013, **Public Utility company “Infostan” Belgrade** concluded contracts on provision of media and advertising services with several media houses (**Novosti, Naše novine, Informer, Politika, Beta, Kurir, Alo!, 24 sata, Blic** and **Tanjug**). The prices of individual services were contracted in accordance with the existing price lists for advertising space, on the day of media publication. Several of the contracts included fixed prices, for example contracts with newspapers **Blic, Alo, 24 sata, Informer, Novosti** and **Danas**. The subject of the contract concluded with **Ringier Axel Springer doo**, in the value of 300,000 RSD (December 2012), was editorial coverage and publishing of specific content in the daily newspaper **Alo!** related to the work of and innovations introduced by PUC “Infostan”, as well as: articles about business activities of the company, raising awareness of the importance of regular payments of consumed utility services, as well as innovations in the company’s work. According to the concluded contract, **Večernje novosti** newspaper had a two-month obligation of publishing “PR articles in the Belgrade section of newspaper”, at a price of 300,000 RSD (2012). For the same price, **Danas** newspaper committed to publish “PR articles, thematic interviews and conversations with “Infostan” experts, in agreement between **Danas** journalists and Infostan press service, five times a month.” in its Belgrade section as well, but only for one month. According to the contract from 2012, newspaper **Informer** was obliged to publish announcements provided by “Infostan”, at a price of 300,000 RSD to “regularly follow and inform the public on Infostan’s activities, and to follow all of the events (promotional campaigns) organized by this PUC”.

4.10.11. Public enterprise Post of Serbia (Serbian acronym: PTT)

During the period from 2011 to 2014, **Public enterprise Post of Serbia (PTT)** spent about 40m RSD on advertising, production and promotion services, of which about 22m RSD were spent on advertising services alone. PTT failed to provide all of the individual contracts on advertising to the Council, even after the official request, but only provided the review of costs of contracted services in the amount of 47m RSD (2011-2013), with the list of service providers. **Among the most important service providers (2011-2014) is a company Media House doo from Belgrade.** This company was owned by Slavica Šimšić (23%), Aleksandar Dimitrijević (20%) and Slobodan Vujčić (57%), and later by Slavica Šimšić (75%) and Sport Marketing group from Zagreb (25%). Other significant service providers are **Media point doo** (previous name: “DM Komunikacije i marketing”), owned by Dragan Ješić (100%) and **Media Jobs doo** (previous name: Initiative), owned by Lowe&Friend doo Branimir Dimitrijević (100%). The document submitted by PTT lists **Alma Qatro, Kurir info, 3D Videos systems, Republika, Naxi, Jurit, Asit, Beogradski sajam, Tanjug, Beta press, Real time clipping**, as providers of leasing services for advertising space on billboards, print and electronic media, as well as video production services.

THE COUNCIL’S CONCLUSION: *Contracting and implementation of promotional campaigns and PR consulting services for public institutions represent one of the more pronounced problems on Serbian media market. The public often perceives this type of activities as a model for extracting funds from public sector to finance election campaigns for political parties. Often, the electoral processes overlap with the time of implementation of certain media activities of public institutions. It is evident in practice that the same agencies at the same time provide PR services for political parties, that is, legal entities in whose ownership structure politicians participate formally or informally, often appear as service providers. The Anti-Corruption Council specifically points out the problem of contracts concluded between the media and public enterprises, which limit journalistic*

freedoms and suppress free and critical thinking of journalists in creation of specific media contents. Concrete contracts usually contain clauses, which, in case of breach of contractual obligations of affirmative reporting on the work of specific PE, or the agreed form and content of reporting, foresee unilateral termination of the contract. In other words, objective, complete, accurate, free and critical media coverage of one public institution's work and its management is most often completely limited the moment a specific media signs a contract on the provision of services with a specific public enterprise. The media's economic dependence on the public funds presents a serious challenge to objective reporting. In practice, it happens that a public enterprise, which holds an economically dominant position in providing services for which it was established, at the same time controls a large number of media that territorially cover specific town or a region. When speaking of quality and quantity of media campaigns and promotional activities, very often there are examples of justified and targeted activities implemented by public institutions, while most cases are just needles promotions of public enterprises management and regular company activities.

4.11. Contracting sponsorships and donations

4.11.1 Contracting sponsorships and donations to the media

4.11.1.1. Public Enterprise Electric Power Industry of Serbia (Serbian acronym: EPS)

During the period from 2011 to 2014, **Public Enterprise Electric Power Industry of Serbia (EPS)** sponsored a large number of influential print and electronic media, through more than 50 individual contracts. The subject and the aim of direct financial sponsorships provided by EPS is reflected in the obligation of the media to develop and publish media content, mainly articles or special newspaper inserts on the topic of energy, i.e. energy system in Serbia. In addition to this, the sponsorship beneficiaries committed to publish EPS logo on their web sites or printed editions. The manner of transfer of sponsorship funds from EPS to the media was generally agreed upon in monthly installments, which practically puts the concrete media in a permanently dependent position towards the EPS and the funds received from this company. Usually, no critical review of EPS business policy or its results can be found in the media outlets that received the EPS sponsorships.

PE EPS sponsored different media content, such as: section "Electric energy of Serbia" in the magazine **Pečat**; section "Energy" in **Balkan Magazin**; publication of analytical articles on the operations of EPS and articles written by EPS management on www.energyobserver.com; news web portal EuroActiv Serbia and the topic of Liberalization of electric energy marketing (**Beta**); media monitoring of EPS business activities, through regular reporting on "TanjugBiz" and individual engagements of journalist teams four times a month (**Tanjug**); sponsoring internet television "FonNeweb.tv" (**Fonet**); four media announcements on ¼ pages a month in "Energy" section of **Naše Novine**; section "Advice for rational use of electrical energy" including placement of current topics from EPS scope of work, as well as the condition of energy system during the heating season, on www.pressonline.rs; providing and monitoring of their content in the section "Heating season" on www.telegraf.rs; improvement of public information regarding current issues from the field of energy (**Cord**); timely information on trends and directions of changes in new law regulations in the energy sector (**Tanjug**); writing articles for and editing of special newspaper addition from "Economy" section newsroom, on the topic of "Opening the energy market for households and small customers in Serbia, from 1st January 2015" and printing an insert in the newspaper (**Politika**); publication of the information from EPS scope of work, as well as programs, conferences, TV clips, articles, etc. (**RTK Kraljevo** and **Ibarske novosti**).

For the development of media content, *PE Electric Power Industry of Serbia (EPS)* concluded contracts with the following media:

- **In 2011:** **Fonet** (6,000 Euros); web site www.energyobserver.com (3,900 Euros + 6,000 Euros); **Srbija nacionalna revija** (1m RSD); **Dan graf** (150,000 RSD); **Logist doo** – Business ideas internet magazine (150,000 RSD); **Tanjug** (456,000 + 250, 000 for Agency’s 68th anniversary celebration); **Srpska reč** (500,000 RSD); **Vreme** (570,000 + 570,000); **Radnička štampa – Rad sindikalni poverenik** (100,000); **Neimar** magazine (3,000 Euros); **Pečat** (600,000 RSD); **Status** (500,000 RSD); **Beta** (3,000 + 4,800 Euros); **Love week Production** (795,000 RSD); **Balkan** magazine (100,000).

- **In 2012:** **Balkan magazin** (600,000 RSD); **Creation Design** – “Restart magazine” (960,000 RSD); **Energoportal.info** (600,000 RSD); **Prvo slovo doo** – magazine “Đačko doba” (280,000 RSD); **Srbija nacionalna revija** (1m RSD); **Agency Srefanel** – magazine about construction, traffic infrastructure and energy (290,000 RSD); **Fonet** (560,000 RSD); **Pečat** (650,000 RSD), web site www.energyobserver.com (2,000 Euros).

- **In 2013:** **Pečat** (950,000 RSD); **Nova srpska politička misao** (400,000 RSD); **Balkan** magazine (1m RSD); **Tanjug** (647,038); web site www.energyobserver.com (560,000 RSD); **Beta** (550,000 RSD); **Vreme** (475,000 RSD); **RTK Kraljevo** and **Ibarske novosti** (650,000 RSD); web site www.serbia-energy.eu (480,000 RSD); **Business info group** (629,608 RSD); **Blic** (950,000 RSD).

- **In 2014:** **Tanjug** (500,000 + 496,000 RSD); **Fonet** (729,000 RSD); **Balkan** magazine (990,000 RSD); **Beta** (890,000 RSD); web site www.energyobserver.com (720,000 RSD); Prima-media project www.nadlanu.com (983,800 RSD); **CoRD** in English (200,000 RSD); **Kurir** (970,000 RSD); web site Vibilia.com (232,000 RSD); **Naše novine** (960,000 RSD); **Novosti** (800,000 RSD); **Vreme** (2.5m RSD); **Fund B92** (2m RSD); **Business info group doo** (990,000 RSD); **Media advertising doo** (750,000 RSD); web site www.pressonline.rs (970,000 RSD); web site telegraf.rs (960,000 RSD); **Politika** (1m RSD).

4.11.1.2. Mining basin “Kolubara”

In the period from 2011 to 2014, *Mining basin “Kolubara”* financed some of the media, based on the sponsorship or donation contracts. **Princip pres doo** from Belgrade received 1.8m RSD, in 2013, for publishing six issues of **Srbija nacionalna revija** magazine in Serbian and English. The obligation of donation beneficiary was to publish PR articles on three to four inner pages “through which, the projects, events and activities of “Kolubara” would be followed from issue to issue”. **Princip pres doo** received additional 1m RSD in 2014, for “the provision of assistance with publishing five issues of **Srbija nacionalna revija** magazine”. In 2014, newspaper agency **Beta press doo** from Belgrade received a donation from “Kolubara” in the amount of 300,000 RSD, for the “realization of information activities and production of multi-media content in the field of energy”.

Mining basin “Kolubara” donated 290,000 RSD to the Publishing and marketing agency **Palež štampa** from Obrenovac, in order “to equip a part of the newsroom with necessary computer equipment and refurbish photo-reporting service”. The funds were donated in March 2014, at the time of parliamentary elections, and the donation beneficiary was a local tabloid newspaper publisher, “Palež”, which affirmatively promoted the work of the mining basin “Kolubara” and its director, Milorad Grčić, an SNS official. After the Government of the Republic of Serbia held a session on open-pit mines of Kolubara, “Palež” reported about it on the first page with the headline that implied

that the whole Government came to pay its respects to Milorad Grčić.³⁰ The owner of **Palež štampa** from Obrenovac is Vesna Joksimović, and the company is registered at the same address as the agency **Palež press**, owned by Momčilo Joksimović, a controversial journalist from Obrenovac, who was excluded from Journalists' Association of Serbia, by the decision of this association's Court of Honor.³¹

In 2011, *Mining basin "Kolubara"* sponsored **Poslovna politika** from Belgrade for financing a special edition of **Kvalitet** magazine, dedicated to the World Quality Day, in the amount of 70,000 RSD. Also in 2011, "Kolubara" provided a sponsorship to the company **East Media group doo** Belgrade, a publisher of **Ekonomist** magazine, in the amount of 358,135 RSD, for "the organization of Fifth Annual Conference on Energy in Belgrade". Ownership structure of this company was often informally associated in public with the Deputy Prime Minister at the time, Božidar Đelić (DS). For the same purpose, in 2012, "Kolubara" sponsored company **Conference republic Belgrade doo**, with 200,000 RSD. Co-owner of this company is Branislava Samardžić (22,3%) who previously was a project manager in the above mentioned East Media group doo.³²

4.11.3. Business entity "Elektrovojvodina doo"

In the period from 2011 to 2014, *Business entity "Elektrovojvodina doo"* granted several financial donations and sponsorships, which were directly related to media and journalism. In 2013, 100,000 RSD was donated to advertising and marketing agency **Medija total** from Jagodina, owned by a journalist Dragan Marković, for a "reportage on Serbs from Kosovo and Metohija, in order to present the problems, they are facing to Serbian Diaspora". In 2013, a donation of 150,000 was granted to **Media advertising doo**, a company from Belgrade, for organizing a round table with the editorial staff of the weekly **Novi magazin**, titled "The Position and Perspective of Subsidiary Companies. Association of Citizens **Info centar** from Žitište, received a donation of 110,000 RSD for its work and "provision of high quality public information services" in 2013. The representative of this association is Bojan Marčeta from DS.³³ Also in 2013, agency **Blue in Green** from Belgrade, owned by Miodrag Pavlović, received 120,000 RSD as a donation for the "trip of journalists from Novosti, Politika, Tanjug and Beta, to a regional conference "Energy Arena" regarding the business within the green sector in Zagreb". The magazine **Život sela** from Omoljica received a donation in 2012, in the amount of 40,000 RSD, for publishing a book "Omoljica Monograph". Association **Zeleni krug** from Bački Petrovac, a publisher of **Eko list** magazine, represented by Jadranka Marčok, received a donation of 50,000 RSD in 2012, for the realization and implementation of the activity "How a tree grows – Autumn 2012". In the same period when the donation was granted, Jadranka Marčok was elected a councillor in the assembly of the municipality of Bački Petrovac, as a representative of Democratic Party.³⁴

Business entity "Elektrovojvodina doo" donated 480,000 RSD to the company **Dan graf doo** from Belgrade, in 2012. Dan graf is a publisher of the daily newspaper **Danas**, and the subject of the donation was the support to the topics significant for the field of energy in Serbia, such as "electricity thefts, the importance of energy efficiency, energy savings, etc." **Alliance international media doo** from Belgrade, a publisher of **Cord** magazine, received a donation of 273,000 RSD, to support the

³⁰ Лист Палеж, бр.94, од 6.6.2015.

³¹ <http://www.politika.rs/rubrike/Beograd/Vlasnik-tabloida-nedostupan-cetiri-godine.lt.html>

³² <https://rs.linkedin.com/pub/branislava-samardzic/14/656/372>

³³ <http://www.dnevnik.rs/politika/stranacka-pripadnost-put-za-dobijanje-novca>

³⁴ <http://www.backipetrovac.rs/rs/lokalna-samouprava/skupstina-opstine>

promotion of energy efficiency and implementation of new technologies in energy, within the magazine's Business dialogue section. In 2013, agency **Beosat** from Belgrade, owned by Vesna Nešović, received a donation of 50,000 RSD, for educational-documentary TV program "Young Peole Rule". Company **Filmska radna zajednica Filmski front doo** from Novi Sad, co-owned by Dušica Dragin (50%), the wife of the former Minister, Saša Dragin (DS official), received a donation of 300,000 RSD in 2011, for TV series "City Birds". In 2013, "Elektrovojvodina" donated 100,000 RSD to **Vesna info doo** from Belgrade, the owner of the web site **Balkan magazine**, owned by Slavoljub Kačarević (100%), for the organization of a round table with the topic "What the Restructuring of JP EPS Belgrade Brings to Serbia".

4.11.1.4 Public Enterprise Post of Serbia (Serbian acronym: PTT)

During the period from 2011 to 2015, **Public Enterprise Post of Serbia (PTT)** concluded more than 370 individual contracts on donations and sponsorships with legal entities, including media houses, that is, the producers of relevant media content. **Kurir Info doo** received a sponsorship in the amount of 1.2m RSD (2011), for the participation in financing the costs of realization of the action "Introducing citizens with a new postal service – Postexport", as well as 1.2m million RSD in 2012, for the realization of editions of **Kurir Go International** magazine. **Agenda 2020 doo** received a sponsorship of 195,000 RSD in 2011, for financing the costs of publication of **Novi magazin**, as well as 316,800 RSD in 2013, as a sponsorship of the "Culture" section in the said magazine. **Company Novosti a.d.** received a sponsorship of 1.3m RSD (2011) for the action "Meet Serbia", while RTS received 590,000 RSD in 2012, for the realization of expenses of TV show dedicated to Berlin Film Festival. Company **Creation Desing doo**, represented by its director Marina Filipović, received 2.4m RSD in 2012, for the costs of publishing the magazine **Restart**, and **Politika AD** received 500,000 RSD, for the realization of the contest "Famous personalities in Serbia – Summa Cum Laude Students". Company **Princip pres doo** from Belgrade received 600,000 in 2011 and the same amount in 2012, as a sponsorship for the **Srbija Nacionalna revija** magazine. **Dan graf doo** from Belgrade received 408,672 RSD in 2013 for the expenses of section "Philately today" which is published once a week in the daily newspaper **Danas**, as well as 132,000 RSD for publishing 2,000 copies of the addition inserted in **Danas** daily, titled "Without Prejudice". Company **NIN doo**, a publisher of NIN weekly, received 3m RSD for each year (2013-2014) for the costs of financing the NIN book-of-the-year award and realization of manifestation of the official presentation of the award. **Mil&Mil doo** from Belgrade, represented by director Snežana Jovanović, received 3m RSD in 2011 and in 2012, as co-financing of the costs for the realization of TV program "Dvougao" which is published on **RDP, B92, RTV Vojvodina, TV BN** and **TV Vjesti**.

THE COUNCIL'S CONCLUSION: *Direct sponsorships and donations to the media, as one of the forms of disguised contracting of promotional services, usually occur with public enterprises and subsidiary companies owned by the state. There are no publicly available criteria for this kind of funding, nor are there any legitimate economic interests for any public institution to sponsor media publishers. Individual decisions on awarding sponsorships or donations to the media are made either by the heads of public institutions who are, most often, members of political parties or supervisory boards of companies which are controlled by political parties. By allocating funds, the media are put under the control of politicians and political parties, which in a veil restricts media freedom regarding the way and quality of reporting. Allocating donations or sponsorship reduces, or eliminates, the possibility of critical reporting, that is, the research of business operations and business decisions made by the management. Critique of business operations of public enterprises and their management is especially noticeable in the media who are not beneficiaries of the donation*

or sponsorship. On the other hand, affirmative reporting by the media that received public funding is evident. This is the consequence of the fact that having undertaken contractual obligation for which they received sponsorships and donations, the media also commit to popularization and promotion through production of specific media content. Most often, the public, as a consumer of media contents, cannot determine if specific media product is a result of sponsorship/donation, since the information about this type of financing are usually not publicized in the media.

4.11.2. Contracting sponsorships and donations for event organization services

4.11.2.1. Public Enterprise Jugoimport SDPR

In 2014, **Public Enterprise Jugoimport SDPR** concluded an event sponsorship agreement with the association **Prva evropska kuća** from Belgrade, which is a main organizer of a traditional event “*Evropsko veče u Beogradu – Najevropljanin godine*” (*European Night in Belgrade – the European Citizen’s Prize*) award where the winners of the said award are promoted. The prize is awarded in the fields of politics, economy, culture, health, and entrepreneurship. **Jugoimport** granted a sponsorship in the amount of 100,000 and the sponsorship beneficiary committed to present, that is, promote the sponsor at the biggest pro-European event in Serbia, the above-mentioned “*European Night in Belgrade*”. The director of Jugoimport SDPR in the moment of sponsorship contracting was Jugoslav Petković, an SNS official, while one of the award winners for the “European Citizen’s Prize 2013” was Minister Nebojša Sefanović, also an SNS official. It should be noted that Jugoimport SDPR also sponsored an event titled “*Belgrade Winner*”, with 60,000 RSD in 2011, and 40,000 RSD in 2012. The organizer of this event was Belgrade Chamber of Commerce.

4.11.2.2. The City of Subotica

In 2014, **The City of Subotica** concluded an event sponsorship agreement with **Development Foundation of Vojvodina “HALO”** from Subotica, for the event “*Vojvodina gallop*”. The sponsorship amount was 500,000 RSD, half of which was allocated to the promotion of the city of Subotica on promo materials of the event, and the other half for media promotion of the event. On behalf of the City, the sponsorship contract was signed by the Mayor Jane Maglai (from SVM party), and on behalf of the sponsorship beneficiary – the Foundation director Bunford Tivadar (from SVM party). According to the data from the business registry, there are several officials of the Alliance of Vojvodina Hungarians (SVM) in the Executive Board of “HALO” Foundation. This party is a member of the ruling coalition in Subotica.

4.11.2.3. Mining basin “Kolubara”

In 2013, the **Mining basin “Kolubara”** concluded an event sponsorship agreement for the organization of 53rd annual Dragačevo Trumpet Festival in Guča, with the Agency for marketing and communication **PROFILE doo** from Belgrade. The sponsored amount was 990,000 RSD. The sponsorship beneficiary committed to: present “Kolubara” as a sponsor of midnight concert and provide an appropriate promotion of “Kolubara” at press conferences in Belgrade and Guča; post a banner (6x7m) in Guča city center; present “Kolubara” logo on led screens near the stage during the concert; and that during the live TV broadcast of the concert, event presenters will emphasize that “Kolubara” is the event sponsor, at least three times. Sponsorship beneficiary also committed to print out sponsor’s logo on advertising panels and post it on event website, as well as provide 20 entrance

tickets for VIP boxes for the concert. In addition to this, sponsorship beneficiary committed to “organize quality and interesting stay in Guča for the representatives of “Kolubara” and their business partners, based on the arrangements with the event organizers”.

4.11.2.4. Public Enterprise for Forest Management “Srbijašume”

In 2012, **Public Enterprise for Forest Management “Srbijašume”** concluded a donation contract with **PE Tanjug** news agency from Belgrade, for the event “Election Night”, which was to be held on 20th May 2012, in the Tanjug press center, in joint organization with CESID. The amount of the donation was 100,000 RSD. The obligation of Tanjug, according to the donation contract, was to spend the funds purposefully and to provide evidence of this to the donor, as well as to present “Srbijašume” logo on all advertising panels in its press center on the day of the event.

In 2011, **PE “Srbijašume”** concluded a sponsorship agreement with **Melos estrada doo** from Belgrade, owned by Branislav Obradović (100%). The value of the sponsorship was 1.98m RSD, that is, 2,336,400 RSD, including VAT. The subject of the sponsorship was humanitarian activity at Ada Ciganlija for the residents of humanitarian institutions, three big concerts of Željko Joksimović, Ana Bekuta’s concert in Sava Center in Belgrade, as well as a provision of 120 free entrance tickets for “Zvezde Granda” final event in Belgrade Arena for “Srbijašume” representatives. The agreement was signed in June 2011, and the Article 4 of the agreement states that the sponsorship relates to folk singer Ana Bekuta’s concert that took place on 20th February 2011. The obligations of sponsorship beneficiary **Melos Estrada doo** include: provision of six special invitations for a VIP party after the concert; provision of interviews with Ana Bekuta in front of the advertisement panel with the names of all sponsors, where the general sponsor (“Srbijašume”) will be the most prominent; and presenting the general sponsor on DVD release in the credits of the concert footage made by Grand production, as well as on TV programs of Grand production.

4.11.2.5. “Srpska banka ad”

In 2013, **“Srpska banka ad”** from Belgrade, whose biggest shareholder is the state (the Republic of Serbia – 73.57% and PE Jugoimport SDPR – 26.42%) concluded five individual donation contracts, in the total value of 18m RSD, with the President of the **Assembly of the City of Jagodina**, Dragan Marković. Subjects of all of the said contracts were the participation in financing activities implemented by the Assembly of the City of Jagodina, namely: the trips of delegation of entrepreneurs from all over Serbia to Rome (5m RSD); trip of delegation of farmers to Verona (2m RSD); trip of entrepreneurs, the Mayor, and the President of the Municipality to Saint Petersburg (2m RSD and additional 1m RSD); farmers’ trip to Greece (1m RSD) and students’ trip to Vienna (7m RSD). The only obligation of the Assembly of the City of Jagodina towards the donor was to spend the donated funds exclusively for the purposes of the trips. On the other hand, it is evident that the local authorities of the City of Jagodina and Dragan Marković, as a political party leader, achieved the effects of these contracts, in the terms of political promotion.

In 2012, **“Srpska banka ad”** concluded an event sponsorship agreement with the company **Beoton R doo** from Bor, represented by Dragomir Mirković. The sponsorship was intended for the organization of the event “Bank of festival” – 7th annual children music festival “Magic 2012”, in the amount of 11.5m RSD. The sponsorship beneficiary, **Beoton R doo**, committed to include the sponsor’s logo in all TV commercials broadcasted on **TV Pink** and **TV Pink Kids** and other programs broadcasted on **TV Pink**, as well as in all advertising and promo materials as part of the set design, in the print media, press conferences, in TV broadcast of the festival, the website of the

festival, etc. It should be noted that the owner of **Beoton R doo** is Anka Mirković (100%), while the company's director is Dragomir Mirković, the father of former SNS official and MP, Saša Mirković.

In the period from 2011 to 2012, "*Srpska banka ad*" concluded several donation contracts with the "**Center for Democracy**" Foundation from Belgrade, in the amount of 500,000 RSD each, in order to implement two of Foundation's projects ("*European values, standards and policies in the local community*" and "*The strength of experience*"). The General Secretary of the Foundation, Nataša Vučković, who at the time was an MP and Democratic Party official, signed the contracts. According to the said contracts, the Foundation did not take on any obligations toward the bank, but it is evident that the work and activities of the Foundation were being promoted, with politicians, that is, DS officials in its management bodies. In addition to this, "*Srpska banka ad*" concluded a sponsorship agreement with **Smart studio doo** from Belgrade, in the value of 500,000 RSD, for the preparation of a theatre play "*Indigo*". The owner of **Smart studio doo** is Branislav Lečić (100%) who was a Vice-president of Christian Democratic Party of Serbia, which entered the parliamentary elections in May 2012 in a coalition with the Democratic Party.

"*Srpska banka ad*" concluded an event sponsorship agreement, in 2011, with marketing and communication company **Komunikator doo** from Novi Sad, owned by Petar Petkov (100%), for the concert of "Hungarian National Gypsy Orchestra and the prima donna Jadranka Jovanović". The value of the sponsorship was 350,000 RSD. The bank was defined as "a friend of the concert" in the sponsorship agreement, and the sponsorship beneficiary undertook the obligation to present the bank logo on the video wall, on all printed and promo materials, billboards, and to include the bank logo in all TV ads (**RTS, TV Avala, ART, Sport Klub** and **Happy TV**). Sponsorship beneficiary also committed to emphasize the sponsor's contribution during all public appearances of Jadranka Janković, and to provide 4 VIP and 40 regular tickets for the concert.

In addition to this, the company **Šabački hipodrom doo** from Šabac, owned by Equestrian club "Šabac 1820" (100%), received sponsorship from "*Srpska banka ad*" in May 2012, that is, during the elections, in the amount of 5,000 Euros for Zdravko Čolić's concert. In March 2013, "*Srpska banka ad*" concluded a sponsorship agreement with **Cultural-sports Center** from Ub, for Boris Novković's concert, in the amount of 5,000 Euros.

4.11.2.6. Serbia and Montenegro Air Traffic Services – SMATSA LLC

During the analyzed period, from 2011 to 2014, *Serbia and Montenegro Air Traffic Services – SMATSA LLC* contracted several individual donations and sponsorships for events, which were not directly related to the company's primary field of work. Based on the contract on strategic partnership from 2013, SMATSA made a payment of 8,600 Euros, that is, 15,000 Euros in 2014, to the **National Tourism Organization of Montenegro**, as a support to realization of their promotional activities. SMATSA sponsored the **Tourist Organization of Vršac**, with 500,000 RSD in 2013, as a support to the organization and the promotion of "*Grape Harvest Days 2013*" event. The obligation of sponsorship beneficiary was to present the SMATSA logo, that is, the logo of SMATSA Aviation Academy in Vršac, on the main stage during the events, as well as promotional appearances in Serbia, all promo materials and in the media (videos and conferences). Additionally, SMATSA sponsored the activities of Serbian Air Traffic Controllers Association, with 12,000 Euros in 2012, and 2.6m RSD in 2013.

In 2011, 1m RSD were donated to the **Fund B92**, as a support to the action for purchase of incubators for the Institute of Neonatology, and other institutions (action "*Give babies a chance*"). Also in 2011, SMATSA sponsored the association **Theatre festival "Smederevo Fortress"** with 1m RSD. The association undertook the obligation to provide 3D animated advertisements –

presentations of Aviation Academy, and the possibility of distribution of promo materials during the events.

4.11.2.7. Public Enterprise Post of Serbia (Serbian acronym: PTT)

In the period from 2011 to 2014, **Public Enterprise Post of Serbia (PTT)** contracted donations for various events and associations related to media activities. In 2011 and 2012, **Audit Bureaux of Circulations doo**, represented by the director Ana Novčić, received 50,000 (each year), for the organization of Press Media Summit with the theme “Consolidation of Regional Media Markets”. Company **Danas Conference Centre doo**, represented by director Željko Pantić, received 2m RSD as a sponsorship for four conferences (*Recycling Industry of Serbia, Postal Services and Electronic Trade in Serbia, Demographic Trends and Human Potential of Serbia, Cable TV and the Advertising Market in Serbia*), and 396,000 RSD in 2014 for another conference (*Public Enterprises and Market Competitiveness in Serbia*). **Independent Journalists’ Association of Serbia (NUNS)**, received 100,000 RSD for funding the expenses for “educational activities and assistance to journalists and media”, in 2011.

The Association of Newspaper Publishers and Electronic Media, represented by its President of the Executive Board, Veselin Simović and Zoran Papić, respectively, received 424,800 RSD for co-funding the expenses for the preparation and distribution of 24 issues of electronic newsletters (Newsletter), in 2011 and 492,768 RSD in 2012, respectively **Serbian Society for Public Relations** received 200,000 RSD (2012), to cover the costs of the seminar “PR days” and another 200,000 RSD in the same year, for the realization of 15th annual award “*PRiZNaNJE*”.

From 2011 to 2014, **PTT** concluded donation contracts for various events and associations, which resulted in an indirect promotion of the company. **Fund B92**, represented by Maja Čečen, received a sponsorship in the amount of 600,000 RSD for the realization of a humanitarian action “*Food for Enclaves*”, in 2011; 1.5m RSD for humanitarian action “*Battle for Maternity Wards*” in 2012; and 1m RSD for the construction of a dairy farm in Prekovac (Kosovo and Metohija) in 2013. **Coalition of Refugee Associations in Serbia**, represented by MP of SNS, Miodrag Linta, received a sponsorship of 100,000 RSD for the transportation of passengers to the celebration of 250 years of a Temple in Plaško. **Family sport doo** from Belgrade, represented by Srđan Đoković, received 7m RSD sponsorships in 2011 and in 2012, for the „*Serbia open 2011*“ and „*Serbia open 2012*“ events. **Nišville doo** from Niš, represented by Ivan Blagojević, received 12m RSD for the expenses of *International Nišville Jazz Festival*, both in 2011 and in 2012. **Belgrade Chamber of Commerce** received 80,000 RSD in 2012, for the event “*Belgrade Winner*”.

During the period from 2011 to 2012, **PE Post of Serbia (PTT)** sponsored various production contents with a purpose to promote the company. **Artfin sistem doo**, represented by the director Zoran Nedić, received 200,000 RSD in 2012, to cover the costs of the TV program “*Žikina šarenica*” team members’ trip to London for the realization of the Olympic Games special edition of the show. The company **Zillion doo** from Belgrade, represented by the director, Lazar Ristovski, received 500,000 RSD in 2011 for the realization of a movie “*Bajaco bluz*”. **Contrast studios doo** from Belgrade, represented by the director, Jelena Bajić Jočić, received 10m RSD in 2011 as a sponsorship for the realization of 21 episodes of a fourth season of TV series “*Selo gori, a baba se češlja*” and the additional 3.54m RSD for the movie and mini TV series “*Led*”. **Brigada doo**, represented by the director Miroslav Momčilović, received 1m RSD in 2012, for the movie “*Smrt čoveka na Balkanu*”.

From 2011 to 2013, **PTT** donated funds for regular activities of unions and associations of its employees, which can be treated as an intention to promote union activities. The **PTT Srbija Union** received 270,000 RSD in 2012 for the operational costs, additional 3m RSD in 2012, then 200,000 RSD in 2013, and again in 2013 another 380,000 RSD, then two times 900,000 RSD, also in 2013,

and two times 1.5m RSD in 2014. **Independent Union PTT Srbija** received 350,000 RSD for operational costs in 2012, 380,000 RSD in 2013, two times 600,000 RSD in 2013 again, and two times 1.5m RSD in 2014. **The Association of Pensioners of PTT Srbija** received 500,000 RSD in 2013 for operational costs, and another 500,000 RSD in 2014. **The Association of PTT Srbija drivers and vehicle maintenance workers** received 50,000 RSD in 2012 and 100,000 RSD in 2013, for the International competition of drivers and auto mechanics.

THE COUNCIL'S CONCLUSION: *Event sponsorships and donations from public enterprises and subsidiary companies owned by the state is also one of the indirect forms of media promotion of various subjects. This type of promotion is implemented within the yearly budget, which is determined for each fiscal year through a financial plan and business program, whether it is public enterprise, subsidiary company, local self-government institution or state administration institution. There are no transparent and clear criteria and standards on deciding which events will be the subject of sponsorship or donations, that is, for which events the public funds will be allocated. Practice shows that most often, when making decisions and signing the contracts, personal or political connections of event organizers, political party officials and managers of state entities that grant funds, are crucial. For this reason, it often happens that sponsorship beneficiaries, managers, and heads of the sponsors are from the same political party or coalition partners in the government. Undoubtedly, certain events that are sponsored have a wider social impact, however, they are very often used for personal promotion of politicians and activities of political parties.*

4.11.3. Contracting sponsorships and donations to sports clubs

4.11.3.1. Public Enterprise Jugoimport SDPR

In 2014, **Public Enterprise Jugoimport SDPR** concluded a sponsorship contract with Zemun Chess Club, represented by Stojan Delić, without specifying a period for which the contract was concluded. The sponsor committed to finance Zemun Chess Club with 50,000 RSD on a monthly basis, while the sponsorship beneficiary committed to present the sponsor's logo in a prominent place in its premises, in its print and electronic promo materials, internet presentation, as well as all the competitions it enters or organizes.

4.11.3.2. Company "Galenika a.d."

In May 2012, **Company "Galenika a.d."** concluded a general sponsorship contract with **Women's Basketball Club Partizan from Belgrade**, in the amount of 25m RSD, without VAT. The subject of sponsorship was defined as "support to club development; financing part of costs for competition in ABA league and FIBA Europe Cup; improvement and development of all sports activities of the club in the 2011/2012 season". The obligation of **WBC Partizan** was to advertise the sponsor on their jerseys and complete equipment, as well as on the most visible place in the hall where the matches are played, on all press conferences for print or electronic media, in all public appearance of the team members, coaches, and club management, and in 70% of TV seconds in all TV broadcasts of the matches, on any TV station. **WBC Partizan** also undertook the obligation that all of the team travels will be done exclusively in sports equipment branded with **Galenika a.d.** logo. It was also determined through this sponsorship contract that **Galenika a.d.**, as a sponsor, is present in Executive Board of **WBC Partizan** with three representatives, and that one of them shall be

appointed as the club's Vice-President, and that the sponsor shall delegate five representatives for the Assembly of **WBC Partizan**.

4.11.3.3. "Srpska banka ad"

"Srpska banka ad" from Belgrade, whose biggest shareholder is the state (the Republic of Serbia – 73.57% and PE Jugoimpor SDPR – 26.42%) has sponsored and donated various sports activities, on several occasions. **FC "Radnički"** from Niš, received 7m RSD in 2013, and then 5m RSD in 2014 from "Srpska banka ad". In 2013, **Judo and Sambo Academy** from Novi Sad received 3.4m RSD for the realization of academy's sports program. **BC Red Star Telekom** received 26.5m RSD in 2013, and 6.7m RSD in 2014, for the support "in realization of sports goals during the 2013/2014 season", and the aim of donation was development of young sports talents and provision of better conditions for the progress of the team, and thus, the popularization of basketball in general. In 2011, **Serbian Rowing Federation** received 35,000 Euros from "Srpska banka ad" and 2.2m RSD in 2012, with the obligation to present the donor's logo on corporate TV clips, advertisements, print media, web site, billboards, gala events, etc.

4.11.3.4. Public Enterprise Electric Power Industry of Serbia (Serbian acronym: EPS)

During the period from 2011 to 2014, **Public Enterprise Electric Power Industry of Serbia (EPS)** contracted numerous sponsorships for sport activities, which also represented a type of indirect promotion of the company. Sponsorships were granted to the following beneficiaries: Basketball Federation of Serbia – 30m RSD; Volleyball Federation of Serbia – 70m RSD; Olympic Committee of Serbia – 45m RSD; Handball Federation of Serbia – 45m RSD; Serbia Water Polo Federation – 40m RSD; Athletic Federation of Serbia – 10m RSD; Paralympics Committee of Serbia - 5.6m RSD; Rowing Club "Red Star Belgrade" – 500,000 RSD. During 2013, sponsorships were granted to Shooting Federation of Serbia – 700,000 RSD, and Belgrade Marathon – 500,000 RSD. During 2012: Volleyball club Red Star – 500,000 RSD; Women's Handball Club Red Star – 500,000 RSD; Traditional Karate Federation of Serbia – 400,000 RSD; Children's Chess club Vračar – 200,000 RSD; while in the period 2011-2012, Chess Association of Belgrade received 223,980 RSD, and Chess Federation of Serbia – 850,000 RSD. In 2011, sponsorships were granted to: Handball Association of Belgrade – 300,000 RSD; Diving club "Big blue" – 200,000 RSD; Kayak Federation of Serbia – 200,000 RSD; FC "Borac" from Bivolje – 200,000 RSD; Serbian Swimming Federation – 1m RSD.

4.11.3.5. Public Utility Company "Naissus" Niš

Through a number of individual decisions of the company's Director, **Public Utility Company "Naissus" Niš** granted donations for various sports activities, in the period 2013-2014. Individual contracts were signed with donation beneficiaries.

In 2014, the Independent Union of PUC "Naissus" received a donation of 130,000 RSD for sports activities, while Union "Nezavisnost" received 150,000 for the participation in sports games. Section of sports journalists of Niš received 45,000 RSD to cover the costs of the event "Athlete of the Year in Niš". Sports association "Naissus team" received 40,000 RSD for the purchase of entrance tickets for „Naissus house fest No.3“, while the sports association "Naissus 2012" received 130,000 for sports activities, and another 50,000 RSD as a refund of costs of "employee participation at

Vojvodijada event”, and 22,000 RSD for the realization of “one-day field trip to Bor lake”. In 2013, the same association received a donation of 40,000 RSD, for “space decoration for the organization of city competitions”, as well as additional 19,690 RSD. In addition, Niš Media center received 20,000 RSD in 2013, for the organization of transportation for journalists participating in sports competition “*International Media Olympics*”

In 2014, **Public Utility Company “Naissus” Niš** granted a number of individual donations to sports clubs, with whom one or several contracts were concluded. Donation beneficiaries included: Water polo club “Nais” – 205,000 RSD; Taekwondo club “Asteriks” – 90,000 RSD; Body building and fitness club “Olimp” – 45,000 RSD; Chess club of the deaf and hard of hearing – 125,000 RSD; University kick-box club “Naissus” – 40,000 RSD; Sports society “VIK Naissus” – 310,000 RSD; Women’s FC “Radnički 2012” – 85,000 RSD; WFC “Mašinac” – 40,000 RSD; Little football club “Naissus” – 40,000 RSD; BC “Trijumf” – 50,000 RSD; Dancing club “Bum 018” – 90,000 RSD; HC “Železničar 1949” – 90,000 RSD; Rotary club Niš – 30,000 RSD. Also, during 2013, PUC “Naissus” granted donations to: American football club “Imperatori” – 80,000 RSD; Youth FC “Radnički” – 20,000 RSD; Youth BC “Junior” – 10,000 RSD; Mountaineering-alpine club “Mosor” – 30,000 RSD; Little football club “VIK Naissus” – 30,000 RSD; WHC “Naisa” – 30,000 RSD; HC “Železničar” – 40,000 RSD; Sports association of Niš – 25,000 RSD; Water polo club “Nais” – 80,000 RSD. All the above stated donations cannot significantly influence the promotion of PUC “Naissus” activities, since the company in any case holds the monopoly in the business of maintenance of water and sewerage network in Niš, but the promotional effects are achieved by sports workers and politicians performing functions in managements of the mentioned clubs.

4.11.3.6. Corporation “PKB ad”

Corporation “PKB ad”, whose majority shareholder is the City of Belgrade (99.50%), bore the costs of sponsorships and donations for sports clubs, in the period 2011-2012, which represented an indirect type of promotion of this corporation.

In 2011 donations were granted to: Sports club PKB – 5,984,000 RSD for covering their operational costs, that is, payments to referees and delegates of Football Association of Belgrade and Football Federation of Serbia as well as clubs that function within the Sports club PKB; Handball club PKB – 14,189,527 RSD (2011-2014); Artistic-cultural society PK – 1,950,000 RSD; Confederation of Autonomous Trade Unions of Serbia – 191,400 RSD for workers’ sports games; FC PKB – 400,000 RSD for players fellowships and program activities; Karate club “Budućnost” – 6,000 RSD; Karate club “Borča” – 10,000 RSD; Paralympic Committee of Serbia – 100,000 RSD.

In 2012: Confederation of Autonomous Trade Unions of Serbia received 360,000 RSD for participation in workers’ sports games in Soko banja; Artistic-cultural society PKB – 2m RSD and a donation for transportation costs in the amount of 771,572 RSD; FC PKB – donation in the value of 6,048 RSD (pig 1x35kg) and 1.2m RSD; FC “Lepušnica” – donation in the value 79,200 RSD (61 sets of sweatshirts and jerseys); Independent union of PKB – donation in the value of 19,500 RSD (30 T-shirts for workers’ sports games); Paralympics Committee of Serbia – 1m RSD; Sports society PKB – donation in the value of 27,022 RSD (two basketball boards) and 9,093,100 RSD; Handball club PKB – 14,322,669 RSD.

In 2013 donations were granted to: FC PKB – donation in the value of 36,105 RSD (800kg of mineral fertilizer); Sports society PKB – donation in the value of 121,400 RSD (48 pieces of sports equipment); Handball club PKB – donation in the value of 18,000 RSD (40 T-shirts); FC “Vitez” – donation in the value of 44,486 RSD (cups and medals); Handball club KB – donation in the value of 75,000 RSD (book printing) and 5.8m RSD; Wrestling club “Pobednik” – 50,000 RSD; Paralympic Committee of Serbia – 1m RSD; FC “Crvenka” – 80,000 RSD; Sports society PKB – 3,090,000 RSD;

FC PKB – 2,925,000 RSD. In 2014: Sports society PKB – 1.46m RSD; FC PKB – 410,000 RSD; Handball club PKB – 1,378,650 RSD; Artistic-cultural club KB – 1.8m RSD; Independent union of PKB – donation in the value of 28,356 RSD (62 T-shirts for workers' sports games); FC "Lepušnica" – donation in the value of 22,900 RSD (50 pieces of sports equipment); Chess club "Dunavski venac" – 100,000 RSD; Paralympics Committee of Serbia – 100,000 RSD.

4.11.3.7. Public Enterprise for Coal Mining "Resavica" – under restructuring

Despite difficult business conditions and the fact that it depends on subsidies from the budget of the Republic of Serbia, **Public Enterprise for Coal Mining "Resavica" – under restructuring** contracted indirectly promotional services through sponsorships for sports activities. In 2014, PU "Resavica" concluded a sponsorship agreement with Women's Volleyball Club "Ušće" in the amount 100,000 RSD. In 2013, the company concluded several individual 12-month sponsorship contracts, with monthly payments. The sponsorship beneficiaries were: BC "Ušće" – 30,000 RSD; Table tennis club "Rudar" from Krepoljin – 15,000 RSD; FC "Rudar" from Krepoljin – 30,000 RSD; Cultural-artistic society "Mladost" – 20,000 RSD; FC "Rudnik" Ušće – 50,000 RSD; FC "Rudar-Alpos" – 80,000 RSD; BC "Ozren Sokotop" – 10,000 RSD; FC "Rudar" Vrška čuka – 50,000 RSD; VC "Rudar" Baljevac – 30,000 RSD; WVC "Ušće" – 30,000 RSD; Artistic-cultural society "Branislav Nušić" Resavica – 50,000 RSD; FC "Rudar" Stenjevac – 25,000 RSD; FC BSK Bogovina – 50,000 RSD. According to the sponsorship contracts, all sponsorship beneficiaries undertook the obligation to promote the sponsor on all sports competitions and games, and to submit a report to the sponsor on the spending of received funds. It should be noted that PUC "Resavica" concluded a sponsorship contract with FC BSK Bogovina, through which it undertook the obligation to provide a quantity of 10 tons of coal or the equivalent in cash, in the name of financing club activities in football season 2011/2012. On the other hand, FC BSK Bogovina was under the obligation to use the provided funds as agreed in the contract and to promote the sponsor and its work on advertising panels, and other means of public advertising. In the same manner, and under the same conditions, a sponsorship of FC "Rudar" from Vrška Čuka was contracted in 2011. The said football club was under the obligation to use the funds generated from coal sales, exclusively for financing of its activities.

THE COUNCIL'S CONCLUSION: *Sponsorships and donations of sports clubs and activities of sports associations represent a type of direct promotion of public enterprises and subsidiary companies owned by the state. There are no publicly determined and disclosed criteria for granting funds, nor are there any legitimate economic interests why any state-owned company would sponsor sports activities. Also, there is no unique registry that would enable the public to find out which public institutions, under what conditions, and in what scope, appear as sponsors of sports clubs within one fiscal year. Donations and sponsorships for sports activities are granted according to the decisions made by the management structures of the enterprises, which are usually appointed through propositions made by political parties, while the money goes to sport clubs that are also under the control of certain political parties' officials. In exchange for received funding, sports clubs and federations commit to providing promotional services to the donors, or that the representatives appointed by the donor would be given positions in the managements of the very same sports clubs. Public enterprises hold a dominant position at the market and there is no objective need for their media promotion through the funding of sports activities. Especially problematic is the fact that state-owned enterprises that use state subsidies and record operational losses in their work at the same time appear as sponsors and donors of sports activities. In practice there are no mechanisms for monitoring and measuring the effects achieved by media promotion of public enterprises through financing sports activities.*

4.12. Contracting video production services

4.12.1. The City of Belgrade

In 2012, *The City of Belgrade* financed with 1.1m RSD the production of TV programs within the “Green Ring” project on **TV Happy**, based on the contract concluded with the company **Znanje na poklon doo** from Belgrade, owned by the journalist and politician Zaharije Trnavčević (100%). According to the contract, the said company received funds for recording reports about farmers who adopted the city project “Green Ring” and thus “earned profits and solved existential issues”. The funds were approved from the current reserve of the Secretariat for Finance of the City of Belgrade, on the basis of conclusion of the then Mayor Dragan Đilas, which was adopted in March 2012, while two months later, Zaharije Trnavčević was elected an MP on the list of the Liberal Democratic Party. It should also be noted that Corporation PKB, whose majority shareholder is the City of Belgrade (99.50%) also financially supported video production of **Znanje na poklon doo**, with 1,310,691 RSD in 2012, and 1,293,464 RSD in 2013.

In the period from 2011 to 2013, *The City of Belgrade* financed video production of numerous TV series, realized by private production companies. The City and the company **Advance production doo** from Belgrade, owned by Siniša Đokić (80%) and Kosanka Ostojić (20%), concluded a number of individual contracts on video production. Realization of 46 shows within the TV series “Belgrade INFO II” was financed with 14.6m RSD in 2011; series “Belgrade INFO III” with 17.7m RSD in 2011, while the last series, with 44 episodes was financed with 16.3m RSD. Production of TV series “Belgrade Oasis III” was financed with 9.1m RSD in 2011; the series “Belgrade Oasis IV” 9.1m RSD in 2012; and the last series with 9.6m RSD in 2013. In cooperation with **Orthodox Diocese of Backa** from Novi Sad, the City of Belgrade financed the realization of 32 episodes of TV series “*Duhovnici*”, which cost 3.8m RSD (2011). Realization of 15 episodes of TV series “Moj heroj”, according to the contract with the Citizens’ Association “**Moj heroj**” from Belgrade, was financed with 1.5m RSD, in 2011.

During the period from 2011 to 2013, The City of Belgrade financed production of video materials, that is, the recording of events of significance for the City, the City Assembly, the Mayor, the City Council, the City Administration, and, if necessary, for institutions and public enterprises founded by the City. This type of services cost 12,791,220 RSD according to the contract with a private company **Infobiro doo** from Belgrade. The cooperation was unilaterally terminated in November 2013 when the changes within the city authorities occurred. Apart from this, in the same period, RTV Studio B was financed from the City budget, and this TV station was anyway regularly following all the activities of the City of Belgrade authorities and possessed technical and staff resources to provide the stated event recording services instead of a private company.

4.12.2. Public Enterprise for City Construction and Development Novi Sad (Serbian acronym: ZIG)

In 2014, the Public Enterprise for City Construction and Development Novi Sad (ZIG), signed a one-year contract with **Kanal 9 doo** from Novi Sad, owned by Saša Pavlović (50%) and Maja Pavlović (50%) which determined a monthly service price of 70,000 RSD without VAT. The subject of the contract was defined as: lease of broadcasting time for the presentation of ZIG work; lease of broadcasting time for hosting the ZIG representatives in the duration of 50 minutes; production of coverage within the news program, related to ZIG operations; production of coverage

from regular and special press conferences; lease of broadcasting time for broadcasting information from press reports; production of advertising clips or reportages in relation to ZIG activities. In 2014, ZIG and **Nina media doo** from Novi Sad concluded a service contract on production of reportages and TV features and media monitoring, in the amount 948,960 RSD, while the value of the previously concluded contracts were 948,960 in 2013 and 388,810 RSD (2012). In the period 2011-2012, ZIG also used the video production services provided by Infobiro doo from Belgrade, in the amount of 3.5m RSD.

4.12.3. National Health Insurance Fund (Serbian acronym: RFZO)

In 2012, **National Health Insurance Fund (RFZO)** and **RTV B92** concluded a business cooperation agreement, whose subject was the preparation and realization of TV program “*Pulse of the Nation*” which was broadcasted on **TV B92 Info**, and on B92 web portal. The contract included a six-month obligation of TV B92 to provide production and broadcasting services, once a month, while RFZO was obliged to finance the production with 200,000 RSD a month, without VAT. The contract states: “*Contracting parties agree that they shall decide on all topics and relevant guests in the program, by mutual agreement, in cooperation with the persons in charge of information from RFZO and B92*”. In addition to this, RFZO contracted financing of six-month costs of preparation and realization of TV program “*Uvećanje zdravlja*”, in 2011. This program was broadcasted on TV B92, and the contract value was 200,000 RSD a month, without VAT.

4.12.4. Ministry of Agriculture, Forestry and Water Management (currently: Ministry of Agriculture and Environmental Protection)

In 2012, **Ministry of Agriculture, Forestry and Water Management** concluded a contract with a company for innovation in the media - **Entitet new media doo** from Belgrade, owned by Mirko Mandić (100%), in the value of 366,180 RSD, including VAT. The subject of the contract was the production of a short promo movie intended for online broadcasting, with the topic “100 days of Ministry of Agriculture, Forestry and Water Management, using the idea of the service provider, with the aim of informing the public about the Ministry’s activities, with duration of minimum 4 and maximum 7 minutes”. In addition to the said service, **Ministry of Agriculture, Forestry and Water Management** conducted a contract with **SVA doo** from Belgrade, for the organization of event for 100 days of the Ministry, also in 2012. The value of this contract was 362,400 RSD, but the Ministry’s response to the Council stated that the said contract could not be found in the Ministry’s archives. It should be noted that **Entitet new media doo** and **SVA doo** are associated legal entities, since an employee in one company appears as the representative in the other³⁵, while Mirko Mandić holds ownership stakes in both companies.

4.12.5. Belgrade Business School (Serbian acronym: BPSŠ)

In 2014, **Belgrade Business School (BPSŠ)** participated with the amount of 100,000 RSD in co-financing the film “*Srce u anesteziji*”, through the business cooperation agreement with the marketing agency **In production** from Mladenovac, owned by Danijel Đurić (100%). The film was made according to the script written by journalist and writer Silvana Stanković, and some of the Serbian starlets and entertainers played several roles. Through the contract, **In production** agency

³⁵ <https://rs.linkedin.com/pub/olga-marinkovic/1b/55a/430>

underook the obligation to place the BPS logo on billboards, in the film, on DVD release, in print media and radio stations, on TV stations, on TV stations which will broadcast the film, and on all promo materials.

4.12.6. Ministry of Labor, Employment, Veteran and Social Affairs

In 2012, *Ministry of Labor, Employment, Veteran and Social Affairs* concluded a contract on production and distribution of a TV program, with the producer – company **Monte Royal Pictures doo** from Belgrade, owned by actress Bojana Maljević (100%). The subject of the contract was the production, multiplication and distribution of a TV program in the duration of 20 minutes, in the form of interviews with the Ministry representative, with the aim of “promotion and affirmation of the activities of the Ministry on improvement of social policies in Serbia”. The concept of the program was an integral part of the contract and it was agreed mutually between the contracting parties. The obligation of the producer was to organize the distribution of the program to local self-governments and local media, at the Ministry’s request. The contracted price of all costs related to the production of the program was 1.9m RSD.

4.12.7. Various ministries

Ministry of Labor, Employment, Veteran and Social Affairs used the video production services provided by **PE Tanjug** in 2014, which included taking photos and media coverage, at a monthly price of 90,000 RSD, including VAT. *Ministry of Construction, Transport and Infrastructure* paid 45,600 RSD without VAT for the same services, also in 2014.

Ministry of Mining and Energy also used the video production services provided by PE Tanjug, in the period 2013-2014, at a price of 1,018,800 RSD, while the *Ministry of Public Administration and Local Self-Government* paid 792,000 RSD for the same services in 2014. *Ministry of Labor, Employment, Veteran and Social Affairs* also used the video services provided by **Infobiro doo** (in 2013), at a monthly price of 65,400 RSD, without VAT.

In 2014, *Ministry of Justice* concluded a contract with **Infobiro doo** on the provision of video production services in the amount of 1,400,000 RSD, including VAT; *Ministry of Agriculture and Environmental Protection* in the amount of 2.4m RSD (2013-2014), and the *Ministry of Trade, Tourism and Telecommunications* in the amount of 1.7m RSD, including VAT (2014).

The reports on implementation of contracts with the ministries show that in the video content produced by **Infobiro doo** the statements made by relevant ministers and state secretaries were the most frequent.

4.12.8. National Employment Service

In 2012, the *National Employment Service* and **TV B92** concluded a contract on the provision of information services, through TV programs, which included broadcasting of the recorded content in the duration of 10 minutes, once a week premiere and once a rerun. The total service value was 294,384 RSD, that is, 8.2m RSD with VAT.

4.12.9. National Agency for Regional Development (Serbian acronym: NARR)

In 2012, *National Agency for Regional Development (NARR)* and **Kako doo** company from Novi Sad, owned by Daniel Tavčioski (100%), concluded a contract on the production of a documentary film “Život preduzeća”, at a price of 1,180,000 RSD, including VAT. NARR and **MTS-**

Moja TV Stanica doo from Belgrade (new business name: **Mreža 3 doo**), at the time owned by Milić Ivković (100%), concluded a contract on the production of reportages, TV and radio clip, promotional campaign for Entrepreneurial service, and improvement of NARR web site, in the amount of 1,726,258 RSD, including VAT. In 2013, NARR and the company **Hypnotic doo** from Belgrade concluded a contract on creation of a promo video clip and promotional film (3 minutes' duration), within the project on providing support to promotion of regional development, creating identity and branding of the region, in the amount of 598,800 RSD, including VAT. They also concluded a contract on recording and production of reportages about successful entrepreneurs in Serbia, in the amount of 336,000 RSD, including VAT, as well as the contract on development of a mobile app for testing of Entrepreneurial service, in the amount of 489,000 RSD, including VAT. The same company was engaged in 2012, for the development and maintenance of the application "Mobile business consultant", in the amount of 3.3m RSD, including VAT. It should be noted that the owner of **Hypnotic doo** is Igor Jeremić (100%), and that the company was founded in 2011 and shut down in 2014. In his biography, Igor Jeremić states that he was previously employed as a manager in **Prototype doo**, a company that provided services for PE "Nikola Tesla" Airport and the National Employment Service.³⁶ At the moment of concluding the mentioned contracts, head people in NARR, PE "Nikola Tesla" Airport and National Employment Service were all appointed to their positions by G17 (URS) political party

4.12.10. Government of the Republic of Serbia

In the period from 2011 to 2013, the *Government of the Republic of Serbia* used the video production services provided by the co-owners of **Videonet doo**, as physical entities engaged through service contracts, but also provided by **Videonet doo** as a legal entity. Payment of the services provided by Trajković, Balać and company **Videonet doo** was conducted from different Government budget lines. *Media Relations Office of the Government of the Republic of Serbia*, concluded (2011-1023) service contracts with Mile Balać and Bojan Trajković, for the provision of services of recording and preparation, that is, recording and editing for the needs of the Office. *The Office of the First Deputy Prime Minister* financed the video production services provided by **Videonet doo** from Belgrade, with 3,850,000 RSD (November 2012 – September 2013). On 3 October 2013, *General Secretariat of the Government of the Republic of Serbia* paid 110,000 RSD for the video production services provided by **Videonet doo**. In the response the Anti-Corruption council received from the Head of Office of the Prime Minister, it is stated that since 27 April 2014, when the Government of the Republic of Serbia was formed, the Office of the Prime Minister did not use any media services. The Council has no knowledge of whether the Government of the Republic of Serbia, while engaging Bojan Trajković, obtained documents proving that the person in question had not been convicted by court and that there were no ongoing processes against the said person, having in mind that Trajković was sentenced in 2010 for the criminal offense of tax evasion.

THE COUNCIL'S CONCLUSION: *Public institutions mainly contract video production services in public procurement procedures, or through direct negotiations with production or TV houses. This is related to the production of special-purpose TV programs, TV serials, promotional films, short promotional video and radio clips, special types of news and features, as well as services of media coverage of public institutions' daily work or activities of their management and employees, through video production of TV content to be broadcasted on TV and the internet. Very often, as*

³⁶ <https://rs.linkedin.com/pub/igor-jeremi%C4%87/73/62/877>

producers of concrete TV programs financed from public funds, appear companies in whose ownership structure politicians, members of their families or other associated persons, take part. The same production companies participate in the production of political parties' promotional clips during election campaigns. Individual contracts, concluded between public institutions and the TV houses, define the theme of the video program or video clip, maximum and minimum duration of the video content, the period and the manner of broadcast, the service price, and other significant elements. The Anti-Corruption Council has found that all of the video content, whose production is financed by public institutions, is almost always a result of previous control by the contracting authority regarding the theme, that is, the selection of participants in the interviews, which the citizens as the ultimate consumers most often do not even know.

4.13. Contracting services by the authorities of the AP Vojvodina

4.13.1. Contracting direct promotion services for the AP Vojvodina officials' activities

On 3 March 2014, **Provincial Secretariat of Finance of the AP Vojvodina** and **NIP Nedeljnik doo** from Belgrade, owned by Veljko Lalić (100%) concluded a contract on the provision of media services, which stipulates that (Article 1): *“The subject of this contract is the presentation of the results achieved by the Government of AP Vojvodina during the previous period, through the discussion with the President of the Government of the AP Vojvodina and the Provincial Secretary of Finance, as well as publishing an article on business environment and development potentials of the AP Vojvodina, in accordance with the offer submitted by NIP Nedeljnik doo No. 42/14”*. The contractual obligation includes media promotion on five pages in “Nedeljnik” magazine, in March 2014, at a price of 468,000 RSD, including VAT, financed from the budget of the AP Vojvodina. According to the Council's assessment, this form of contract, that is, the behavior of state officials of AP Vojvodina in this concrete case represents a flagrant example of abuse of the provisions of the Law on Budget System in the material sense, since this is contracting of personal promotion of politicians performing the functions in the Government of the AP Vojvodina. The Law obliges the state officials to lawful, purposeful, economical and efficient use of budget funds. The above-mentioned form of contract represents a formal legal basis for takeover of budget expenditure, which by its nature does not correspond with the competencies of the Provincial Secretariat of Finance of the AP Vojvodina.

In 2014, **Provincial Secretariat for Economy, Employment and Gender Equality** and **RTV VK Media doo** from Kikinda, owned by journalist Dijana Subotički Miletić (100%), concluded a contract on production of video content intended for informing the public about the Secretariat's work (production of 4 thematic programs, with the duration of 40 minutes), in the amount of 1.2m RSD. The integral part of the contract was a media plan, according to which the video content would be realized, and which stated that Provincial Secretary, Miroslav Vasin (DS official) would be one of the guests. Apart from this, Miroslav Vasin signed the contract on behalf of the Secretariat with the director of **RTV VK Media doo**, Jelena Terzin.

Provincial Secretariat for Economy, Employment and Gender Equality and the company **Videonet doo**, from Belgrade, concluded a contract in 2014, in the amount of 4.9m RSD financed from the budget of the AP Vojvodina. The subject of the contract was the production of a 20-episode series titled *“I live in Serbia, too”* about “the different aspects of life in Serbia, quality of life, life problems and the ways to solve them, with the emphasis on economic environment”. The report submitted to the Secretary by **Videonet doo** states that 36 episodes have been recorded (3-10 minutes' duration), and that the Provincial Secretary, Miroslav Vasin (DS official) participated in at least 8

episodes. Miroslav Vasin is also a signatory of the contract on granting the funds to the above-mentioned production company.

In 2014, **Provincial Secretariat for Interregional Cooperation and Local Self-Government** and **NP Vreme** from Belgrade concluded a contract on public procurement of “advertisements and propaganda content about the work and activities of the Secretariat”. The subject of the contract was the publication of the insert in the weekly newspaper, that is, “informing the public on the results of the public opinion survey on European processes and their significance in the AP Vojvodina territory”, as well as the organization of a round table about the same survey. The value of the contracted services from the budget of AP Vojvodina was 1.8m RSD. The weekly **Vreme** published the addition on eight pages in the newspaper and posted it on the web site, and organized a panel discussion in the press center. One of the speakers at the event was the Provincial Secretary, Vladimir Bugarski (DS official), who was also a signatory of the contract with **NP Vreme doo**.

In 2014, **Provincial Secretariat for Interregional Cooperation and Local Self-Government** and the company **Agenda 2012 doo** from Belgrade, a publisher of the weekly **Novi magazin**, conducted a contract on public procurement for the provision of “information services in the print media on the activities of the Secretariat – A favorable business environment as an engine for the development of Vojvodina – NALED”. The service value financed from the budget of the AP Vojvodina was 475,200 RSD, including VAT, for the publication of an addition of ten pages in the weekly **Novi magazin**. The Anti-Corruption Council has reviewed the magazine issue No. 186 from 20 November 2014 and found that the article written by Miša Brkić was published on the said ten-page addition, with the headline “Fulfill Every Desire of Investors Quickly.” Among the featured speakers in the addition are also photographs and statements of Deputy President of the Municipality of Odžaci, Provincial Secretary and the Mayor of Sremska Mitrovica. The Council’s conclusion is that the said officials are all members of the same political party, that is, the ruling party in the AP Vojvodina (DS), while the statements of the opposition politicians were not presented in the addition to **Novi magazin**

THE COUNCIL’S CONCLUSION: *With certain authorities of the Government of the AP Vojvodina that had concluded contracts for the provision of media services with media publishers or video productions, the promotional services of the persons who were holders of public offices in the AP Vojvodina were directly contracted. This form of promotion of the officials is manifested through interviews in the print media or announcements and interviews through specific video contents that are financed directly from the budget of the AP Vojvodina. In such cases, promotion of the activities of the state bodies is converted to the domain personal, that is, political promotion of the persons holding the public office, which is especially questionable if such an activity takes place during the election campaign.*

4.13.2. Contracting indirect promotion services for the AP Vojvodina officials’ activities

In the period from 2011 to 2012, **Provincial Secretariat for Science and Technological Development** contracted with **RTV Vojvodina** the provision of services of popularization of scientific-research and educational work, monitoring of regular and special conferences of the Secretariat and monitoring of the Secretariat’s activities, at the value of 1.5m RSD. In 2014, **Provincial Secretariat for Health Care, Social Policy and Demography** concluded a contract with **RTV Vojvodina** on the production of a series of TV programs titled “*Zdravlje na kvadrat*”, in the value of 2m RSD, including VAT. Previously, according to the contracts, **RTV Vojvodina** received funding on two occasions (2013-2014) - 3.7m RSD each time, for the production of a serial of TV

programs “Zdravac” (production of 12 TV episodes) and “Zdravo živo” (also 12 TV episodes). Also, **RTV Vojvodina** received 200,000 RSD in 2013 from the *Provincial Secretariat for Science and Technological Development*, with the obligation to follow the activities of the Secretariat and provide public appearances of the Secretariat’s representatives within the “Zdravlje pre svega” TV program, as well as “maintain regular contact with the Secretariat’s official press representative.

Based on the contract concluded with **RTV Vojvodina**, the *Provincial Secretariat for Education, Administration and National Communities* made a payment to the said TV station of 25m RSD – 7m RSD in 2011, 5m RSD in 2012, and two times 6m RSD, in 2013 and 2014. The services included production, co-production and broadcast of TV quiz, within the “*Affirmation of Multiculturalism and Tolerance in Vojvodina*” project. **RTV Vojvodina** also received 2.7m RSD (2013) from the Provincial Secretariat for Interregional Cooperation and Local Self-government based on the lease and production of TV programs, for production of radio shows and web presentation content. They received 2.5m RSD (2013) for monitoring of the work of local self-governments on the territory of AP Vojvodina, through the daily program, with special emphasis on guest appearances and reportages in Vojvodina news; and additional 2.4m RSD in 2014.

Provincial Secretariat for Science and Technological Development paid the amount of 1.5m RSD twice (2011-2012) to **RTV Panonija** for the services of media coverage of its regular and special conferences, while in 2014, the Secretariat paid 5m RSD to the same company for the media coverage and the production of TV content. In 2013, this television received 500,000 RSD from the Provincial Secretariat for Interregional Cooperation and Local Self-government, for recording 3 TV features, and additional 1m RSD for 10 features. For the series of TV features and thematic programs regarding the promotion of touristic and cultural events, RTV Panonija doo received 2.4m RSD in 2014 from the budget of AP Vojvodina, and additional 2m RSD for the production and broadcasting of two TV programs, with the duration of 40 minutes, on the work of Provincial Secretariat for Economy, Employment and Gender Equality (15th January to 15th April 2014), and 720,000 RSD for three thematic TV programs on the work of the Secretariat, with the duration of 30 minutes (23rd July to 15th September 2014).

In 2011, *Provincial Secretariat for Health Care, Social Policy and Demography* and **RTV Panonija 021 doo** from Novi Sad concluded a contract for production of 10 TV programs, aiming to present the work of the Secretariat to the public, in the amount of 1m RSD. This Secretariat also concluded a contract with **RTV Panonija 021 doo** in 2014, whose subject was the production of 10 thematic programs (in the duration of 40 minutes), at the price of 2.4m RSD. Also in 2014, this company received 2.4m RSD in advance, for the activities related to the realization of 11 episodes of “*For Cleaner and Greener Vojvodina*” program, from the Provincial Secretariat for Urban Planning, Construction and Environmental Protection. The company **Kanal 9 doo** from Novi Sad, owned by Saša and Maja Pavlović, received 1m RSD in 2013, for the production of 29 short features intended for foreign program, 26 scrolling ads and service information regarding the health, social policies and demography, as well as 2 episodes of “Open Screen” program in the duration of 50 minutes in order to “inform the public on relevant topics regarding health, social policies and demography, as well as the work of the Secretariat”. The company **Kanal 9 doo** received 500,000 RSD on two occasions (2011-2012) from the Provincial Secretariat for Science and Technological Development, for media monitoring of regular and special conferences of the Secretariat, public information, realization of two thematic programs and continuous contact with the Secretariat’s representative.

In 2013, **RTV Ju Eko** received 1.2m RSD from *Provincial Secretariat for Interregional Cooperation and Local Self-Government* for the production of at least 10 TV news reports within the daily news and at least four TV specials with the duration of 30 minutes. The Secretariat also financed the production of radio shows and features for the internet presentation, with 174,000 RSD in 2014. Also, this TV station received 1.2m RSD in 2014, for the production of one TV special a month in a

six-month period, on EU integrations. In 2013, The Secretariat, paid 1.4m RSD to **RTV VK Media doo** for the production of 15 radio and TV features, 3.6m RSD in 2014 for the production of 10 thematic programs, as well as 900,000 RSD for the production of one program a month in a six-month period, on EU integrations.

In 2014, *Provincial Secretariat for Health Care, Social Policy and Demography* concluded a contract with **Pink international company doo from Belgrade**, for broadcasting promotional clips on health issues within the programs of TV Pink, in the amount of 2.5m RSD. The company **Santos-commerce doo** from Zrenjanin, received 1m RSD in 2013, for the production of TV features “in order to inform the public about the work of the Provincial Secretariat for Health Care, Social Policy and Demography”, that is, for 14 episodes of “*Health Oasis*” program on **TV Santos**. In addition, **TV Santos** from Zrenjanin, received 900,000 RSD in 2014, from the Provincial Secretariat for Interregional Cooperation and Local Self-Government, for the production of one program a month in a six-month period, on EU integrations.

Provincial Secretariat for Economy, Employment and Gender Equality and the company **BUS doo** from Kovin, owned by Vladimir Vještīć and Elizabeta Tot, contracted the provision of media services in 2013, in the amount of 400,000 RSD. The subject of the contract was the production of information contents to be broadcasted on **Radio BUS** program, in order to inform the public about “a wide scope of work of the Secretariat, monitoring and promotion of the activities of the Secretariat, with the goal of increasing transparency in the performance of Provincial Administration, in the period from 25th December 2013 – 30th June 2014.

In 2014, *Provincial Secretariat for Economy, Employment and Gender Equality* allocated 1.4m RSD for the production of 24 thematic radio features, with the duration of 20 minutes each, on the activities from the wide scope of work of the Secretariat, to **Radio Sombor ad** from Sombor, a company with majority state ownership (69%). This radio also received 1.2m RSD for the broadcast of radio clip “*I want you to know*”, whose content aims at combating violence against women (5 times a day, in the period from 8h to 20h). **Euro alfa doo** from Subotica received 840,000 RSD in 2014, for the production and broadcast of 20 thematic features, with the duration of 50 minutes each, “in order to inform the public on the work of the Secretariat”. The owners of this company, which is also the founder of **City radio** in Subotica, are Branislav Dobrokes and Vladan Stefanović.

In 2013, *Provincial Secretariat for Interregional Cooperation and Local Self-Government* paid 1.2m RSD, according to the contract, to **Radio 021 doo** from Novi Sad, for the production of radio programs and features for the internet presentation. In addition, this radio station received 1.8m RSD (2014), for the production of audio materials and features for the internet presentation on the AER Summer academy, as well as 2m RSD during the same year, for the production of 24 short programs, with the duration of 3 minutes, according to BBS standards and quality. Youth radio “O-radio”, which was launched as an RTV project, received 800,000 RSD from this Secretariat for media coverage (2014).

In accordance with the signed contract in 2014, *Provincial Secretariat for Interregional Cooperation and Local Self-Government* allocated 1.8m RSD to the company **Sremska televizija doo** from Šid, for “informing the citizens of the Srem County in APV on the results of current activities and plans for the realization of interregional cooperation”. This Secretariat paid 1.2m to the same television in 2014, for the production of one program on EU integrations a month, in a six-month period.

In 2011, *Provincial Secretariat for Urban Planning, Construction and Environmental Protection* paid 280,368 RSD to the weekly NIN for publishing a three-page article on the activities of the Secretariat. In 2012, the Secretariat paid 332,937 RSD for the same service. In 2013, *Provincial Secretariat for Interregional Cooperation and Local Self-Government* paid 360,000 RSD to **Kurir** newspapers for publishing the advertisement “Draft declaration on the protection of

constitutional and legal rights of AP Vojvodina”. The company **Agenda 2020 doo** from Belgrade, the founder of the weekly **Novi magazin** received (2014) 2m RSD from the **Provincial Secretariat for Interregional Cooperation and Local Self-Government** for the production of 8 programs on the activities of the municipalities from the AP Vojvodina territory, in which the projects financed by EU were going to be presented.

Provincial Secretariat for Culture and Public Information and **Independent Journalists’ Association of Vojvodina (Serbian acronym: NDV)** concluded a contract in 2013, on “the cooperation in informing the citizens of Vojvodina”, which includes the obligation of NDV to “publish the most important events in the Assembly and the Government of AP Vojvodina, in the form of the news, reportages, reports; timely and objectively inform the public about the work of Vojvodina authorities and public institutions while retaining the right to comment, in accordance with its editorial policy”. (Article 2) The news was to be published on **Autonomija.info** web site. Based on this contract, NDV received 300,000 RSD for one-month activities of a public newsletter – www.autonomija.info as its publisher

THE COUNCIL’S CONCLUSION: *In the majority of contracts concluded by the institutions of the Government of the AP Vojvodina for the promotion of their activities, which were analyzed by the Council, the contracted services included the promotion of activities, goals and results of work of these institutions, which was indirectly manifested through a personal and political promotion of the individuals who managed the very same institutions. The quantity and type of media content produced within one fiscal year, related to the work and activities of AP Vojvodina institutions, is atypical. In practice, it is evident that the TV houses receive funding from different Secretariats of AP Vojvodina, for reporting on specific activities of these institutions, on daily, weekly or monthly basis. This raises the question of objectivity of presented information and leaves room for the influence on creation of media content, as it suits the Provincial Government. This is especially problematic, since the unavoidable parts of the produced video contents are always the statements of the most important officials from the Provincial institutions that usually come from political parties. The public is mostly unaware of the fact that significant media content or thematic information programs are realized with the funds received from the same provincial authorities that the said content presents.*

4.13.3. Contracting cooperation services with the production teams of the AP Vojvodina authorities

In 2014, **Provincial Secretariat for Health Care, Social Policy and Demography** concluded a contract with **Infobiro doo** on the production of 20 TV episodes of “*Healthy Family*” program, in the amount of 4.9m RSD, including VAT. The Secretariat concluded a contract with **Ninamedia kliping doo** from Novi Sad on production of 6 video features, with the duration of 10 minutes each, on the following topics: “The third child”; “Free in vitro fertilization”; “Prevention of cervical cancer”; and “Employment of women affected by violence”, in the amount of 960,000 RSD. In addition, the Secretariat concluded contracts with **Videonet doo** from Belgrade (2014) on the production of video clips for TV broadcast, for 2.8m RSD and 780,000 RSD, respectively.

In 2014, **Provincial Secretariat for Science and Technological Development** paid 700,000 RSD to the company **Centar za usmeravanje komunikacija doo** from Novi Sad, which later changed its business name to **AV Pro doo**, owned by Nataša Jovanović (100%), for the popularization of scientific-educational work, that is, TV interview “*Knowledge, Strategy, Vision*”. This company also received 936,000 RSD in 2014, for the provision of production services for the

purposes of informing citizens, from the Provincial Secretariat for Interregional Cooperation and Local Self-Government.

In 2014, *Provincial Secretariat for Urban Planning, Construction and Environmental Protection* paid 4.9m RSD to **CONTRAST STUDIOS doo** from Belgrade, for the production of documentary TV film “*Obedska bara - dah prirode*”. In the contract signed by the director of the company, Nedeljko Bajić, and the Provincial Secretary, Slobodan Puzović, it is stated that the film cannot be shorter than 25 minutes and provides for the advance payment of the agreed price, and the deadline for completion of the production is almost nine months from the date of signing the contract. In addition, this Secretariat paid to **Videonet doo** from Belgrade the amount of 4.9m RSD in advance (2014), , for the realization of TV programs within the “*By taking care of nature - we take care of ourselves*” series, whose realization should last one year.

In 2014, *Provincial Secretariat for Science and Technological Development* signed a contract with **Škorpion production doo** from Novi Sad, owned by Dejan Čavić (100%), on production of scientific-educational series “*Education as the only chance*”. For 20 edited TV features, the said company received 2.2m RSD. In 2014, **Beomedia marketing doo** from Belgrade received 3.4m RSD, through a low-value public procurement procedure, from the *Provincial Secretariat for Interregional Cooperation and Local Self-Government*, for the production of “video materials intended for informing the domestic and international public”. Also in 2014, this Secretariat signed four contracts with **Infobiro doo** from Belgrade, for the production of the video and audio content on international activities of the Government of the AP Vojvodina, in the amount of 919,000 RSD.

In 2013, *Provincial Secretariat for Economy, Employment and Gender Equality* signed a contract with **Contrast Media** from Novi Sad, owned by Saša Ljubojević, for the production of 10 video features for the program “*Ekobalance*” which was broadcasted on **TV B92 Info**, for the purpose of “promotion of economic and touristic capacities of the AP Vojvodina and informing the public about the activities of the Secretariat”. Agency **NS media** from Novi Sad, owned by Stanislava Keneški, received 1.5m RSD in 2014, for the realization of scientific-research and educational work within the “*Scientific Horizons*” program, in 15 packages of 2 minutes’ duration. In addition, the agency **Alpha design** Novi Sad, owned by Vladimir Petrović, received 1.5m RSD in 2014, for the production and broadcast of TV features and thematic programs on the activities of the *Provincial Secretariat for Economy, Employment and Gender Equality* related to female creativity events and touristic offers. The same agency received 500,000 RSD for the production and broadcasting of 8 thematic programs, with the duration of 20 minutes, on informing the public from the Female Entrepreneurship Fair, which was organized in 2014 by the *Provincial Secretariat for Economy, Employment and Gender Equality*

In 2014, *Provincial Secretariat for Economy, Employment and Gender Equality* concluded a contract with agency **Nirra** from Sombor on the “production and distribution of TV clips for the promotion of implementation of program of purchasing country houses for young married couples on the territory of AP Vojvodina, in order to revitalize Vojvodina villages”, at the price of 900,000 RSD. The same agency received an additional 700,000 RSD in 2014, for the production and broadcasting of TV clips related to preventing violence against women. It should be noted that the owner of Nirra agency is Antun Švarka from Sombor, who is also a transportation entrepreneur. The agency was registered in the SBRA on 17th March 2014, and it was shut down on 26th December of the same year.

THE COUNCIL’S CONCLUSION: *Video production services contracted by the authorities of the AP Vojvodina, for their needs, actually represent the promotion of these institutions. In practice, the criteria for deciding on and justification of the production of specific video contents are*

not transparent. The officials of the Provincial authorities make discretionary decisions regarding this, and at the same time, they are the signatories of the contracts on the provision of video services.

4.14. Contracting promotional services which are not useful and economically justified

4.14.1. Public Enterprise “Elektromreža Srbije” (Serbian acronym: EMS)

In 2013, **Public Enterprise “Elektromreža Srbije”** used the services of media consultancy provided by **Block&Roll doo** from Belgrade, in the amount of 2m RSD, including VAT. In the report on services provided in the period September – October 2013, it is stated that the said company, among other things, provided the following services to EMS: development of the draft concept of futsal tournament in the municipality of Grocka; organization and coordination with the municipality of Grocka related to the decoration of children’s park in Kaluđerica, municipality of Grocka; organization of lectures in primary school “Nikola Tesla” in Vinča, for the parents and teachers, on non-ionizing radiation; educating and informing the parents and the public on the territory of the municipality of Grocka, etc. In the period from 2011 to 2013, EMS used the consulting and marketing services provided by **Bovan Consalting doo** from Belgrade, which were financed with 2.4m RSD, including VAT. In the report on the services provided, the consultant, among other things, included the following activities: contacting individual journalists in order to confirm the publication of articles; analysis for EMS’s web site and corporative magazine; development of the draft speech – addressing the media, for the director of EMS; writing speeches for the president of the Executive Board and the director of EMS (introductory speeches at EMS celebration event); coordination with the editor-in-chief of **Ekonomist** magazine regarding the themes and questions, etc.

The Council’s assessment is that the above-mentioned contracted and provided services are not related to the primary activity for which the PE “Elektromreža Srbije” was founded, and the employees of EMS could have provided them.

4.14.2. Mining basin “Kolubara”

In the framework of the contracts signed with the media, for media monitoring and the promotion of the company, in the period from 2011 to 2014, **Mining basin “Kolubara”** financed the costs of promoting the persons, appearances and events that exceeded the performance of primary activity of the company or represented the promotion of its officials. Media company **Kolubara press doo** (TV “K RTL”) from Lazarevac justified the funds received from “Kolubara” through broadcasting the features (2013) related to the following events or subjects: *basketball tournament; press conference of SRC “Kolubara”; a part of the interview of minister Zorana Mihajlović; basketball game between BC Kolubara – Radnički Obrenovac; the shooting days; technical school Kolubara; Tamnava shooting range – dog exhibition; municipal board of SNS – conference Kolubara metal; municipal board of SNS – Kolubara managers in SNS; car crash of the director Milorad Grčić; SRC Kolubara – opening of the pool; the visit of karatists from Obrenovac, etc.* The company **SENS Marketing doo** from Belgrade, a founder of **TV SKY PLUS**, issued an invoice to “Kolubara” for broadcasting services on the company’s announcement regarding an accident in “Kolubara” (30,000 RSD); the feature with the minister Zorana Mihajlović (90,000 RSD); TV feature on the savings made in “Kolubara” within the “*With morning coffee*” morning program (10,000 RSD). The company **KCN doo** from Niš, the founder of **TV Kopernikus**, justified the funds received from “Kolubara” by broadcasting TV features during 2013, related to the *visits to monasteries in Kosovo and Metohija, and statement of SNS Obrenovac.* Mining basin “Kolubara” paid **RTV Studio B,**

among other things, for the services of recording and broadcasting the statements of the company's director Milorad Grčić (108,000 RSD) and ministers Milan Bačević (162,000 RSD) and Zorana Mihajlović (199,200 RSD).

4.14.3. Ministry of Agriculture, Forestry and Water management

In the period from 2013 to 2014, *Ministry of Agriculture, Forestry and Water Management* purchased, on several occasions, promotional gifts for its needs, whose justification cannot be determined, especially in the period of implementation of the budget austerity measures and consolidation of public finances of the Republic of Serbia. In 2014, the Ministry concluded a contract with **Radionica G** entrepreneurial shop, from Belgrade, on the production of planners, small bags, big bags, greeting cards with envelopes, and A5 notepads, at the price of 334,500 RSD, without VAT. **Perić&Perić doo** company from Požarevac, was contracted for purchasing five silver coins for the price of 31,200 RSD, including VAT and purchasing 15 monographs was contracted with the Delfi bookshop, at the price of 113,400 RSD. In addition, the Ministry purchased 12 men's ties and 8 women's scarves from the company **Studio maruška doo** from Preljina, at the price of 50,784 RSD, including VAT while 50 bottles of rakija were purchased from **Aqua bineli**, from Belgrade, at the price of 80,000 RSD.

4.14.4. Lubricants factory "FAM ad" – under restructuring

In the period from 2013 – 2014, the *Lubricants factory "FAM ad" – under restructuring* from Kruševac, owned by the Privatization Agency (80%) and the Equity Fund (19%), paid the advertising costs to **Dolce Vita Caffè** (owned by Aleksandar Đorđević, 100%), from Belgrade – 1,320,000 RSD (2014) and 480,000 RSD (2013), as well as to **Carwash R&R** (owned by Branislav Andrić and Đorđe Suša), from Belgrade – 840,000 RSD (2014) and 720,000 RSD (2013). In January 2014, there was a change in a legal form, so the Carwash R&R was transformed from an entrepreneurial shop to a company – **Carwash R&R doo** (owned by Branislav Andrić, 100%), and Aleksandar Đorđević (the owner of mentioned Dolce Vita Caffè) was appointed a director of the company. It should be noted that according to the contract signed with "FAM ad", both carwashes undertook the obligation to make available the outer walls of their facilities to "FAM ad" for product advertising, at a price of 120,000 RSD and 60,000 RSD per month. The effects of this type of advertising are unclear, as well as the criteria for choosing these concrete carwashes, owned by the same person, that is, the providers of advertising services. Taking into consideration the fact that "FAM ad" finished the business year 2013 with an operational loss of 725.5m RSD, the above-mentioned services seem to be especially useless.

4.14.5. Public Enterprise Roads of Serbia

In the period from 2011 to 2013, *Public Enterprise Roads of Serbia* paid 3.8m RSD to the Agency for publishing and artistic activities "**Čubrilo**" from Zemun, owned by Borka Čubrilo (100%), for the development of **nine issues** of electronic newsletters. It should be noted that the electronic newsletter of PE Roads of Serbia has **eight pages** of texts and photographs, which follow the quarterly activities of the company and management activities, respectively. It is stated, in the newsletter impressum that it is edited by the *Public relations office of the PE Roads of Serbia*. Newsletter No. 6 from June 2012 presented the work of the *Public relations office of the PE Roads of Serbia*, where, among other things, it stated that: "Daily activities, as well as those extraordinary ones, are chosen by importance and "transformed" into photos and articles, and as such published in our

internal publication – newsletter”.³⁷ According to the contract from 2011, the obligation of “Čubrilo” agency is to provide the services of “*development of design concept, production and printing of the internal publication – newsletter*”. Three issues of the PE Roads of Serbia newsletter were paid 2,039,400 RSD (2011), four issues were paid 1.5m RSD, and two issues were paid 750,000 RSD (2013). In the same period, PE Roads of Serbia recorded operational losses of more than 80m Euros, and had between 1,295 and 1,335 employees, including those working in public relations.

4.14.6. The City of Kragujevac

In the period from 2011 to 2014, the **City of Kragujevac** financed advertising costs in the amount of 1.4m RSD, while in 2012 press clipping costs were paid 1,012,186 RSD. In the framework of advertising services, the City of Kragujevac financed media publication of New Year and Easter greeting cards each year. The Anti-Corruption council requested from the City of Kragujevac to submit the contracts and invoices for the mentioned services, however, only analytical (record) cards without the name of service providers were submitted to the Council. According to the statements of the Mayor of the City of Kragujevac, at the end of 2014, this city was more than 7 billion RSD in debt.³⁸

The Anti-Corruption Council believes that the creation of budget expenditures for advertising services, through publication of New Year and Easter greeting cards is irrational, having in mind that this type of promotion of the City administration and the City authorities is meaningless.

4.14.7. The National Bank of Serbia (NBS)

In the period from 2011 to 2013, the **National Bank of Serbia (NBS)** spent about 784,800 RSD for the procurement of chocolate bars for promotional services. In 2011, NBS procured 400kg of milk chocolate bars (80,000 pieces) at the price of 277,600 RSD; in 2012, 50kg of chocolate bars (10,000 pieces) at the price of 27,200 RSD; while in 2013, they purchased 450kg of chocolate bars (90,000 pieces) at the price of 360,000 RSD, without VAT. The documentation for the procurement of the chocolate products in 2013 states that this procurement procedure is initiated “for the purposes of promotion of NBS – chocolate bars would be gifted to the offices of the Governor and the management of the NBS, to the protocol office, visitors’ center, guests and visitors of NBS”. The Anti-Corruption Council believes that the procurement of chocolate products does not contribute to the promotion of NBS, nor does an institution such as NBS need any type of promotion.

4.14.8. National Mortgage Insurance Corporation (Serbian acronym: NKOSK)

In the period 2011-2012, the **National Mortgage Insurance Corporation (NKOSK)** procured various souvenirs and other paraphernalia, for the promotion of its activities. In 2011, NKOSK financed the services of production of big souvenirs (50 pieces) and small souvenirs (95), at the price of 215,900 RSD, while the procurement of umbrellas (30 pieces) was paid 15,336 RSD. In 2012, NKOSK financed the services of making and engraving of two paintings, at the price of 32,400 RSD; services of making souvenirs (40 pieces) at the price of 54,000 dinars; greeting cards printing services at the price of 20,741 dinars, while for the procurement of umbrellas (100 pieces) was paid 55,648

³⁷ <http://www.putevi-srbije.rs/bilten/06/bilten.html>

³⁸ <http://www.novimagazin.rs/vesti/kragujevac-duguje-vise-od-7-milijardi-dinara>

RSD. The Anti-Corruption Council believes that NKOSK, as a special state organization, does not have any justifiable need for any kind of promotion of activities from its scope of work.

4.14.9. Public Enterprise “Nikola Tesla” Airport

In December 2012, **Public Enterprise “Nikola Tesla” Airport** concluded a contract with **Prototype doo** from Belgrade, owned by Goran Jeremić (50%) and Igor Jeremić (50%), on the provision of consulting services in the field of internal communication and newsletter development in the value of maximum 1m RSD. The contract includes provision of consulting services and the training of employees; design and implementation of communication with employees in order to inform and create a positive working atmosphere; development of a newsletter template as a tool of internal communication; informing the employees through the newsletter; summarizing 2012 through the preparation of quarterly newsletters, and planning for 2013 in the field of internal communication. **PE “Nikola Tesla” Airport** had previously concluded a contract with **New focus communication doo** from Belgrade, owned by Igor Avžner (100%), on the provision of consulting services in the field of public relations, in the amount of 1.7m RSD (2012), and a year later (2013), the same service with the same company was contracted in the amount of 2.9m RSD. The Anti-Corruption Council believes that PE “Nikola Tesla” Airport possesses optimal resources for internal communication within the company (452 employees in 2012, and 468 employees in 2013). In the opinion of the Council, engagement of a private company for the provision of internal information of employees represents purposeless and irrational management of the company’s budget.

4.14.10 Privatization Agency

In the period until 2011, **Privatization Agency** used the services of “production of TV program” provided by the firm **Frame TV Production doo** from Belgrade, at the price of 8,700 Euros a month, and from 2012 to 2013, the services provided from **Videonet doo**, at the price of 9,000 Euros a month. The subject of the contract includes: *production of introductory TV program for the auction, tender and bankruptcy procedures; production and marketing of weekly TV program in the duration of up to 5 minutes on economic issues, which would promote general positive economic climate and privatization processes; recording video materials, archiving, development of TV features, distribution to the media and posting on web site www.infobiro.tv from which all electronic media can download TV material related to the privatization process, as well as customizing video materials in a format automatically available for posting on Privatization Agency’s web site, and other media sites and portals.* According to the data provided by BIRN, the total incomes of **Frame TV Production doo** generated from Privatization Agency in the period from 2007 to 2013 are 76.5m RSD.³⁹ The Anti-Corruption Council could not determine the quantity and the quality of the services provided by the above-mentioned companies with respect to the response of the Privatization Agency which stated that this institution did not possess any evidence (reports) that the contracted services had been actually rendered.

4.14.11. Public Utility Company “Infostan”

In the period from 2011 to 2013, **Public Utility Company “Infostan”** used the services provided by the **Agency for PR and media consulting Headline**, from Belgrade, owned by Miloš

³⁹ <http://javno.rs/istrazivanje/kontrolisane-informacije-medijima-na-usluzi>

Miloradović, while the agency's director Marina Grihović signed the concluded contracts. It should be noted that according to the media, Marina Grihović is a common-law wife of Ivan Nikolić, the then spokesperson of the Mayor of Belgrade, Dragan Đilas.⁴⁰ The subject of the contract is the provision of the services of “*media relations and other target activities, media relations in crisis situations and consulting services in the field of media communications*”, and the monthly price of the said services was 200,000 RSD. The report on the services rendered, from 2012, provides evidence that the Headline agency provided the following services to “Infostan”: “*Preparation and placement of announcements about the results of the activity of debt payments through installments, statistics of the signed contracts, coordination regarding the regular communication with the media and preparation of answers to journalists' questions*”, and in 2013, the following services were rendered: *coordination of TV announcements and individual features on current topics, preparation of announcements on installments of debt payment for "Novosti", preparation of announcements regarding the debts of citizens, preparation of informational texts on discounts, coordination of TV appearances and preparation of key messages.*” According to the data provided by PUC “Infostan” to the Council, the gross salary of a permanently employed **expert consultant for marketing and development** in PUC “Infostan” is 1.1m RSD (2011) and 1.2m RSD (2012), respectively. The Council believes that PUC “Infostan”, with 162 employees in 2013, and with adequate optimization of all operational processes, was able to respond adequately to all media and promotional challenges, without using additional services provided by a private agency.

4.14.12. The President of the Republic of Serbia

In the period from 2011 to 2012, *The President of the Republic of Serbia* used the services according to the service contracts concluded with individuals: Mile Balać (445,000 RSD), Bojan Trajković (520,000 RSD) and Ivan Janković (445,000 RSD). The subject of their engagement was the provision of services of “preparation for editing and TV editing when recording and TV recording of the activities of the President of the Republic”, and “preparation and handling the lightning equipment when recording and TV recording of the President of the Republic”. During the same period, Mile Balać and Bojan Trajković were the co-owners of **Videonet doo**, **Infobiro doo** and **Frame TV production doo**, which provided video production services for the majority of public institutions. According to the data provided to the Council by the First Basic Court in Belgrade, Bojan Trajković was convicted by the said court (verdict No. 82212/2010, from 18th June 2010) to pay the fine in the amount of 300,000 RSD for the criminal offense of tax evasion (Art. 229 para. 1 of the CC RS in conjunction with Art. 61 of the CC)⁴¹ The abuses with the tax calculation by Trajković, were conducted in relation to the business operations of Infobiro doo, where he was a co-owner and director. According to the data obtained from the Higher Court from Belgrade, two criminal proceedings are currently conducted against Bojan Trajković, which were opened in 2013 for the criminal offense of tax evasion (Art. 229 para. 2 of the CC) and for the abuse of the position of the responsible person (Art. 234 para. 2 of the CC RS).⁴² Anti-Corruption Council considers it inappropriate that a person who has been legally convicted before the court is engaged for the purposes of media following of the President of the Republic of Serbia.

⁴⁰ <http://www.javno.rs/istrazivanje/pr-obuka-za-milione>

⁴¹ Допис Су бр. 42-120/2015, од 21.7.2015.

⁴² Letter VII No. 42/15-125, од 17.7.2015.

THE COUNCIL'S CONCLUSION: *Based on the analyzed documentation and information, the Anti-Corruption Council concludes that some public institutions contract promotional services which are neither useful nor economically justified. Those are mainly services not logically related to the activities within the scope of work of the authority that financed them at the expense of funds from public sources of funding. Having closely analyzed the scope, type and nature of the said services, the Council concludes that they were not of any significance to the more efficient work of a concrete institution, nor did they contribute to its internal or external promotion. It is evident in practice that during the implementation of the budget austerity measures, public institutions are wasting away budget funds on useless promotional materials and protocol gifts of a small value. The same things are done by legal entities under restructuring process, the institutions that have outstanding obligations towards creditors and, public enterprises recording operational losses, respectively. It often happens that some public institutions and public enterprises irrationally spend the funds on contracting promotional services from the service providers for whose engagement there is no real need, but the existing needs of the institution in question could be met through the optimization of business operations and reliance on their own resources.*

4.15. Contracting web site development and maintenance services

Free Zones Administration of the Ministry of Finance is the only public administration authority which, according to the data submitted to the Anti-Corruption Council, stated that for the maintenance services for its web site (2014) they used the free of charge services provided by the Administration for Joint Services of the Republic Bodies, while in the previous period (2011-2013), The agency **Vinet** from Belgrade was paid 188,900 RSD for the provision of website maintenance services.

Serbia Investment and Export Promoting Agency (SIEPA) stands out from other institutions for costs of the development of its web site (2011). In accordance with the contract, SIEPA paid 1,111,239 RSD, including VAT, to the company **Hinttech doo** from Novi Sad for “the regular site maintenance, modification of the layout module of the website, creation of new modules for managing and display of the content, resolving identity, work on functionality improvement, and other similar services”. The owners of the said company at that time were Dejan Đuričić (1%), Jelena Đuričić (19%) and HT VENTURES B.V. (80%)

Public Procurement Office paid the costs of support and maintenance for its web site 714,480 RSD (2011-2014), to **Inbox doo** from Belgrade, owned by Siniša Rogić (50%) and the company Sintez Capital (50%), whose owner is Rade Rakočević (100%).

In 2014, *Directorate for Agrarian Payments* paid the costs of maintenance and redesign of their website to **Exist doo** from Majur, owned by Danijela Brkić (100%), in the amount of 258,000 RSD.

In 2011, *Serbian Export Credit and Insurance Agency* paid, according to the contract, 439,000 RSD, without VAT to the agency **WMN** from Gornji Milanovac, owned by Nikola Mirčetić, for the provision of web site development services.

In 2014, the *Road Traffic Safety Agency* contracted the new web portal development services with **Euro Quality Standard Int doo** from Belgrade, owned by Jovana Zlatanović (100%), at the amount of 1.48m RSD, including VAT.

For the development of his web site, the *President of the Republic of Serbia* did not use the possibility of free service, that is, technical support by the Administration for Joint Services of the Republic Bodies. General Secretariat of the President of the Republic concluded a contract with **Hemoterm smart solutions doo** from Belgrade in 2013, for the provision of “the web site

development, coding and designing services”. The Article 3 of the contract foresees the payment of a fee in the amount of 3,100 Euros, in RSD equivalent. It should be noted that the said company is registered primarily for “machine metal processing” activities, and the co-owners are Nebojša and Dragica Nerić.

In the period from 2012 to 2013, **Ministry of Energy, Development and Environmental Protection** used the web site development services provided by **Hemoterm smart solutions doo**, at the price of 986,231 RSD, including VAT. After the then Minister, Zorana Mihajlović, was appointed the head of the **Ministry of Construction, Transport and Infrastructure**, this ministry concluded a contract with the same company (in 2014), for the provision of web site development services, in the amount of 450,000 RSD, including VAT. After this, the cooperation of the ministry and this company was renewed in 2015, by concluding a one-year contract on the provision of web site hosting and maintenance services, in the amount of 828,000 RSD, without VAT. The contract was concluded in a negotiated public procurement procedure, with a monthly price agreed at 69,000 RSD, without VAT.

Ministry of Culture and Information paid the company **AbsolutOK doo** from Belgrade the amount of 195,286 RSD, including VAT, for the provision of web presentation maintenance services, in 2011, while the **Supreme factory** agency from Novi Sad, owned by Petar Savić, was paid 290,000 RSD, including VAT, also in 2011, for the web presentation development and 320,000 RSD, including VAT, for the web site maintenance and connection with social networks (in 2012). In 2013, **Ministry of Culture and Information** paid the amount of 56,000 RSD, including VAT to the agency **Zidajner** from Belgrade, owned by Dušan Lazarević, for the provision of “web page of the Ministry paid 117,600 RSD to the agency **Beonet**, from Belgrade, owned by Miroslav Žeravčević. This Ministry also paid the amount of 50,000 RSD, including VAT, to the company **Fajn hajp agency** from Novi Sad, owned by Filip Bojović, for the development of a new visual identity of the web application (registry of independent professionals in culture)

In the period 2013-2014, **Ministry of Agriculture, Forestry and Water Management** engaged the company **Dubes doo** from Belgrade, owned by Dušan Uzelac (100%), for the services of re-design and upgrade of their web site, at the amount of 414,000 RSD. The re-design service for the web site of this Ministry was also paid to the company **Tangerine**, from Belgrade, owned by Marija Obradović, at the price of 290,000 RSD (2013-2014), while the agency **Šutija-web** from Belgrade, owned by Marko Šutija, received 290,000 RSD according to the contract (2011), for the web site maintenance. In the period from 2011 to 2014, this Ministry paid about 390,000 to the agency **Radionica Krug** (Zlatibor), owned by Aleksandra Glišović Cerovina, for the maintenance of the web portal of the Department for acknowledgement of the varieties of agricultural plants www.sorte.minpolj.gov.rs which works within the Ministry.

In 2014, **Forest Administration** of the **Ministry of Agriculture, Forestry and Water Management** concluded a contract with **Iron Trust doo**, from Belgrade, for the web presentation development, in the amount of 288,000 RSD, including VAT.

In 2011, the **Ministry of Youth and Sport** engaged the Agency for internet marketing **Shantel** from Indija, owned by Nebojša Vujinović, for the upgrade and maintenance of youth web site, at a price of 820,000 RSD. Agency **Radionica Krug** (Zlatibor), owned by Aleksandra Glišović Cerovina, received 203,920 RSD in 2012, for the Ministry’s web site maintenance. In 2013, this Ministry also paid **Omnicom Solution doo** from Belgrade, the amount of 528,000 RSD for improvement of the layout of its websites. The owners of the said company are Rade Mačković (37.5%), Miloš Milošević (37.5%) and Ivan Lazarević (25%).

In the period 2011-2012, the **Ministry of finance** paid the amount of 843,380 RSD, including VAT, to **Efecta solutions doo**, from Belgrade, owned by Aleksandar Lekić (100%), for the provision of web site maintenance services. The payment was made in accordance with the contract concluded

in a negotiated procedure, without invitation to bid and then paid 150,000 RSD to **Qode Interactive doo**, from Belgrade, owned by Ivan Paunović (100%), for the “website harmonization”.

Directorate for Execution of Criminal Sanctions and Sector for Representation of RS before the European Court of Human Rights paid the amount of 540,000 RSD for web portal hosting and maintenance services to **Effecta Solutions doo** from Belgrade (2013-2014).

Ministry of Economy paid the amount of 248,000 RSD to **Effecta Solutions doo** from Belgrade, for the provision of web site maintenance services, in 2013.

In 2014, **National Employment Service** (Serbian acronym: NES) paid the amount of 3.4m RSD to **Inbox doo** from Belgrade, for the provision of “web site maintenance and development” services. In 2012, NES paid the amount of 3.2m RSD for the provision of “web site upgrade and yearly maintenance” services to **Prototype doo** and other members of the consortium **Hypnotic doo** and **CPU doo** from Belgrade, as well as **Ion solutions doo** from Novi Sad.

The City of Belgrade paid the amount of 1.3m RSD to **Formtech doo** from Belgrade, owned by Marjola and Mihovil Nakić (100%), for the provision of web site maintenance and updating services, for the web site of “Službeni glasnik” official publication of the City of Belgrade.

In the period from 2011 to 2014, **Building Directorate of Serbia** paid 657,100 RSD to the agency **Sinergija dizajn** from Nova Pazova, owned by Vuk Popadić (100%), for the provision of web site re-design services.

Institute for the Protection of Cultural Monuments of Vojvodina paid the amount of 310,000 RSD in 2014, to the agency **Smart-pms** from Novi Sad, owned by Aljoša Petrojević, for the development of the Serbian Latin and English versions of the web site.

Provincial Secretariat for Interregional Cooperation and Local Self-Government entrusted the maintenance of its web presentation to **Taic doo** from Novi Sad, and for the said service paid 540,000 RSD, in 2013 and 360,000 RSD in 2014, respectively. The owners of this company are Mita Stojić (5%), Vladimir Mandić (20.5%), Dragan Vasić (8%) and the company **M & I SYSTEMS CO doo** (50%).

In 2014, the **Provincial Secretariat for Energy and Mineral Resources** and Endre Varga concluded a service contract for the web site maintenance, in the amount of 171,706 RSD

THE COUNCIL’S CONCLUSION: *Promotional activities of state authorities and public enterprises towards the outside world, the public and service users are also manifested through their web presentations, which in the modern world of electronic media is one of elementary forms of promotion, which costs minimally. For objective reasons, the Anti-Corruption Council did not enter into a qualitative analysis of the contents of concrete web presentations, nor did it research whether the costs of development of those web presentations were commercially justified or realistic. The Council, however, points out that not all of the ministries and all of the authorities of the Government of the Republic of Serbia and the Government of the Republic of the AP Vojvodina asked for the professional assistance in terms of making free web presentations from Administration for Joint Services of the Republic Bodies (Serbian acronym: UZPRO)⁴³ and the Administration for Joint Services of the Provincial Bodies (Serbian acronym: UZPPO), respectively.⁴⁴ At the annual level, in the period from 2011 to 2014, UZPRO developed, in average, about 10 websites and provided maintenance services for between 16 and 22 Republic authorities’ web presentations. In the reference period, UZPPO received requests for web site development from only four Provincial*

⁴³ Regulation on the Administration for Joint Services of Republic Bodies (“Official Gazette of the RS”, No. 61/13)

⁴⁴ Decision on the Administration for Joint Services of Provincial Bodies (“Official Gazette of APV”, no. 10/10, 22/10, 19/11 and 16/14)

authorities, and successfully responded to those requests. These authorities are, in accordance to their scope of work, in obligation to provide free of charge IT services, at the request of state institutions, that is, to provide web site development, upgrading and maintenance services for Republic and Provincial authorities. However, some of the public bodies chose to engage private companies for the provision of the mentioned services, which were paid from the budget funds.

5. RECOMMENDATIONS

Based on the conclusions that can be drawn from the analysis presented in the Report, the Anti-Corruption Council of the Government of the Republic of Serbia makes the following recommendations:

1. The Government of the Republic of Serbia should review this Report and inform the public on its conclusions;
2. The Government of the Republic of Serbia should propose a legislative framework in order to establish clear criteria for evaluation of the justification and usefulness of advertising of public sector institutions;
3. The Government of the Republic of Serbia should propose a legislative framework in order to establish clear criteria for evaluation of the justification and usefulness of contracting public opinion research services;
4. The Government of the Republic of Serbia should initiate the establishment of clear and transparent criteria for the conclusion of contracts on the provision of services free of charge between the public authorities and the media;
5. Culture and Information Committee of the National Assembly of the Republic of Serbia should initiate a public debate on the phenomena noticed in this Report;
6. Culture and Information Committee of the National Assembly of the Republic of Serbia should initiate a public debate on the recommendations made by the Anti-Corruption Council;
7. The ministry responsible for economic affairs should initiate amendments to the Law on Public Enterprises in order to prohibit the financing of the media founders through contracting sponsorships/donations with public funds;
8. The ministry responsible for economic affairs should initiate amendments to the Law on Public Enterprises in order to prohibit the financing of sport organizations through sponsorships and donations from public funds
9. The ministry responsible for economic affairs should initiate amendments to the Law on Public Enterprises in order to prohibit the contracting of media promotion services and advertising of PEs and PUCs that have a monopoly on the market, except the advertising that is directly related, that is, upon which the performance of the core business of a concrete enterprise directly depends;

10. The ministries responsible for monitoring and realization of annual programs and business plans in public enterprises, as well as for the approval of the procurement plans in public enterprises should, within their jurisdiction, implement or initiate the control thereof;
11. The ministry responsible for state administration affairs should, in cooperation with other ministries, propose a legislative framework in order to centralize video production and press clipping services of public sector institutions;
12. The ministry responsible for state administration affairs and the ministry in charge of trade should propose a legislative framework in order to exercise the advertising activities of the public institutions in the media, without contracting the services of intermediary agencies;
13. The ministry responsible for finance should initiate amendments to the Law on Public Procurement in order to establish a mandatory public procurement treatment for all video production services;
14. The ministry responsible for finance should initiate the amendments to the Article 7, paragraph 1, item 10 of the Law on Public Procurement;
15. The ministry responsible for state administration should, in cooperation with other ministries, propose a legislative framework in order to establish a mandatory use of (free) services of the Administration for Joint Services of the Republic Bodies and the Administration for Joint Services of the Provincial Bodies, regarding the services of development and maintenance of web presentations of state administration bodies;
16. The ministries responsible for the supervision of the work of the institutions that were the subject of this Report should initiate proceedings with the Tax Authority regarding the contracting, implementation or payment of media services, with a special emphasis on the paid and not realized, simulated, services in the period from 2011 to 2014.
17. The ministries responsible for the supervision of the work of the institutions that were the subject of this Report should initiate proceedings with the competent prosecutor's offices regarding the contracting, implementation and payment of media services, with a special emphasis on the abuse of public funds and simulated legal transactions for the services which were paid but never realized, in the period from 2011 to 2014;
18. The State Attorney's Office should initiate the proceedings in accordance with its jurisdiction regarding the contracting, implementation and payment of media services in the period from 2011 to 2014;
19. The ministry responsible for economic affairs should propose a legislative framework in order to prohibit sponsorships and donations from companies with majority state capital, which are beneficiaries of state aid or operating with losses;

- 20.** When engaging physical entities, a mandatory obligation should be introduced to obtain reports from criminal records, tax administration records, as well as information on whether the person has been convicted (as with establishing employment);
- 21.** PE Serbian Railways JSC should implement annual marketing and promotion services in a competitive procedure and in the manner prescribed by the Law on Public Procurement, as well as terminate all of the contracts concluded contrary to the said Law;
- 22.** Ministry of Finance should, through the Budget inspection, conduct a control of planning, contracting and implementation of media services in all entities that are subject to regular or extraordinary control and in accordance with the findings, if irregularities are found, initiate proceedings before the Prosecutor's Office, Minor Offence Courts and State Attorney Office;
- 23.** State Audit Institution should conduct, on a relevant sample, an audit of usefulness of media services, that is, video production services, promotion and advertising services of the public sector institutions;
- 24.** Anti-Corruption Agency should consider publishing on their website the names of providers of media services or providers of video production, advertising and promotion services to political parties during election campaigns, as well as the values of those contracts.

Vice-President of the Anti-Corruption Council

Miroslav Milićević

ANNEX 1

Tables of expenditures of public institutions for marketing and advertising services, PR services, promotional and media campaign services, web site maintenance services, sponsorships and donations, by category.

Tables have been completed in accordance with the documentation provided by public institutions. Some institutions, organizations and companies provided different data on several occasions, so in those cases, the Council relied on the signed contracts that were provided and the payments that were available to the Council.⁴⁵

TABLE 1: Expenditures of public institutions, for the provision of marketing and advertising services, PR services, promotional and media campaign services, and web site development and maintenance services						
I category: THE HIGHEST STATE AUTHORITIES						
No.	Name of the institution	Expenditures per year (RSD)				Total 2011-2014.
		2011.	2012.	2013.	2014.	
1	National Assembly of the Republic of Serbia	354,000.00	82,662,320.00	92,744,720.00	91,529,105.00	267,290,145.00
2	The President of the Republic of Serbia	1,494,739.43	1,095,600.00	445,296.00	1,024,694.84	4,060,330.27
3	Government of the Republic of Serbia*	2,928,000.00	2,928,000.00	2,928,000.00	1,067,500.00	9,851,500.00
	Total per year	4,776,739.43	86,685,920.00	96,118,016.00	93,621,299.84	281,201,975.27

TABLE 1: Expenditures of public institutions, for the provision of marketing and advertising services, PR services, promotional and media campaign services, and web site development and maintenance services						
II category: THE MINISTRIES						
No.	Name of the institution	Expenditures per year (RSD)				Total 2011-2014.
		2011	2012	2013	2014	
1	Ministry of Foreign Affairs					
2	Ministry of Defense	9,982,085.00	4,035,766.00	1,488,987.00	1,629,164.00	17,136,002.00
3	Ministry of Interior	1,965,086.00	2,001,024.00	1,913,400.00	369,000.00	6,248,510.00
4	Ministry of Finance	1,279,260.00	66,080.00	243,000.00	33,561.60	1,621,901.60
5	Ministry of Economy	0.0	0.0	3,000,525.00	1,966,356.78	4,966,881.78
6	Ministry of Justice	2,207,320.00	1,880,460.00	2,123,760.00	2,559,042.00	8,770,582.00
7	Min. of Agriculture and Environmental Protection	19,512,302.79	31,388,211.79	43,688,246.52	26,554,725.12	121,143,486.22
8	Min. of Public Administration and Loc. Self-gov.	0.0	0.0	0.0	369,800.00	369,800.00
9	Min. of Construction, Transport and Infrastructure	0.0	0.0	585,000.00	1,707,570.00	2,292,570.00
10	Ministry of Mining and Energy	599,001.00	776,537.04	4,580,841.77	586,695.00	6,543,074.81
11	Min. of Trade, Tourism and Telecommunications	38,916,169.92	49,149,845.19	29,218,380.59	10,542,648.33	127,827,044.03
12	Min. of Education, Science and Tech. Development	1,825,789.73	2,480,888.35	2,404,768.60	4,704,473.80	11,415,920.48
13	Ministry of Youth and Sport	13,173,198.40	13,174,512.51	4,763,491.20	4,591,109.60	35,702,311.71
14	Ministry of Health	4,224,680.65	4,787,663.67	2,386,804.80	1,894,190.60	13,293,339.72
15	Min. of Labor, Employment, and Social Affairs	4,687,768.30	2,197,500.00	2,456,410.00	3,571,440.00	12,913,118.30
16	Ministry of Culture and Information	8,073,506.99	998,580.00	464,160.00	1,079,967.20	10,616,214.19
	Total per year	106,446,168.78	112,937,068.55	99,317,775.48	62,159,744.03	380,860,756.84

⁴⁵ On the day of December 1, 2015.

TABLE 1: Expenditures of public institutions, for the provision of marketing and advertising services, PR services, promotional and media campaign services, and web site development and maintenance services						
III category: INDEPENDANT ORGANIZATIONS AND FUNDS						
No.	Name of the institution	Expenditures per year (RSD)				Total 2011-2014.
		2011.	2012.	2013.	2014.	
1	National Bank of Serbia	7,100,464.15	11,602,220.61	5,203,809.88	2,146,933.50	26,053,428.14
2	Disability and Pension Fund of the Republic of Serbia	6,927,556.83	10,905,350.20	9,090,312.00	6,290,775.00	33,213,994.03
3	National Health Insurance Fund	6,342,519.23	2,828,719.12	2,833,479.81	3,099,961.17	15,104,679.33
4	Development Fund of the Republic of Serbia	224,148.20	129,780.00	179,130.00	164,674.00	697,732.20
5	National Employment Service	59,480,887.44	57,567,709.19	24,929,058.63	8,201,821.94	150,179,477.20
Total per year		80,075,575.85	83,033,779.12	42,235,790.32	19,904,165.61	225,249,310.90

TABLE 1: Expenditures of public institutions, for the provision of marketing and advertising services, PR services, promotional and media campaign services, and web site development and maintenance services						
V category: STATE ADMINISTRATION INSTITUTIONS						
No.	Name of the institution	Expenditures per year (RSD)				Total 2011-2014.
		2011.	2012.	2013.	2014.	
1	Statistical Office of the Republic of Serbia	14,221,005.72	56,680,508.52	207,329.76	209,233.44	71,318,077.44
2	Republic Geodetic Authority	54,871.00	212,000.00	253,000.00	99,600.00	619,471.00
3	Building Directorate of Serbia	617,112.00	10,565,758.98	15,802,511.00	12,154,166.05	39,139,548.03
4	Public Procurement Office	158,400.00	191,300.00	158,400.00	206,380.00	714,480.00
5	Tax Administration	11,045,704.89	7,446,566.53	3,179,710.00	5,327,955.84	26,999,937.26
6	The Treasury	2,832,000.00	0.00	0.00	0.00	2,832,000.00
7	Directorate for Agrarian Payments	5,180,200.00	3,103,900.00	382,800.00	630,320.00	9,297,220.00
8	Free Zones Administration	38,900.00	102,000.00	48,000.00	0.00	188,900.00
9	National Mortgage Insurance Corporation	981,072.23	422,988.12	349,868.58	57,228.40	1,811,157.33
Total per year		35,129,265.84	78,725,022.15	20,381,619.34	18,684,883.73	152,920,791.06

TABLE 1: Expenditures of public institutions, for the provision of marketing and advertising services, PR services, promotional and media campaign services, and web site development and maintenance services						
VI category: Institutions vested with performing public authorizations						
No.	Name of the institution	Expenditures per year (RSD)				Total 2011-2014.
		2011.	2012.	2013.	2014.	
1	National Tourism Org. of Serbia	61,180,352.01	69,919,783.50	103,982,675.15	60,289,116.00	295,371,926.66
2	Belgrade Business School	2,246,033.00	2,494,980.18	4,334,720.00	5,954,770.47	15,030,503.65
3	The University of Priština	721,531.00	240,000.00	310,700.00	275,200.00	1,547,431.00
4	School of Electrical Engineering	281,769.85	578,860.80	130,800.00	482,910.00	1,474,340.65
5	Gerontology Center of Belgrade	15,000.00	100,000.00	74,000.00	943,030.00	1,132,030.00
6	National Museum in Belgrade	360,805.00	419,711.00	194,839.00	313,854.00	1,289,209.00
7	Pharmacy Belgrade	13,613,920.00	128,722,535.40	47,289,429.33	278,600.00	189,904,484.73
8	Clinical Center of Serbia*	1,202,580.00	1,148,322.00	950,000.00	0.00	3,300,902.00
9	Clinical Center Niš	950,204.00	1,316,612.00	429,122.00	308,641.99	3,004,579.99
Total per year		80,572,194.86	204,940,804.88	157,696,285.48	68,846,122.46	512,055,407.68

TABLE 1: Expenditures of public institutions, for the provision of marketing and advertising services, PR services, promotional and media campaign services, and web site development and maintenance services						
VII category: PUBLIC ENTERPRISES						
No.	Name of institution	Expenditures per year (RSD)				Total 2011-2014.
		2011.	2012.	2013.	2014.	
1	PE Electric Power Industry of Serbia	176,698,317.00	139,878,185.00	160,612,194.00	136,558,061.00	613,746,757.00
2	PE „Elektromreža Srbije	3,741,994.00	11,031,556.00	9,631,030.00	7,888,785.00	32,293,365.00
3	PE for Coal Mining „Resavica“	10,265,416.28	4,195,333.45	10,806,810.21	11,282,942.68	36,550,502.62
4	PE „Srbijagas“					
5	PE „Srbijašume“	15,925,337.30	11,370,886.77	6,767,200.00	6,340,000.00	40,403,424.07
6	PE „Službeni glasnik“	11,271,046.90	15,763,788.40	4,524,003.60	3,952,102.40	35,510,941.30
7	PE Serbian Railways JSC	37,514,205.00	34,858,592.00	14,360,799.00	17,571,939.00	104,305,535.00
8	PE Roads of Serbia	9,482,716.00	12,928,020.00	4,560,000.00	0.00	26,970,736.00
9	PEPost of Serbia	17,863,934.43	1,728,824.00	8,220,975.12	9,182,106.29	36,995,839.84
10	Telekom Serbia					
11	PE for shelters	886,619.00	3,220,047.00	544,500.00	1,000,000.00	5,651,166.00
12	PE „Jugoimport“	13,116,373.54	10,515,119.14	38,158,946.49	50,797,570.51	112,588,009.68
13	PE Ski Resorts of Serbia	3,385,341.46	4,706,519.26	7,736,050.06	5,308,283.62	21,136,194.40
14	PE „Emisiona tehnika i veze“	4,917,954.64	9,617,929.70	2,302,515.41	765,883.52	17,604,283.27
15	PE Nuclear facilities of Serbia	3,361,689.68	892,929.36	0.00	0.00	4,254,619.04
16	„Vode Vojvodine“	699,120.00	900,252.06	532,294.00	490,820.00	2,622,486.06
17	PE „Vojvodinašume“	854,552.50	2,001,038.14	1,651,281.60	3,980,636.00	8,487,508.24
	Total per year	309,984,617.73	263,609,020.28	270,408,599.49	255,119,130.02	1,099,121,367.52

TABLE 1: Expenditures of public institutions, for the provision of marketing and advertising services, PR services, promotional and media campaign services, and web site development and maintenance services						
VIII category: COMPANIES WITH MAJORITY STATE CAPITAL						
No.	Name of institution	Expenditures per year (RSD)				Total 2011-2014.
		2011.	2012.	2013.	2014.	
1	„Elektrovojvodina“ Novi Sad	10,192,306.37	63,008,986.77	45,492,360.00	3,187,590.00	121,881,243.14
2	„Jugoistok“ Niš	25,722,916.23	25,896,889.29	26,843,470.96	10,810,487.88	89,273,764.36
3	„Kolubara“ Lazarevac	16,041,010.18	22,661,532.89	34,380,813.97	18,044,222.60	91,127,579.64
4	Serbian State Lottery*	445,029,695.01	485,192,468.97	254,248,126.29	249,682,592.09	1,434,152,882.36
5	„Nikola Tesla“ Airport	54,771,281.19	69,526,770.74	63,525,645.76	48,115,423.44	235,939,121.13
6	Company „Galenika a.d“	168,903,841.78	126,372,444.20	55,860,061.58	54,918,643.78	406,054,991.34
7	Lubricants factory „FAM ad“ Kruševac	5,212,628.02	6,475,762.27	9,003,992.88	8,837,390.00	29,529,773.17
8	„Hip-Petrohemija“ Pančevo	2,473,963.18	1,152,324.99	1,315,343.32	606,386.18	5,548,017.67
9	Corporation „PKB ad“	24,808,693.70	33,460,979.33	18,905,186.04	7,380,124.49	84,554,983.56
10	Holding company „Prva petoletka	2,613,041.96	6,088,804.16	4,172,923.55	357,520.00	13,232,289.67
11	DIPOS	811,800.00	896,320.80	1,145,662.00	754,612.96	3,608,395.76
12	Company „Koridori Srbije „ Ltd.	2,067,396.37	955,085.66	2,422,834.33	1,179,655.82	6,624,972.18
13	PIU Research and Development Ltd. Belgrade	2,024,558.65	678,053.42	435,564.95	311,013.00	3,449,190.02
14	Belgrade Waterfront	0.00	0.00	0.00	0.00	0.00
15	„Srpska banka ad“ (data is confidential)	17,855,261.00	48,509,699.00	95,245,859.00	25,544,295.00	187,155,114.00
16	SMATSA	4,784,807.00	14,967,766.55	11,662,680.67	150,981,759.50	182,397,013.72
17	Civil Aviation Directorate of the Republic of Serbia	179,947.00	260,755.00	256,692.00	233,220.00	930,614.00
	Total per year	783,493,147.64	906,104,644.04	624,917,217.30	580,944,936.74	2,895,459,945.72

TABLE 1: Expenditures of public institutions, for the provision of marketing and advertising services, PR services, promotional and media campaign services, and web site development and maintenance services						
IX category: LOCAL SELF-GOVERNMENT INSTITUTIONS						
No.	Name of institution	Expenditures per year (RSD)				Total 2011-2014.
		2011.	2012.	2013.	2014.	
1	The Assembly of the City of Belgrade with the Mayor	66,437,617.81	23,637,846.00	35,206,600.00	1,871,100.00	127,153,163.81
3	The Assembly of the City of Novi Sad	757,000.00	3,472,249.49	393,695.05	518,354.83	5,141,299.37
4	The Mayor of Novi Sad	1,338,710.00	908,300.00	1,193,500.00	1,689,921.60	5,130,431.60
5	The Assembly of the City of Kragujevac with the Mayor	297,721.69	1,449,587.80	201,791.95	487,368.00	2,436,469.44
7	The Assembly of the City of Niš	159,728.97	204,453.00	270,000.00	179,400.00	813,581.97
8	The Mayor of Niš	55,644,200.00	65,038,432.00	56,790,000.00	55,989,124.00	233,461,756.00
9	The Assembly of the City of Subotica	2,778,836.24	2,536,078.80	4,692,489.58	3,105,771.00	13,113,175.62
10	The Mayor of Subotica	1,936,778.72	3,856,933.69	1,347,893.28	2,128,759.10	9,270,364.79
	Total per year	129,350,593.43	101,103,880.78	100,095,969.86	65,969,798.53	396,520,242.60

X category: LOCAL PUBLIC ENTERPRISES AND LOCAL SELF-GOVERNMENTS						
No.	Name of institution	Expenditures per year (RSD)				Total 2011-2014.
		2011.	2012.	2013.	2014.	
1	Tourist Organization of Belgrade	34,539,871.60	34,487,147.28	18,446,535.79	15,202,423.39	102,675,978.06
2	PE „Gradske stambeno“ Belgrade	5,261,865.30	5,951,851.07	7,252,529.18	4,877,973.22	23,344,218.77
3	„Arena Beograd“	34,555,412.70	29,203,035.70	33,686,819.29	12,830,648.79	110,275,916.48
4	PUC „Infostan“	7,834,907.72	9,983,083.22	11,623,286.47	387,000.00	29,828,277.41
5	FEST Directorate	27,903,954.70	22,742,639.70	24,897,115.03	21,600,331.93	97,144,041.36
6	Belgrade Land Development Public Agency	4,150,688.25	1,716,228.65	1,202,813.84	272,584.76	7,342,315.50
7	PE „Informatika“ Novi Sad					
8	PE „Poslovni prostor“ Novi Sad	605,820.00	2,338,988.00	648,381.19	280,968.75	3,874,157.94
9	PE for City Construction and Development Novi Sad	20,377,944.79	15,744,868.38	10,727,189.28	15,519,517.20	62,369,519.65
10	PE „Gradske ržnice“ Kragujevac	1,091,362.00	1,153,663.00	1,706,822.00	1,850,620.00	5,802,467.00
11	PUC „Zelenilo“ Kragujevac	355,555.12	1,287,186.03	641,776.48	142,429.52	2,426,947.15
12	PUC „Šumadija sajam“ Kragujevac	1,094,835.20	1,937,089.28	2,095,793.69	966,011.23	6,093,729.40
13	PUC „Gradska toplana Niš“	2,942,283.00	2,851,202.12	2,558,632.41	2,919,921.91	11,272,039.44
14	PUC Mediana Niš	364,657.00	695,960.00	1,285,841.00	794,819.00	3,141,277.00
15	PUC Naissus Niš	3,430,845.10	4,392,694.60	4,138,335.18	5,451,707.91	17,413,582.79
16	Institute for proection of monuments and culture	0.00	0.00	0.00	310,000.00	310,000.00
17	The Urban Insitute of Vojvodina	132,000.00	132,000.00	1,518,000.00	536,000.00	2,318,000.00
	Total per year	144,642,002.48	134,617,637.03	122,429,870.83	83,942,957.61	485,632,467.95

TABLE 1: Expenditures of public institutions, for the provision of marketing and advertising services, PR services, promotional and media campaign services, and web site development and maintenance services						
XI category: AP VOJVODINA FUNDS						
No.	Name of institution	Expenditures per year (RSD)				Total 2011-2014.
		2011.	2012.	2013.	2014.	
1	European Affairs Fund	994,917.17	2,419,057.80	800,729.87	2,954,977.40	7,169,682.24
2	Capital Investments Fund	4,866,355.00	1,555,517.82	491,960.00	660,000.00	7,573,832.82
3	Vojvodina Investmen Promotion	658,124.00	1,971,813.83	829,475.25	1,367,183.49	4,826,596.57
4	Vojvodina Development Fund	224,148.20	129,780.00	179,130.00	164,674.00	697,732.20
	Total per year	6,743,544.37	6,076,169.45	2,301,295.12	5,146,834.89	20,267,843.83

TABLE 1: Expenditures of public institutions, for the provision of marketing and advertising services, PR services, promotional and media campaign services, and web site development and maintenance services						
XII category: GOVERNMENT OF THE AP VOJVODINA (PROVINCIAL SECRETARIATS)						
No.	Name of instituion	Expendiures per year (RSD)				Total
		2011.	2012.	2013.	2014.	
1	Energy	700,340.68	276,120.40	902,045.40	1,193,415.30	3,071,921.78
2	Finance	21,000.00	36,855.00	986,010.00	2,677,536.00	3,721,401.00
3	Culture and Public Information	15,266,808.29	15,016,930.67	10,588,255.95	1,690,593.72	42,562,588.63
4	Interregional Cooperation and Local Self-Gov.	59,826.00	629,618.58	12,037,417.80	27,579,211.60	40,306,073.98
5	Science and Technological Development	5,245,692.00	5,383,460.00	3,742,000.00	11,872,341.00	26,243,493.00
6	Agriculture	777,034.13	908,429.00	2,235,279.60	663,462.00	4,584,204.73
7	Economy, Employment and Gender Equality	0.00	0.00	1,972,800.00	23,224,000.00	25,196,800.00
8	Sports and Youth	632,744.42	353,295.20	459,678.60	522,216.60	1,967,934.82
9	Urban Planning, Construction and Env. Protection	703,318.60	781,098.26	380,129.00	12,531,109.80	14,395,655.66
10	Health Care	1,230,805.32	1,905,356.40	11,498,880.40	17,978,897.60	32,613,939.72
11	Education and Administration	7,000,000.00	5,117,600.00	6,093,800.00	6,157,600.00	24,369,000.00
	Total per year	31,637,569.44	30,408,763.51	50,896,296.75	106,090,383.62	219,033,013.32

ANNEX 2

Tables of expenditures, by the type of services

Table 14 Expenditures per year						
I CATEGORY						
No.	TYPE OF EXPENDITURE	Expenditures per year (RSD)				Total 2011-2014.
		2011	2012.	2013.	2014.	
3	ADVERTISING IN THE MEDIA	0.00	0.00	0.00	0.00	0.00
4	WEB SITE DEVELOPMENT AND/OR MAINTENANCE	0.00	0.00	213,900.00	1,343,288.84	1,557,188.84
5	PR SERVICES	0.00	0.00	0.00	0.00	0.00
6	EVENT RECORDING	2,358,000.00	1,608,000.00	1,167,996.00	359,991.00	5,493,987.00
7	BUSINESS-TECHNICAL COOPERATION	0.00	0.00	0.00	0.00	0.00
8	DEVELOPMENT AND PRINTING OF PROMO MATERIALS	0.00	0.00	0.00	0.00	0.00
9	OTHER SERVICES	0.00	0.00	0.00	0.00	0.00
10	PRESS CLIPPING	2,418,739.43	2,797,920.00	2,534,640.00	1,996,540.00	9,747,839.43
11	PRODUCTION	0.00	82,280,000.00	92,201,480.00	89,921,480.00	264,402,960.00
10	ORGANIZATION OF CONFERENCES, TRADE FAIRS AND EVENTS	0.00	0.00	0.00	0.00	0.00
12	SPONSORSHIPS AND DONATIONS	0.00	0.00	0.00	0.00	0.00
Total per year		4,776,739.43	86,685,920.00	96,118,016.00	93,621,299.84	281,201,975.27

Table 14 Expenditures per year						
II CATEGORY						
No.	TYPE OF EXPENDITURE	Expenditures per year (RSD)				Total
		2011	2012.	2013.	2014.	
3	ADVERTISING IN THE MEDIA	11,243,491.44	24,630,990.99	8,553,107.40	7,413,977.80	51,841,567.63
4	WEB SITE DEVELOPMENT AND/OR MAINTENANCE	5,181,398.47	3,684,558.95	4,465,361.47	1,915,199.20	15,246,518.09
5	PR SERVICES	22,544,108.78	26,136,585.33	15,257,281.65	9,470,311.18	73,408,286.94
6	EVENT RECORDING	2,360,000.00	366,180.00	5,047,200.00	1,492,200.00	9,265,580.00
7	BUSINESS-TECHNICAL COOPERATION	2,748,886.41	1,036,430.00	27,361,408.14	18,854,417.93	50,001,142.48
8	DEVELOPMENT AND PRINTING OF PROMO MATERIALS	13,475,760.91	24,979,492.82	21,237,957.54	0.00	59,693,211.27
9	OTHER SERVICES	1,650,033.33	5,058,863.11	327,224.00	1,706,220.00	8,742,340.44
10	PRESS CLIPPING	5,505,201.48	3,656,487.16	7,188,460.28	3,173,346.93	19,523,495.85
11	PRODUCTION	31,120,072.00	12,786,367.12	10,009,775.00	13,021,625.00	66,937,839.12
10	ORGANIZATION OF CONFERENCES, TRADE FAIRS AND EVENTS	3,167,663.50	182,616.39	0.00	2,693,646.00	6,043,925.89
12	SPONSORSHIPS AND DONATIONS	7,449,552.46	9,938,496.68	350,000.00	2,418,799.99	20,156,849.13
Total per year		106,446,168.78	112,457,068.55	99,797,775.48	62,159,744.03	380,860,756.84

Table 14 Expenditures per year						
III CATEGORY						
No.	TYPE OF EXPENDITURE	Expenditure per year (RSD)				Total
		2011	2012.	2013.	2014.	
3	ADVERTISING IN THE MEDIA	7,533,679.20	8,509,950.70	3,898,540.97	644,594.00	20,586,764.87
4	WEB SITE DEVELOPMENT AND/OR MAINTENANCE	8,471,965.06	6,507,556.38	4,457,464.28	777,600.00	20,214,585.72
5	PR SERVICES	2,262,643.18	14,703,894.42	2,219,352.51	1,872,453.50	21,058,343.61
6	EVENT RECORDING	171,401.92	138,826.80	312,901.41	1,501,970.40	2,125,100.53
7	BUSINESS-TECHNICAL COOPERATION	4,290,108.96	539,818.19	145,000.00	0.00	4,974,927.15
8	DEVELOPMENT AND PRINTING OF PROMO MATERIALS	46,216,788.23	44,918,715.09	26,066,886.00	11,682,679.77	128,885,069.09
9	OTHER SERVICES	0.00	2,870,515.20	0.00	0.00	2,870,515.20
10	PRESS CLIPPING	2,583,792.15	1,829,750.80	1,879,295.15	1,024,867.94	7,317,706.04
11	PRODUCTION	6,718,920.00	0.00	838,350.00	0.00	7,557,270.00
10	ORGANIZATION OF CONFERENCES, TRADE FAIRS AND EVENTS	1,826,277.15	2,696,300.00	2,418,000.00	2,400,000.00	9,340,577.15
12	SPONSORSHIPS AND DONATIONS	0.00	0.00	318,451.61	0.00	318,451.61
Total per year		80,075,575.85	82,715,327.58	42,554,241.93	19,904,165.61	225,249,310.97

Table 14 Expenditures per year						
IV CATEGORY						
No.	TYPE OF EXPENDITURE	Expenditures per year (RSD)				Total
3	ADVERTISING IN THE MEDIA	46,610,667.09	23,396,109.37	38,745,992.45	22,871,557.65	131,624,326.56
4	WEB SITE DEVELOPMENT AND/OR MAINTANANCE	1,714,630.04	6,396,198.20	1,600,314.94	1,876,426.67	11,587,569.85
5	PR SERVICES	1,965,265.32	8,493,404.71	7,313,395.30	3,486,655.80	21,258,721.13
6	EVENT RECORDING	20,568,999.69	18,684,367.13	16,805,228.13	233,000.00	56,291,594.95
7	BUSINESS-TECHNICAL COOPERATION	2,832,000.00	0.00	0.00	0.00	2,832,000.00
8	DEVELOPMENT AND PRINTING OF PROMO MATERIALS	1,047,043.64	2,164,927.35	315,544.00	539,408.98	4,066,923.97
9	OTHER SERVICES	0.00	0.00	0.00	0.00	0.00
10	PRESS CLIPPING	1,440,332.47	1,812,081.20	2,137,121.73	1,146,149.66	6,535,685.06
11	PRODUCTION	2,250,000.00	1,925,000.00	0.00	0.00	4,175,000.00
10	ORGANIZATION OF CONFERENCES, TRADE FAIRS AND EVENTS	0.00	0.00	0.00	0.00	0.00
12	SPONSORSHIPS AND DONATIONS	0.00	0.00	0.00	0.00	0.00
	Total per year	78,428,938.25	62,872,087.96	66,917,596.55	30,153,198.76	238,371,821.52

Table 14 Expenditures per year						
V CATEGORY						
No.	TYPE OF EXPENDITURE	Expenditures per year (RSD)				Total
3	ADVERTISING IN THE MEDIA	30,264,593.41	74,868,897.03	18,253,051.11	16,814,753.89	140,201,295.44
4	WEB SITE DEVELOPMENT AND/OR MAINTENANCE	534,787.73	720,800.00	582,609.00	771,100.00	2,609,296.73
5	PR SERVICES	2,832,000.00	0.00	0.00	0.00	2,832,000.00
6	EVENT RECORDING	0.00	0.00	0.00	0.00	0.00
7	BUSINESS-TECHNICAL COOPERATION	0.00	1,962,000.00	150,000.00	0.00	2,112,000.00
8	DEVELOPMENT AND PRINTING OF PROMO MATERIALS	539,101.70	246,813.12	250,829.58	28,596.40	1,065,340.80
9	OTHER SERVICES	0.00	0.00	0.00	0.00	0.00
10	PRESS CLIPPING	569,383.00	926,512.00	1,145,129.76	1,070,433.44	3,711,458.20
11	PRODUCTION	0.00	0.00	0.00	0.00	0.00
10	ORGANIZATION OF CONFERENCES, TRADE FAIRS AND EVENTS	0.00	0.00	0.00	0.00	0.00
12	SPONSORSHIPS AND DONATIONS	389,400.00	0.00	0.00	0.00	389,400.00
	Total per year	35,129,265.84	78,725,022.15	20,381,619.45	18,684,883.73	152,920,791.17

Table 14 Expenditures per year						
VI CATEGORY						
No.	TYPE OF SERVICE	Expenditures per year (RSD)				Total
3	ADVERTISING IN THE MEDIA	13,867,031.97	12,819,409.82	30,276,739.98	23,517,063.00	80,480,244.77
4	WEB SITE DEVELOPMENT AND/OR MAINTENANCE	265,786.00	1,116,981.00	3,453,000.00	1,082,699.00	5,918,466.00
5	PR SERVICES	30,574,648.40	41,487,996.18	42,063,302.09	28,819,723.46	142,945,670.13
6	EVENT RECORDING	3,683,778.00	3,200,000.00	7,602,697.00	639,000.00	15,125,475.00
7	BUSINESS-TECHNICAL COOPERATION	12,533,756.00	13,520,757.00	20,366,922.00	13,603,261.00	60,024,696.00
8	DEVELOPMENT AND PRINTING OF PROMO MATERIALS	465,820.00	120,000.00	0.00	25,000.00	610,820.00
9	OTHER SERVICES	1,202,580.00	758,322.00	0.00	0.00	1,960,902.00
10	PRESS CLIPPING	739,619.00	624,916.00	467,493.00	589,376.00	2,421,404.00
11	PRODUCTION	0.00	0.00	0.00	0.00	0.00
10	ORGANIZATION OF CONFERENCES, TRADE FAIRS AND EVENTS	0.00	0.00	0.00	0.00	0.00
12	SPONSORSHIPS AND DONATIONS	17,239,175.49	131,292,422.08	53,466,131.41	570,000.00	202,567,728.98
	Total per year	80,572,194.86	204,940,804.08	157,696,285.48	68,846,122.46	512,055,406.88

Table 14 Expenditures per year						
VII CATEGORY						
No.	TYPE OF EXPENDITURE	Expenditures per year (RSD)				Total
3	ADVERTISING IN THE MEDIA	46,562,888.40	40,377,254.95	17,122,149.35	17,352,794.76	121,415,087.46
4	WEB SITE DEVELOPMENT AND/OR MAINTENANCE	1,406,156.60	2,358,440.00	1,792,600.00	1,227,850.00	6,785,046.60
5	PR SERVICES	14,460,876.88	16,615,379.57	10,160,993.00	3,911,302.15	45,148,551.60
6	EVENT RECORDING	7,209,940.00	10,060,293.00	4,816,339.00	6,440,155.00	28,526,727.00
7	BUSINESS-TECHNICAL COOPERATION	4,587,063.00	4,824,021.34	4,754,000.00	5,799,007.97	19,964,092.31
8	DEVELOPMENT AND PRINTING OF PROMO MATERIALS	10,155,005.09	13,054,292.67	15,149,453.46	13,891,617.07	52,250,368.29
9	OTHER SERVICES	5,547,665.00	11,066,785.00	9,791,521.67	13,421,609.00	39,827,580.67
10	PRESS CLIPPING	3,539,394.48	4,609,236.22	3,966,523.66	1,542,047.80	13,657,202.16
11	PRODUCTION	0.00	2,478,000.00	0.00	0.00	2,478,000.00
10	ORGANIZATION OF CONFERENCES, TRADE FAIRS AND EVENTS	21,130,655.29	16,941,517.61	40,626,516.58	52,518,979.99	131,217,669.47
12	SPONSORSHIPS AND DONATIONS	177,521,038.56	139,494,975.95	154,007,527.63	129,831,659.98	600,855,202.12
Total per year		292,120,683.30	261,880,196.31	262,187,624.35	245,937,023.72	1,062,125,527.68

Table 14 Expenditures per year						
VIII CATEGORY						
No.	TYPE OF EXPENDITURE	Expenditures per year (RSD)				Total
3	ADVERTISING IN THE MEDIA	380,018,685.46	381,191,419.82	243,079,126.93	191,426,484.24	1,195,715,716.45
4	WEB SITE DEVELOPMENT AND/OR MAINTENANCE	4,955,285.05	4,199,924.02	3,467,996.89	1,792,044.64	14,415,250.60
5	PR SERVICES	24,438,612.00	33,224,740.62	33,693,843.55	8,147,209.96	99,504,406.13
6	EVENT RECORDING	8,098,564.00	13,411,533.00	12,718,065.00	993,380.00	35,221,542.00
7	BUSINESS-TECHNICAL COOPERATION	61,129,933.16	114,808,185.37	111,927,355.69	87,302,740.14	375,168,214.36
8	DEVELOPMENT AND PRINTING OF PROMO MATERIALS	8,914,144.13	13,458,627.64	4,868,779.44	5,243,713.97	32,485,265.18
9	OTHER SERVICES	70,803,380.55	61,843,437.95	9,798,811.22	9,018,996.68	151,464,626.40
10	PRESS CLIPPING	2,844,641.72	3,032,501.80	2,703,330.36	1,934,566.61	10,515,040.49
11	PRODUCTION	40,562,801.00	79,670,176.38	8,513,806.63	5,490,973.04	134,237,757.05
10	ORGANIZATION OF CONFERENCES, TRADE FAIRS AND EVENTS	1,071,000.00	504,855.00	308,430.00	91,200.00	1,975,485.00
12	SPONSORSHIPS AND DONATIONS	180,656,154.57	200,759,242.44	193,837,371.59	269,503,627.46	844,756,396.06
Total per year		783,493,201.64	906,104,644.04	624,916,917.30	580,944,936.74	2,895,459,699.72

Table 14 Expenditures per year						
IX CATEGORY						
No.	VRSTA RASHODA	Expenditures per year (RSD)				Total
3	ADVERTISING IN THE MEDIA	12,748,197.38	17,879,837.39	10,664,136.83	10,832,973.70	52,125,145.30
4	WEB SITE DEVELOPMENT AND/OR MAINTENANCE	536,800.00	765,170.12	442,640.00	511,203.22	2,255,813.34
5	PR SERVICES	7,097,440.00	11,560,650.80	5,206,033.20	3,234,980.00	27,099,104.00
6	EVENT RECORDING	8,380,027.20	247,413.33	5,569,590.36	546,451.61	14,743,482.50
7	BUSINESS-TECHNICAL COOPERATION	0.00	100,000.00	1,073,695.05	159,000.00	1,332,695.05
8	DEVELOPMENT AND PRINTING OF PROMO MATERIALS	3,974,026.86	6,991,817.04	783,818.05	631,890.00	12,381,551.95
9	OTHER SERVICES	1,651,227.34	0.00	438,096.37	456,100.00	2,545,423.71
10	PRESS CLIPPING	3,725,850.00	4,775,914.10	2,776,920.00	1,057,200.00	12,335,884.10
11	PRODUCTION	46,883,024.65	10,243,078.00	26,051,040.00	0.00	83,177,142.65
10	ORGANIZATION OF CONFERENCES, TRADE FAIRS AND EVENTS	354,000.00	0.00	0.00	0.00	354,000.00
12	SPONSORSHIPS AND DONATIONS	44,000,000.00	48,540,000.00	47,090,000.00	48,540,000.00	188,170,000.00
Total per year		129,350,593.43	101,103,880.78	100,095,969.86	65,969,798.53	396,520,242.60

Table 14 Expenditures per year						
X CATEGORY						
No.	TYPE OF EXPENDITURE	Expenditures per year (RSD)				Total
3	ADVERTISING IN THE MEDIA	41,474,346.61	38,327,123.63	44,523,871.29	17,799,819.05	142,125,160.58
4	WEB SITE DEVELOPMENT AND/OR MAINTENANCE	2,141,419.00	1,457,143.86	2,207,623.95	1,879,176.00	7,685,362.81
5	PR SERVICES	28,570,059.19	26,426,771.25	20,464,540.29	15,370,947.59	90,832,318.32
6	EVENT RECORDING	2,802,700.00	1,433,640.00	582,303.00	464,400.00	5,283,043.00
7	BUSINESS-TECHNICAL COOPERATION	5,370,522.98	5,455,973.27	6,488,578.00	4,781,923.90	22,096,998.15
8	DEVELOPMENT AND PRINTING OF PROMO MATERIALS	14,546,199.16	15,553,905.96	2,051,888.01	7,016,696.46	39,168,689.59
9	OTHER SERVICES	10,444,260.76	6,178,526.09	5,525,055.36	5,434,329.37	27,582,171.58
10	PRESS CLIPPING	1,706,905.72	1,381,071.34	810,914.07	834,924.07	4,733,815.20
11	PRODUCTION	0.00	0.00	0.00	790,800.00	790,800.00
10	ORGANIZATION OF CONFERENCES, TRADE FAIRS AND EVENTS	13,907,534.00	16,366,277.78	14,006,591.79	8,040,268.14	52,320,671.71
12	SPONSORSHIPS AND DONATIONS	23,678,054.66	22,037,203.85	25,768,604.57	21,529,672.21	93,013,535.29
	Total per year	144,642,002.08	134,617,637.03	122,429,970.33	83,942,956.79	485,632,566.23

Table 14 Expenditures per year						
XI CATEGORY						
No.	TYPE OF EXPENDITURE	Expenditures per year (RSD)				Total
3	ADVERTISING IN THE MEDIA	4,228,543.20	2,222,519.52	459,994.75	1,082,762.29	7,993,819.76
4	WEB SITE DEVELOPMENT AND/OR MAINTENANCE	850,000.00	1,995,157.82	483,000.00	540,000.00	3,868,157.82
5	PR SERVICES	0.00	0.00	0.00	0.00	0.00
6	EVENT RECORDING	0.00	0.00	74,840.37	0.00	74,840.37
7	BUSINESS-TECHNICAL COOPERATION	0.00	0.00	0.00	1,741,494.60	1,741,494.60
8	DEVELOPMENT AND PRINTING OF PROMO MATERIALS	1,084,142.17	1,270,132.11	697,500.00	1,098,578.00	4,150,352.28
9	OTHER SERVICES	0.00	0.00	0.00	0.00	0.00
10	PRESS CLIPPING	580,859.00	588,360.00	585,960.00	684,000.00	2,439,179.00
11	PRODUCTION	0.00	0.00	0.00	0.00	0.00
10	ORGANIZATION OF CONFERENCES, TRADE FAIRS AND EVENTS	0.00	0.00	0.00	0.00	0.00
12	SPONSORSHIPS AND DONATIONS	0.00	0.00	0.00	0.00	0.00
	Total per year	6,743,544.37	6,076,169.45	2,301,295.12	5,146,834.89	20,267,843.83

Table 14 Expenditures per year						
XII CATEGORY						
No.	TYPE OF EXPENDITURE	Expenditures per year (RSD)				Total
3	ADVERTISING IN THE MEDIA	3,394,401.38	3,619,942.84	6,198,050.22	11,437,049.40	24,649,443.84
4	WEB SITE DEVELOPMENT AND/OR MAINTENANCE	233,433.75	180,730.00	623,253.00	531,706.50	1,569,123.25
5	PR SERVICES	4,866,300.00	5,213,120.00	14,522,000.00	26,477,600.00	51,079,020.00
6	EVENT RECORDING	13,028,471.58	10,905,337.00	22,926,600.00	60,913,802.00	107,774,210.58
7	BUSINESS-TECHNICAL COOPERATION	7,510,000.00	7,050,600.00	2,520,000.00	0.00	17,080,600.00
8	DEVELOPMENT AND PRINTING OF PROMO MATERIALS	0.00	0.00	0.00	0.00	0.00
9	OTHER SERVICES	0.00	40,000.00	63,800.00	87,600.00	191,400.00
10	PRESS CLIPPING	1,929,762.71	2,623,833.67	3,142,593.53	2,282,625.72	9,978,815.63
11	PRODUCTION	0.00	0.00	900,000.00	4,360,000.00	5,260,000.00
10	ORGANIZATION OF CONFERENCES, TRADE FAIRS AND EVENTS	675,200.00	775,200.00	0.00	0.00	1,450,400.00
12	SPONSORSHIPS AND DONATIONS	0.00	0.00	0.00	0.00	0.00
	Total per year	31,637,569.42	30,408,763.51	50,896,296.75	106,090,383.62	219,033,013.30

ANNEX 3

Lists of advertising and marketing services providers, selected by random sample

An overview of significant legal entities engaged in marketing and/or video production, media houses, with revenues earned from the budget, recorded through the consolidated account of The Treasury of the Ministry of Finance (2011-2014)								
No.	Name of legal entity	Registration number	Ownership structure	2011	2012	2013	2014	2011-2014 TOTAL
1	LETTER&SON DOO	20437162	Jelena Milenković Orlić 100%	2,400,000.00	1,940,000.00	0.00	0.00	4,340,000.00
An overview of significant legal entities – contracting authorities, recoded through the consolidated account of The Treasury of the Ministry of Finance (2011-2014)								
No.	Name of legal entity	Payment code		2011	2012	2013	2014	2011-2014 TOTAL
1	DIRECTORATE FOR GENDER EQUALITY	221		2,400,000.00				2,400,000.00
2	MINISTRY OF LABOR ANDEMPLOYMENT	221			1,940,000.00			1,940,000.00
	TOTAL			2,400,000.00	1,940,000.00	0.00	0.00	4,340,000.00

An overview of significant legal entities engaged in marketing and/or video production, media houses, with revenues earned from the budget, recorded through consolidated account of The Treasury of the Ministry of Finance (2011-2014)								
No.	Name of legal entity	Registration number	Ownership structure	2011	2012	2013	2014	2011-2014 TOTAL
1	SVA DOO BEOGRAD	7447558	Bojan Joksimović 51,5% Predrag Zorić 21% Mirjana Mandić 6,5% Mirko Mandić 21%	0.00	2,517,760.91	0.00	2,194,496.40	4,712,257.31
An overview of significant legal entities – contracting authorities, recoded through the consolidated account of The Treasury of the Ministry of Finance (2011-2014)								
No.	Name of legal entity	Payment code		2011	2012	2013	2014	2011-2014 TOTAL
1	DEPARTMENT OF BIOMEDICINE	221			2,155,360.91		2,194,496.40	4,349,857.31
2	MINISTRY OF AGRICULTURE	221			362,400.00			362,400.00
	TOTAL			0.00	2,517,760.91	0.00	2,194,496.40	4,712,257.31

An overview of significant legal entities engaged in marketing and/or video production, media publishers, with revenues earned from the budget, recorded through consolidated account of The Treasury of the Ministry of Finance (2011-2014)								
No.	Name of legal entity	Registration number	Ownership structure	2011	2012	2013	2014	2011-2014 TOTAL
1	SCAN AGENCIJA	8815232	Milka Puzigaća 100%	3,540,000.00	1,180,000.00	474,000.00	474,000.00	5,668,000.00
An overview of significant legal entities – contracting authorities, recoded through the consolidated account of The Treasury of the Ministry of Finance (2011-2014)								
No.	Name of legal entity	Payment code		2011	2012	2013	2014	2011-2014 TOTAL
1	PE FOR CITY CONSTRUCTION AND DEVELOPMENT	221		3,540,000.00				3,540,000.00
2	FUND FOR MUNICIPAL CONSTRUCTION AND BUILDING LAND "KOVAČICA"	221			1,180,000.00			1,180,000.00
3	PE FOR MUNICIPAL BUILDING	221				474,000.00		474,000.00
4	MUNICIPALITY OF KOVAČICA	221					474,000.00	474,000.00
	TOTAL			3,540,000.00	1,180,000.00	474,000.00	474,000.00	5,668,000.00

An overview of significant legal entities engaged in marketing and/or video production, media publishers, with revenues earned from the budget, recorded through consolidated account of The Treasury of the Ministry of Finance (2011-2014)

No.	Name of legal entity	Registration number	Ownership structure	2011	2012	2013	2014	2011-2014 TOTAL
1	JUTRO PRODUCTION DOO	7673604	Stojan Marković 100%	463,800.00	1,618,615.00	2,436,262.94	1,496,102.00	6,014,779.94

An overview of significant legal entities – contracting authorities, recoded through the consolidated account of The Treasury of the Ministry of Finance (2011-2014)

No.	Name of legal entity	Payment code	2011	2012	2013	2014	2011-2014 TOTAL
1	CULTURAL CENTER ČAČAK	221	69,000.00	78,000.00	21,000.00		168,000.00
2	THE CITY OF ČAČAK	221	357,800.00	806,873.00	1,996,732.94	531,340.00	3,692,745.94
3	REGIONAL CENTER ČAČAK	221	8,000.00			7,200.00	15,200.00
4	TOURIST ORG. CONSERVATION OF OVCHAR-KABLAR REGION ČAČAK	221	29,000.00				29,000.00
5	MINISTRY OF CULTURE	221		601,712.00	242,000.00	947,862.00	1,791,574.00
6	PE "GRADAC" ČAČAK	221		107,126.00	81,326.00	7,200.00	195,652.00
7	NATIONAL MUSEUM ČAČAK	221		5,200.00	28,000.00		33,200.00
8	PE "TO ČAČAK"			19,704.00	35,000.00	2,500.00	57,204.00
9	ČAČAK SCHOOL OF ECONOMICS	221			9,324.00		9,324.00
10	NATIONAL EMPLOYMENT SERVICE ČAČAK	221			7,680.00		7,680.00
11	PUC PARKING SERVICE ČAČAK	221			15,200.00		15,200.00
	TOTAL		463,800.00	1,618,615.00	2,436,262.94	1,496,102.00	6,014,779.94

An overview of significant legal entities engaged in marketing and/or video production, media publishers, with revenues earned from the budget, recorded through consolidated account of The Treasury of the Ministry of Finance (2011-2014)								
No.	Name of legal entity	Registration number	Ownership structure	2011	2012	2013	2014	2011-2014 TOTAL
1	NIELSEN AUDIENCE MEASUREMENT DOO BEOGRAD	17382870	Srdan Bogosavljević 24% AGB NIELSEN MEDIA RESEARCH TAM HOLDING B.V. 76%	175,407.06	228,069.58	188,379.46	5,643,165.54	6,235,021.64
An overview of significant legal entities – contracting authorities, recoded through the consolidated account of The Treasury of the Ministry of Finance (2011-2014)								
No.	Name of legal entity	Payment code		2011	2012	2013	2014	2011-2014 TOTAL
1	MINISTRY OF EDUCATION	221		68,833.33				68,833.33
2	MINISTRY OF SCIENCE AND TECHNOLOGY	221		82,600.00				82,600.00
3	THE CITY OF NOVI PAZAR	221		23,973.73		26,786.42		50,760.15
4	THE CITY OF NOVI PAZAR	262			24,537.89			24,537.89
5	PE FOR INFORMATION “NOVI PAZAR”	221			203,531.69	161,593.04		365,124.73
6	REGULATORY AUTHORITY OF EL. MEDIA (REP. BROADCASTING AGENCY)	221					1,438,744.82	1,438,744.82
7	REGULATORY AUTHORITY OF EL. MEDIA	221					571,574.16	571,574.16
8	BROADCASTING AGENCY OF VOJVODINA	221					3,632,846.56	3,632,846.56
	TOTAL			175,407.06	228,069.58	188,379.46	5,643,165.54	6,235,021.64

An overview of significant legal entities engaged in marketing and/or video production, media publishers, with revenues earned from the budget, recorded through consolidated account of The Treasury of the Ministry of Finance (2011-2014)								
No.	Name of legal entity	Registration number	Ownership structure	2011	2012	2013	2014	2011-2014 TOTAL
1	KITCHEN & GOOD WOLF	8815232	Milka Puzigaća 100%	0.00	0.00	6,822,720.00	5,379,940.00	12,202,660.00
An overview of significant legal entities – contracting authorities, recoded through the consolidated account of The Treasury of the Ministry of Finance (2011-2014)								
No.	Name of legal entity	Payment code		2011	2012	2013	2014	2011-2014 TOTAL
1	AP VOJVODINA	221				6,489,600.00	4,188,180.00	10,677,780.00
2	CANOE-KAYAK CLUB "VOJVODINA"	221				32,400.00		32,400.00
3	UNIVERSITY OF NOVI SAD	221				297,960.00		297,960.00
4	ECUMENICAL HUMANITARIAN ORG.					2,760.00		2,760.00
5	BUSINESS REGISTERS AGENCY	221					4,000.00	4,000.00
6	PROVINCIAL SECREARIAT OF FINANCE	221					1,187,760.00	1,187,760.00
	TOTAL			0.00	0.00	6,822,720.00	5,379,940.00	12,202,660.00

An overview of significant legal entities engaged in marketing and/or video production, media publishers, with revenues earned from the budget, recorded through consolidated account of The Treasury of the Ministry of Finance (2011-2014)								
No.	Name of legal entity	Registration number	Ownership structure	2011	2012	2013	2014	2011-2014 TOTAL
1	BIMBROS	17205897	Zoran Vasiljević 90% Vesna Čerotić Vasiljević 10%	3,005,077.51	2,985,477.27	3,871,692.72	2,531,257.51	12,393,505.01
An overview of significant legal entities – contracting authorities, recoded through the consolidated account of The Treasury of the Ministry of Finance (2011-2014)								
No.	Name of legal entity	Payment code		2011	2012	2013	2014	2011-2014 TOTAL
1	VARIOUS FACULTIES, COLLEGES, HIGH SSCHOOLS	221		2,986,133.51	2,831,837.61	2,526,692.72	1,186,257.51	9,530,921.35
2	MILITARY INSTITUION “DEDINJE”	221		18,944.00				18,944.00
3	PUPILS’ CENTER “NIKOLA VOJVODIĆ” KIKINDA	221			153,639.66			153,639.66
4	BUDGET FORESTS FUND	221				1,345,000.00	1,345,000.00	2,690,000.00
5	BUDGET HUNING DEVELOPMENT FUND	227				389,375.00	55,625.00	445,000.00
6	TOURISM ORG. OF VOJVODINA	221				21,600.00		21,600.00
7	CLINICAL HOSPITAL CENTER "DR DRAGIŠA MIŠOVIĆ”	221				125,000.00		125,000.00
8	“FORMA” AGENCY POŽEGA	221				60,000.00		60,000.00
9	HANDBALL CLUB “JUNIOR”	221				98,400.00		98,400.00
10	THE MUNICIPALITY OF KUČEVO	221					383,520.00	383,520.00
11	THE CITY OF SMEDEREVO	221					399,600.00	399,600.00
12	DEPARTMENT OF FORESTS	221					360,000.00	360,000.00
	TOTAL			3,005,077.51	2,985,477.27	3,871,692.72	2,531,257.51	12,393,505.01

An overview of significant legal entities engaged in marketing and/or video production, media publishers, with revenues earned from the budget, recorded through consolidated account of The Treasury of the Ministry of Finance (2011-2014)								
No.	Name of legal entity	Registration number	Ownership structure	2011	2012	2013	2014	2011-2014 TOTAL
1	AGENDA 2020 DOO	207174467	Nadežda Gaće 100%	1,457,213.82	2,481,115.00	2,524,715.00	6,230,800.00	12,693,843.82
An overview of significant legal entities – contracting authorities, recoded through the consolidated account of The Treasury of the Ministry of Finance (2011-2014)								
No.	Name of legal entity	Payment code		2011	2012	2013	2014	2011-2014 TOTAL
1	ENVIRONMENTAL PROTECTION FUND	221		1,080,000.00	1,162,245.00			2,242,245.00
2	DIRECTORATE FOR GENDER EQUALITY	221			675,520.00			675,520.00
3	ARCHIVES OF SERBIA	221			9,720.00			9,720.00
4	AP VOJVODINA	263		377,213.82	600,000.00		3,475,200.00	4,452,413.82
5	ETNOGRAPHIC MUSEUM IN BELGRADE	221			6,490.00			6,490.00
6	CULTURAL CENTRE OF BELGRADE	221			27,140.00		13,200.00	40,340.00
7	NATIONAL LIBRARY "STEVAN SREMAC" NIŠ	224				7,560.00		7,560.00
8	INDEPENDANT JOURNALISTS' ASSOCIATION OF SERBIA	221				300,000.00		300,000.00
9	ASSOCIATION FOR NEWSPAPER PUBLISHING ACTIVITIES	221				475,000.00	1,725,000.00	2,200,000.00
10	FEST DIRECTORATE	221				29,400.00	17,400.00	46,800.00
11	MINISTRY OF ENERGY	221				1,232,755.00		1,232,755.00
12	MINISTRY OF CULTURE AND INFORMATION	221				480,000.00	1,000,000.00	1,480,000.00
	УКУПНО			1,457,213.82	2,481,115.00	2,524,715.00	6,230,800.00	12,693,843.82

An overview of significant legal entities engaged in marketing and/or video production, media publishers, with revenues earned from the budget, recorded through consolidated account of The Treasury of the Ministry of Finance (2011-2014)								
No.	Name of legal entity	Registration number	Ownership structure	2011	2012	2013	2014	2011-2014 TOTAL
1	SAMALJOT PRODUCTION	62317914	Entrepreneur Marko Popović	80,700.00	6,476,356.19	6,476,356.19	2,888,925.80	15,922,338.18
An overview of significant legal entities – contracting authorities, recoded through the consolidated account of The Treasury of the Ministry of Finance (2011-2014)								
No.	Name of legal entity	Payment code		2011	2012	2013	2014	2011-2014 TOTAL
1	MUSEUM OF YUGOSLAV HISTORY	221		30,700.00			204,525.80	235,225.80
2	HISTORICAL MUSEUM OF SERBIA	221		50,000.00				50,000.00
3	ROAD TRAFFIC SAFETY AGENCY	221			3,733,838.60	6,476,356.19	2,684,400.00	12,894,594.79
	TOTAL			80,700.00	3,733,838.60	6,476,356.19	2,888,925.80	13,179,820.59

An overview of significant legal entities engaged in marketing and/or video production, media publishers, with revenues earned from the budget, recorded through consolidated account of The Treasury of the Ministry of Finance (2011-2014)								
No.	Name of legal entity	Registration number	Ownership structure	2011	2012	2013	2014	2011-2014 TOTAL
1	INSAJDER TIM DOO	20808900	Dragan Vučićević 100%	0.00	2,097,270.00	10,472,441.00	4,475,292.28	17,045,003.28
An overview of significant legal entities – contracting authorities, recoded through the consolidated account of The Treasury of the Ministry of Finance (2011-2014)								
No.	Name of legal entity	Payment code		2011	2012	2013	2014	2011-2014 TOTAL
1	INTELLECTUAL PROPERTY OFFICE	290			14,670.00			14,670.00
2	TOURISM OFFICE OF JAGODINA	221			72,688.00			72,688.00
3	THE ASSEMBLY OF THE CITY OF BELGRADE	221			2,000,000.00	7,493,077.00	3,013,920.00	12,506,997.00
4	PRIMPARY SCHOOL “ISIDORA SEKULIĆ”	221			9,912.00			9,912.00
5	MINISTRY OF FINANCE	221				208,560.00		208,560.00
6	AP VOJVODINA	263				2,200,000.00		2,200,000.00
7	THEATRE “ATELJE 212”	221				28,224.00	40,320.00	68,544.00
8	PRIVATIZATION AGENCY	221				82,080.00	190,210.00	272,290.00
9	PUBLIC TRANSPORTATION COMPANY “BEOGRAD”	220				16,800.00		16,800.00
10	CULTURAL CENTER ZAJEČAR	221				126,000.00		126,000.00
11	THE ASSEMBLY OF THE CITY OF NOVI SAD	221				210,600.00	105,300.00	315,900.00
12	ROAD TRAFFIC SAFETY AGENCY	221				107,100.00		107,100.00
13	MINISTRY OF DEFENSE	221					193,680.00	193,680.00
14	THE CITY OF ZAJEČAR	221					662,390.28	662,390.28
15	THE CITY OF SMEDEREVO	221					51,282.00	51,282.00
16	THE CITY OF JAGODINA	221					112,980.00	112,980.00
17	MEDICAL SCHOOL “DR ANDRA JOVANOVIĆ” ŠABAC	221					39,690.00	39,690.00
18	TECHNICAL OVERHAUL WORKS KRAGUJEVAC	221					65,520.00	65,520.00
	TOTAL			0.00	2,097,270.00	10,472,441.00	4,475,292.28	17,045,003.28

An overview of significant legal entities engaged in marketing and/or video production, media publishers, with revenues earned from the budget, recorded through consolidated account of The Treasury of the Ministry of Finance (2011-2014)

No.	Name of legal entity	Registration number	Ownership structure	2011	2012	2013	2014	2011-2014 TOTAL
1	B.B. ADVERTISING	20674636	Svetlana Miletić 100%	0.00	5,791,200.00	9,250,110.00	6,637,748.82	21,679,058.82

An overview of significant legal entities – contracting authorities, recoded through the consolidated account of The Treasury of the Ministry of Finance (2011-2014)

No.	Name of legal entity	Payment code	2011	2012	2013	2014	2011-2014 TOTAL
1	OFFICE FOR HUMAN AND MINORITY RIGHTS	221		1,852,800.00	2,398,800.00		4,251,600.00
2	MINISTRY OF FOREIGN AND DOMESTIC TRADE AND TELECOMMUNICATIONS	221		3,938,400.00	6,851,310.00	3,647,516.82	14,437,226.82
3	MINISTRY OF TRADE AND TOURISM	221				2,990,232.00	2,990,232.00
	TOTAL		0.00	5,791,200.00	9,250,110.00	6,637,748.82	21,679,058.82

An overview of significant legal entities engaged in marketing and/or video production, media houses, with revenues earned from the budget, recorded through consolidated account of The Treasury of the Ministry of Finance (2011-2014)

No.	Name of legal entity	Registration number	Ownership structure	2011	2012	2013	2014	2011-2014 TOTAL
1	BRENDON	20169672	Bojana Lekić 100%	6,330,818.97	7,169,334.01	5,824,000.00	996,500.00	20,320,652.98

An overview of significant legal entities – contracting authorities, recoded through the consolidated account of The Treasury of the Ministry of Finance (2011-2014)

No.	Name of legal entity	Payment code	2011	2012	2013	2014	2011-2014 TOTAL
1	NATIONAL HEALTH INSURANCE FUND	221	3,488,872.96	393,334.12			3,882,207.08
2	THE ASSEMBLY OF THE CITY OF BELGRADE	221	2,341,946.01	3,775,999.89	3,360,000.00		9,477,945.90
3	MINISTRY OF CULTURE	221	500,000.00			996,500.00	1,496,500.00
4	MINISTRY OF HEALTH	221		3,000,000.00	2,464,000.00		5,464,000.00
	TOTAL		6,330,818.97	7,169,334.01	5,824,000.00	996,500.00	20,320,652.98

An overview of significant legal entities engaged in marketing and/or video production, media houses, with revenues earned from the budget, recorded through consolidated account of The Treasury of the Ministry of Finance (2011-2014)								
No.	Name of legal entity	Registration number	Ownership structure	2011	2012	2013	2014	2011-2014 TOTAL
1	FRAME TV PRODUCTION	20051027	Dean Ivanovo 100%	44,453,231.79	1,465,709.80	0.00	0.00	45,918,941.59
An overview of significant legal entities – contracting authorities, recoded through the consolidated account of The Treasury of the Ministry of Finance (2011-2014)								
No.	Name of legal entity	Payment code		2011	2012	2013	2014	2011-2014 TOTAL
1	MINISTRY OF TELECOMMUNICATIONS	221		590,000.00				590,000.00
2	BUSINESS REGISTERS AGENCY	221		2,295,000.00	200,000.00			2,495,000.00
3	PRIVATIZATION AGENCY	221		13,021,999.69				13,021,999.69
4	MINISTRY FOR NATIONAL INVESTMENT PLAN	221		1,227,207.31				1,227,207.31
5	MINISTRY OF CULTURE AND INFORMATION	221		7,611,000.00				7,611,000.00
6	NATIONAL EMPLOYMENT SERVICE	221		3,245,000.00	295,000.00			3,540,000.00
7	SERBIA INVESTMENT AND EXPORT PROMOTING AGENCY	221		3,540,000.00				3,540,000.00
8	MINISTRY OF YOUTH AND SPORT	221		3,015,230.40				3,015,230.40
9	MINISTRY OF ECONOMY	221		4,078,594.39	469,209.80			4,547,804.19
10	MINISTRY OF ENVIRONMENTAL PROTECTION	221		3,510,500.00	501,500.00			4,012,000.00
11	MINISTRY OF AGRICULTURE	221		2,318,700.00				2,318,700.00
	TOTAL			44,453,231.79	1,465,709.80	0.00	0.00	45,918,941.59

1	ADVANCE PRODUCTION	20095253	Siniša Đokić 80% Kosanka Ostojić 20%	23,798,676.60	26,857,236.60	0.00	0.00	50,655,913.20
An overview of significant legal entities – contracting authorities, recoded through the consolidated account of The Treasury of the Ministry of Finance (2011-2014)								
No.	Name of legal entity	Payment code		2011	2012	2013	2014	2011-2014 TOTAL
1	THE ASSEMBLY OF THE CITY OF BELGRADE	221		23,798,676.60	26,857,236.60			50,655,913.20
	TOTAL			23,798,676.60	26,857,236.60	0.00	0.00	50,655,913.20

An overview of significant legal entities engaged in marketing and/or video production, media publishers, with revenues earned from the budget, recorded through consolidated account of The Treasury of the Ministry of Finance (2011-2014)								
No.	Name of legal entity	Registration number	Ownership structure	2011	2012	2013	2014	2011-2014 TOTAL
1	IPSOS STRATEGIC MARKETING DOO	6216331	IPSOS STRATEGIC PLUS 100%	3,415,968.66	24,707,294.70	6,654,020.29	994,217.55	35,771,501.20
An overview of significant legal entities – contracting authorities, recoded through the consolidated account of The Treasury of the Ministry of Finance (2011-2014)								
No.	Name of legal entity	Payment code		2011	2012	2013	2014	2011-2014 TOTAL
1	PUBLIC HEALTH INSTITUTE “DR M.J. BATUT”	221		1,069,865.88	401,200.00			1,471,065.88
2	FACULTY OF ECONOMICS	221		652,977.78	17,953,217.24	5,441,484.46		24,047,679.48
3	PE DIRECTORATE FOR CONSTRUCTION OF MUNICIPALITY OF INĐIJA	221		218,125.00			229,857.46	447,982.46
4	THE MUNICIPALITY OF NOVI BEČEJ	221			354,000.00			354,000.00
5	NATIONAL EMPLOYMENT SERVICE	221			4,589,020.00			4,589,020.00
6	THE MUNICIPALITY OF INĐIJA	221			229,857.46			229,857.46
7	THE ASSEMBLY OF THE CITY OF BELGRADE	221			1,180,000.00			1,180,000.00

8	YOUTH THEATRE "DADOV"	221			273,874.60		273,874.60
9	FACULTY OF MEDICINE BLEGRADE	221			194,411.23		194,411.23
10	AGENCY FOR REGIONAL DEVELOPMENT OF AP VOJVODINA	221			744,250.00		744,250.00
11	PUBLIC BROADCASTING SERVICE OF VOJVODINA RADIO TELEVISION OF NOVI SAD	221				754,360.09	754,360.09
12	REGIONAL CENER FOR TALENTS	921				10,000.00	10,000.00
13	EUROPEAN INEGRATION OFFICE	221	1,475,000.00				1,475,000.00
14	REUBLIC GEODETIC AUTHORITY	221	485,359.58				
15	MINISTRY OF AGRICULTURE	221	108,226.86				
	TOTAL		3,415,968.66	24,707,294.70	6,654,020.29	994,217.55	35,771,501.20

An overview of significant legal entities engaged in marketing and/or video production, media publishers, with revenues earned from the budget, recorded through consolidated account of The Treasury of the Ministry of Finance (2011-2014)

No.	Name of legal entity	Registration number	Ownership structure	2011	2012	2013	2014	2011-2014 TOTAL
1	PINK INTERNATIONAL COMPANY DOO	6908381	Željko Mitrović 90% DIRECT MEDIA DOO BGD 10%	4,460,400.00	3,906,293.14	1,204,266.79	27,518,639.92	37,089,599.85

An overview of significant legal entities – contracting authorities, recoded through the consolidated account of The Treasury of the Ministry of Finance (2011-2014)

No.	Name of legal entity	Payment code	2011	2012	2013	2014	2011-2014 TOTAL
1	THE ASSEMBLY OF THE CITY OF BELGRADE	221	4,460,400.00	2,950,000.00			7,410,400.00
2	CULTURAL CENTRE OF NOVI SAD	221		117,947.14			117,947.14
3	FACULTY OF MINING AND GEOLOGY	221		24,146.00			24,146.00
4	MINISTRY FOR HUMAN AND MINORITY RIGHTS	221		814,200.00			814,200.00
5	CULTURAL CENTER KNJAŽEVAC	221			228,186.79		228,186.79
6	CULTURAL CENTER CITY OF ZAJEČAR	221			240,000.00		240,000.00

7	SOCIAL WELFARE CENTER "TRSTENIK"	221			3,000.00	3,000.00	6,000.00
8	INCOMES FROM FINES FOR MINOR OFFENCES	257			300,000.00		300,000.00
9	MILITARY INSTITUTION "DEDINJE"	221			73,080.00		73,080.00
10	THE MUNICIPALITY OF NOVI BEČEJ	221			360,000.00		360,000.00
11	BUSINESS REGISTERS AGENCY	290				3,500.00	3,500.00
12	CENTER FOR LARGE TAX PAYERS ADMIN OF PUBLIC REVENUES.	257				918,239.92	918,239.92
13	AP VOJVODINA	221				2,520,000.00	2,520,000.00
14	MERKUR SPECIAL HOSPITAL VRNJAČKA BANJA					8,050,000.00	8,050,000.00
15	NATIONAL TOURISM ORGANIZATION OF SERBIA	221				1,380,000.00	1,380,000.00
16	REPUBLIC COURT FEES	257				52,920.00	52,920.00
17	"GITARIJADA" ZAJEČAR	221				456,000.00	456,000.00
18	EXPORT CREDIT AND INSURANCE AGENCY (SHORT-TERM CREDIT)	290				14,134,980.00	14,134,980.00
	TOTAL		4,460,400.00	3,906,293.14	1,204,266.79	27,518,639.92	37,089,599.85

An overview of significant legal entities engaged in marketing and/or video production, media publishers, with revenues earned from the budget, recorded through consolidated account of The Treasury of the Ministry of Finance (2011-2014)

No.	Name of legal entity	Registration number	Ownership structure	2011	2012	2013	2014	2011-2014 TOTAL
1	PE "MREŽA-MOST"	20665483	REPUBLIC OF SERBIA 100%	287,300,000.00	181,574,708.00	273,044,019.50	156,020,000.00	897,938,727.50

An overview of significant legal entities – contracting authorities, recorded through the consolidated account of The Treasury of the Ministry of Finance (2011-2014)

No.	Name of legal entity	Payment code	2011	2012	2013	2014	2011-2014 TOTAL
1	MINISTRY OF KOSOVO AND METOHIJA	227	209,300,000.00	78,000,000.00			287,300,000.00
2	OFFICE FOR KOSOVO AND METOHIJA	227	78,000,000.00	78,000,000.00	143,000,000.00	156,000,000.00	455,000,000.00

2	THE MUNICIPALITY OF ZVEČAN	221		80,000.00			80,000.00
3	THE FACULTIES IN PRIŠTINA AND KOSOVSKA MITROVICA	221		240,000.00			240,000.00
4	COLLEGE ZVEČAN	221		20,000.00			20,000.00
5	THE MUNICIPALITY OF LEPOSAVIĆ	221		165,000.00			165,000.00
6	PUBLIC HEALTH INSTITUTION KOSOVSKA MITROVICA	221		175,000.00			175,000.00
7	SCHOOL OF BUSINESS BLACE	221		6,608.00			6,608.00
8	TECHNICAL SCHOOL UROŠEVAC – IN ZVEČANE	221		20,000.00			20,000.00
9	SPECIAL REHABILITATION HOSPITAL “VRNJAČKA BANJA”	221		35,400.00			35,400.00
10	FACULTY OF PHYSICAL EDUCATION LEPOSAVIĆ	221		10,000.00			10,000.00
11	TOURIST ORGANIZATION “ZLATIBOR” ČAJETINA	221		17,700.00			17,700.00
12	THE MUNICIPALITY OF KOSOVSKA MITROVICA	221		105,000.00			105,000.00
13	PE “MREŽA-MOST”	262		24,700,000.00	40,000.00	20,000.00	24,760,000.00
14	PE “MREŽA-MOST”	263			130,004,019.50		130,004,019.50
15	MINISTRY OF CULTURE	221			425,762.00		425,762.00
	TOTAL			287,300,000.00	181,574,708.00	273,044,019.50	897,938,727.50

An overview of significant legal entities engaged in marketing and/or video production, media publishers, with revenues earned from the budget, recorded through consolidated account of The Treasury of the Ministry of Finance (2011-2014)

No.	Name of legal entity	Registration number	Ownership structure	2011	2012	2013	2014	2011-2014 TOTAL
1	FONET DOO	6963145	Zoran Sekulić 100%	7,845,040.00	5,697,760.00	6,743,520.00	12,336,479.18	32,622,799.18

An overview of significant legal entities – contracting authorities, recoded through the consolidated account of The Treasury of the Ministry of Finance (2011-2014)

No.	Name of legal entity	Payment code	2011	2012	2013	2014	2011-2014 TOTAL
1	OFFICE FOR SUSTAINABLE DEVELOPMENT	221	1,483,920.00	1,263,600.00	1,166,400.00		3,913,920.00
2	PRESS OFFICE	221	777,600.00	777,600.00	777,600.00	825,000.00	3,157,800.00

3	THE PRESIDENTT OF THE REPUBLIC OF SERBIA	221	829,440.00	829,440.00	375,840.00	383,380.00	2,418,100.00
4	MINISTRY OF DEFENSE	221	1,116,720.00	530,600.00	928,800.00	1,426,000.00	4,002,120.00
5	MINISTRY OF JUSTICE	221	544,320.00	544,320.00			1,088,640.00
6	MINISTRY OF CULTURE	221	1,540,000.00	723,600.00	118,800.00	2,050,399.18	4,432,799.18
7	MINISTRY OF FOREIGN AFFAIRS	221	829,440.00		829,440.00	844,800.00	2,503,680.00
8	RADIO "JUGOSLAVIJA"	221	594,000.00	388,800.00	356,400.00		1,339,200.00
9	THE MUNICIPALITY OF RAKOVICA	221	129,600.00	288,800.00			418,400.00
10	MINISTRY OF RELIGION AND DIASPORA	221		324,000.00			324,000.00
11	PUBLIC BROADCASTER REGION PANČEVO	221		27,000.00	270,000.00	82,000.00	379,000.00
12	COMISSIONER FOR INFORMATION OF PUBLIC IMPORTANCE	221			108,000.00		108,000.00
13	MINISTRY OF INTERIOR	221			777,600.00		777,600.00
14	REUBLIC BROADCASTING AGENCY	221			408,240.00		408,240.00
15	CITIZENS' ASSOCIATION "ČUJEMO VAS"	221			626,400.00		626,400.00
16	OFFICE FOR KOSOVO AND METOHIJA	221				623,700.00	623,700.00
17	BROADCASTING AGENCY OF VOJVODINA	221				990,000.00	990,000.00
18	NEWSPAPER UBLISHING COMPANY "FONET"	263				2,070,000.00	2,070,000.00
19	DNEVNIK VOJVODINA PRESS DOO	221				33,000.00	33,000.00
20	AP VOJVODINA	221				520,000.00	520,000.00
21	THE ASSEMBLY OF THE CITY OF BELGRADE	221				435,600.00	435,600.00
22	THE CITY OF ZRENJANIN	221				1,636,800.00	1,636,800.00
23	REGULATORY AGENCY FOR ELECTRONIC COMMUNICATION	221				415,800.00	415,800.00
	TOTAL		7,845,040.00	5,697,760.00	6,743,520.00	12,336,479.18	32,622,799.18

An overview of significant legal entities engaged in marketing and/or video production, media publishers, with revenues earned from the budget, recorded through consolidated account of The Treasury of the Ministry of Finance (2011-2014)

No.	Name of legal entity	Registration number and ownership structure	2011	2012	2013	2014	2011-2014 TOTAL
1	NOVOSTI AD	7040962 SHARE CAPITAL	47,299,154.20	69,249,326.97	90,483,897.50	31,032,766.66	238,065,145.33

An overview of significant legal entities – contracting authorities, recoded through the consolidated account of The Treasury of the Ministry of Finance (2011-2014)

No.	Name of legal entity	Payment code	2011	AMOUNT	2012	AMOUNT	2013	AMOUNT	2014	AMOUNT	2011-2014 TOTAL
1	MINISTRY OF FOREIGN AFFAIRS	221	12.01.2011.	21,870.00	09.02.2012.	9,720.00	19.02.2013.	10,200.00			41,790.00
		221	26.04.2011.	21,870.00	12.06.2012.	20,400.00					42,270.00
		221	12.07.2011.	21,870.00	16.08.2012.	10,200.00					32,070.00
		221	22.11.2011.	21,870.00	04.12.2012.	10,200.00					32,070.00
	TOTAL			87,480.00		50,520.00		10,200.00			148,200.00
2	PRESS OFFICE	221			29.06.2012.	1,062,000.00					1,062,000.00
	TOTAL					1,062,000.00					1,062,000.00
3	THE PRESIDENT OF THE REPUBLIC OF SERBIA	221	25.01.2011.	14,580.00	25.01.2011.	4,860.00					19,440.00
		221	17.02. 2011.	4,860.00							4,860.00
		221	13.07.2011.	4,680.00							4,680.00
	TOTAL			24,120.00		4,860.00					28,980.00
4	OFFICE OF DEPUTY PRIME MINISTER	221					12.12.2013.	11,000.00	30.04.2014.	14,500.00	25,500.00
	TOTAL							11,000.00		14,500.00	25,500.00
5	THE ASSEMBLY OF THE CITY OF BELGRADE (over 500,000 RSD)	221	13.07.2011.	5,900,000.00	27.04.2012.	5,900,000.00	06.03.2013.	5,900,000.00	11.03.2014.	4,000,000.00	21,700,000.00
		221	27.12.2011.	5,900,000.00	06.09.2012.	5,900,000.00			21.08.2014.	4,000,000.00	15,800,000.00
	TOTAL			11,800,000.00		11,800,000.00		5,900,000.00		8,000,000.00	37,500,000.00

6	MINISTRY OF DIASPORA (over 500,000 RSD)	221	22.08.2011.	719,800.00							719,800.00
	TOTAL			719,800.00							719,800.00
7	NATIONAL EMPLOYMENT SERVICE BELGRADE (over 500,000 RSD)	221	28.01.2011.	683,762.80							683,762.80
		221	17.02.2011.	695,987.60							695,987.60
	TOTAL			1,379,750.40							1,379,750.40
8	NATIONAL EMPLOYMENT SERVICE KRAGUJEVAC (over 500,000 RSD)	221			01.03.2012.	1,044,064.00	15.04.2013.	1,317,120.00	26.08.2014.	851,760.00	3,212,944.00
	TOTAL					1,044,064.00		1,317,120.00		851,760.00	3,212,944.00
9	MINISTRY OF CULTURE AND INFORMATION (over 500,000 RSD)	221			13.06.2012.	1,000,000.00					1,000,000.00
	TOTAL					1,000,000.00					1,000,000.00
10	PE FOR CITY CONSTRUCION AND DEVELOPMENT (over 500,000 RSD)	221	31.03.02011.	500,000.00							500,000.00
11	AP VOJVODINA (over 500,000 RSD)	263	28.06.2011.	1,000,000.00	26.04.2012.	1,000,000.00					2,000,000.00
	TOTAL			1,000,000.00		1,000,000.00					2,000,000.00
12	MINISTRY OF AGRICULTURE (over 500,000 RSD)	221			18.04.2012.	1,000,000.00					1,000,000.00
	TOTAL					1,000,000.00					1,000,000.00

13	BELGRADE BUSINESS SCHOOL (over 500,000 RSD)	270 short-term loans			01.10.2012.	20,000,000.00	22.03.2013.	10,000,000.00			30,000,000.00
		253 payment of current revenues						05.06.2013.	20,000,000.00		
	TOTAL					20,000,000.00		30,000,000.00			50,000,000.00
14	MINISTRY OF ENERGY	221					29.01.2013.	5,691,556.04			5,691,556.04
		221					01.07.2013.	4,295,029.77			4,295,029.77
	TOTAL							9,986,585.81			9,986,585.81
15	NATIONAL TOURISM ORGANIZATION OF SERBIA	220 intermediate claims					24.04.2013.	597,104.64			597,104.64
	TOTAL							597,104.64			597,104.64
16	THE ASSEMBLY OF THE CITY OF NOVI SAD	221					14.06.2013.	635,040.00			635,040.00
	TOTAL							635,040.00			635,040.00
17	NATIONAL HEALTH INSURANCE FUND	221					15.07.2013.	710,265.60			710,265.60
	TOTAL							710,265.60			710,265.60
TOTAL PAYMENTS		Total number of payments	2011	Total number of payments	2012	Total number of payments	2013	Total number of payments	2014	2011-2014 TOTAL	
1	TOTAL NUMBER OF EXECUTED PAYMENTS OF UP TO 100,000 RSD	over 1000	25,399,854.83	over 800	25,570,630.02	over 650	32,273,220.65	over 650	17,975,370.66	101,219,076.16	
2	TOTAL NUMBER OF EXECUTED PAYMENTS OF 100,000 TO 200,000 RSD	30	3,836,469.97	24	3,505,706.48	41	6,140,928.80	19	2,466,536.00	15,949,641.25	
3	TOTAL NUMBER OF EXECUTED PAYMENTS OF 200,000 TO 500,000 RSD	9	2,663,279.00	10	3,266,926.47	10	2,923,632.00	6	1,739,100.00	10,592,937.47	

4	TOTAL NUMBER OF EXECUTED PAYMENTS OVER 500,000 RSD	7	15,399,550.40	8	36,906,064.00	10	49,146,116.05	5	8,851,760.00	110,303,490.45
	TOTAL		47,299,154.20		69,249,326.97		90,483,897.50		31,032,766.66	238,065,145.33

An overview of significant legal entities engaged in marketing and/or video production, media publishers, with revenues earned from the budget, recorded through consolidated account of The Treasury of the Ministry of Finance (2011-2014)

No.	Name of legal entity	Registration number and ownership structure	2011	2012	2013	2014	2011-2014 TOTAL
1	“POLITIKA DOO” NEWSPAPERS AND MAGAZINES	17372424 EAST MEDIA GROUP 50% “POLITIKA AD” FOR NEWSPAPER PUBLISHING AND PRINTING BUSINESS 50%	104,436,307.21	79,920,187.23	78,724,891.96	56,851,040.86	319,932,427.26

An overview of significant legal entities – contracting authorities, recoded through the consolidated account of The Treasury of the Ministry of Finance (2011-2014)

No.	Name of legal entity	Payment code	2011	AMOUNT	2012	AMOUNT	2013	AMOUNT	2014	AMOUNT	2011-2014 TOTAL
1	MINISTRY OF FOREIGN AFFAIRS	221	12.01.2011.	37,800.00	17.01.2012.	12,600.00	16. 01. 2013.	25,200.00	21.01.2014.	12,600.00	88,200.00
		221	26.01.2011.	25,200.00	26.01.2012.	37,800.00	01. 02. 2013	12,600.00	22.01.2014.	12,600.00	88,200.00
		221	31.10.2011.	12,600.00	27.01.2012.	25,200.00	05.02.02013.	37,800.00	04.02.2014.	12,600.00	88,200.00
		221	22.02.2011.	129,800.01	31.01.2012.	12,600.00	14. 02. 2013.	44,100.00	08.04.2014.	25,200.00	211,700.01

		221	28.03.2011.	12,600.00	07.02.2012.	12,600.00	01. 03. 2013.	37,800.00	07.05.2014.	12,600.00	75,600.00
		221	31.03.2011.	25,200.00	08.02.2012.	12,600.00	06. 03. 2013.	16,225.00	21.07.2014.	12,600.00	66,625.00
		221	08.04.2011.	12,600.00	02.03.2012.	28,825.00	01. 04. 2013.	12,600.00	31.07.2014.	18,900.00	72,925.00
		221	13.04. 2011.	3,150.00	14.03.2012.	25,200.00	02. 04. 2013.	12,600.00	13.08.2014.	12,600.00	53,550.00
		221	20.04.2011.	12,600.00	09.05.2012.	16,225.00	19. 04. 2013.	12,600.00	26.09.2014.	12,600.00	54,025.00
		221	26.04.2011.	60,744.00	21.05.2012.	12,600.00	20. 05. 2013.	16,225.00	04.12.2014.	53,600.00	143,169.00
		221	16.05.2011.	132,600.00	25.05.2012.	12,600.00	06. 06. 2013.	12,600.00			157,800.00
		221	07 06.2011.	12,600.00	01.06.2012.	25,200.00	08. 07. 2013.	12,600.00			50,400.00
		221	22.06.2011.	12,600.00	09.07.2012.	12,600.00	02. 08. 2013.	12,600.00			37,800.00
		221	15.07.2011.	12,600.00	12.07.2012.	12,600.00	12. 08. 2013.	12,600.00			37,800.00
		221	09.08.2011.	129,800.01	21.08.2012.	16,225.00	02. 09. 2013.	12,600.00			158,625.01
		221	18.08.2011.	4,075.00	24.08.2012.	12,600.00	12. 09. 2013.	12,600.00			29,275.00
		221	24.08.2011.	12,600.00	18.09.2012.	16,225.00	19. 09. 2013.	12,600.00			41,425.00
		221	14. 09.2011.	12,600.00	24.10.2012.	25,200.00	11. 10. 2013.	12,600.00			50,400.00
		221	04.10.2011.	37,800.00	02.11.2012.	12,600.00	05. 11. 2013.	37,800.00			88,200.00
		221	10.10.2011.	12,600.00	14.11.2012.	18,900.00	12. 11. 2013.	12,600.00			44,100.00
		221	26. 10.2011.	12,600.00	16.11.2012.	16,225.00	11. 12. 2013.	12,600.00			41,425.00
		221	03.11.2011.	12,600.00	21.12.2012.	18,900.00	31. 12. 2013.	12,600.00			44,100.00
		221	16. 11.2011.	12,600.00							12,600.00
		221	18.11.2011.	133,045.01							133,045.01
		221	26.12.2011.	12,600.00							12,600.00
	TOTAL			895,614.03		396,125.00		404,150.00		185,900.00	1,881,789.03
2	PRESS OFFICE	221	21.01.2011.	492,463.56							492,463.56
	TOTAL			492,463.56							492,463.56

3	GENERAL SECRETARIAT OF SERBIAN GOVERNMENT	221						26.05.2014.	21,000.00	21,000.00
		221	03.06.2011.	46,728.00	02.04.2012.	113,350.76		16.07.2014.	47,520.00	207,598.76
		221	05.12.2011.	36,108.00	09.07.2012.	109,301.04		18.12.2014.	2,610.00	148,019.04
	TOTAL			82,836.00		222,651.80			71,130.00	376,617.80
4	THE PRESIDENT OF THE REPUBLIC OF SERBIA	221					03. 06. 2013.	78,000.01		78,000.01
		221					12. 06. 2013.	45,000.00		45,000.00
	TOTAL						123,000.01			123,000.01
5	THE ASSEMBLY OF THE CITY OF BELGRADE (over 500,000 RSD)	221	27.06.2011.	4,720,000.00				15.04.2014.	700,000.00	5,420,000.00
		TOTAL			4,720,000.00				700,000.00	5,420,000.00
6	REPUBLIC GEODETIC AUTHORITY – BLEGRADE (over 500,000 RSD)	221			02. 03. 2012.	518,256.00				518,256.00
		TOTAL				518,256.00				518,256.00
7	NATIONAL EMPLOYMENT SERVICE KRAGUJEVAC (over 500,000 RSD)	221	22.02.2011.	523,920.00	02. 03. 2012.	817,799.00	15. 04.02013.	1,183,626.48		2,525,345.48
		TOTAL		523,920.00		817,799.00		1,183,626.48		2,525,345.48
8	MINISTRY OF YOUTH AND SPORT (over 500,000 RSD)	221	29.12.2011.	982,350.00						982,350.00
		TOTAL		982,350.00						982,350.00

9	MINISTRY OF AGRICULTURE – DONATION FOR REHABILITATION OF IRRIGATION SYSTEM (over 500,000 RSD)	221	18.08.2011.	573,462.30							573,462.30
	TOTAL			573,462.30							573,462.30
10	STATISTICAL OFFICE OF THE REPUBLIC OF SERBIA(over 500,000 RSD)	221	14.10.2011.	513,330.00							513,330.00
		221	04.11.2011.	605,729.40							605,729.40
	TOTAL			1,119,059.40							1,119,059.40
11	THE CITY OF VRANJE (over 500,000 RSD)	221					01. 07. 2013.	535,296.00			535,296.00
	TOTAL							535,296.00			535,296.00
12	BELGRADE LAND DEVELOPMENT AGENCY (over 500,000 RSD)	223					07. 11. 2013.	756,456.55			756,456.55
	TOTAL							756,456.55			756,456.55
13	TAX AUHORITY – CENTER FOR BIG TAXPAYERS (over 500,000 RSD)	257 VAT							29.01.2014.	2,842,637.00	2,842,637.00
		257 VAT							28.02.2014.	651,338.00	651,338.00
		257 VAT							03.04.2014.	792,017.00	792,017.00

		257 VAT							05.05.2014.	1,514,753.00	1,514,753.00
	TOTAL									2,306,770.00	2,306,770.00
14	COMMERCIAL COURT IN UŽICE - DEPOSIT(over 500,000 RSD)	263 other transfers							03.04.2014.	1,159,200.00	1,159,200.00
	TOTAL									1,159,200.00	1,159,200.00
	TOTAL PAYMENTS	Total number of payments	2011	Total number of payments	2012	Total number of payments	2013	Total number of payments	2014	2011-2014 TOTAL	
1	TOTAL NUMBER OF EXECUTED PAYMENTS OF UP TO 100,000 RSD	over 2000	78,199,406.78	over 2500	63,776,274.20	over 3500	56,137,236.46	over 2000	40,883,147.21	238,996,064.65	
2	TOTAL NUMBER OF EXECUTED PAYMENTS OF 100,000 TO 200,000 RSD	92	11,671,152.09	77	10,209,708.47	85	12,500,043.26	32	4,711,883.65	39,092,787.47	
3	TOTAL NUMBER OF EXECUTED PAYMENTS OF 200,000 TO 500,000 RSD	22	6,154,493.08	16	4,598,149.56	24	7,612,233.21	10	2,896,065.00	21,260,940.85	
4	TOTAL NUMBER OF EXECUTED PAYMENTS OVER 500,000 RSD	5	8,411,255.26	2	1,336,055.00	3	2,475,379.03	6	8,359,945.00	20,582,634.29	
	TOTAL		104,436,307.21		79,920,187.23		78,724,891.96		56,851,040.86	319,932,427.26	

An overview of significant legal entities engaged in marketing and/or video production, media publishers, with revenues earned from the budget, recorded through consolidated account of The Treasury of the Ministry of Finance (2011-2014)

No.	Name of legal entity	Registration number	Ownership structure	2011	2012	2013	2014	2011-2014 TOTAL
1	VREME DOO	7737912	Aleksandar Ćirić 6,6% Miloš Vasić 10% Damir Kalembić 5,04% Milan Milošević 14,99% Goranka Matić 10% Roksanda Ninčić 10% Draško Gagović 5% Nenad Stefanović 6,66% Dragoljub Žarković 19,99% Irena Cerović 3,886% Komnen Cerović 3,886% Danilo Cerović 3,886%	6,724,962.03	10,534,431.43	5,699,100.02	11,694,900.00	34,653,393.48

An overview of significant legal entities – contracting authorities, recoded through the consolidated account of The Treasury of the Ministry of Finance (2011-2014)

No.	Name of legal entity	Payment code	2011	2012	2013	2014	2011-2014 TOTAL
1	KOLUBARA DISTRICT	221	8,400.00		10,800.00		19,200.00
2	GOVERNMENT FUND FOR PROGRAMS	263	1,595,700.00				1,595,700.00
3	MINISTRY OF FOREIGN AFFAIRS	221	70,000.00	14,000.00	18,600.02		102,600.02
4	MINISTRY OF CULTURE AND INFROMATION	221	806,000.00	949,796.42		5,400,000.00	7,155,796.42
5	MINISTRY OF DEFENSE	221	3,500.00	13,975.00			17,475.00
6	MINISTRY OF FINANCE	221	7,000.00				7,000.00

7	NAIONAL LIBRARY BOR	221	6,600.01	8,800.00			15,400.01
8	LIBRARY "VUK KARADŽIĆ" PRIJEPOLJE	221	6,600.01	6,600.00	8,800.00	8,800.00	30,800.01
9	CULTURAL CENTER LAZAREVAC	221	12,000.00				12,000.00
10	THE ASSEMBLY OF THE CITY OF BELGRADE	221	4,106,400.00	8,671,100.00	3,000,000.00		15,777,500.00
11	MUNICIPALITY OF KOSJERIĆ	221	6,000.00				6,000.00
12	NATIONAL LIBRARY "JANKO VESELINOVIĆ" BOGATIĆ	221	6,600.01				6,600.01
13	TOURIST ORGANIZATION LJIG	221	6,000.00		7,000.00		13,000.00
14	MUNICIPALITY OF LAJKOVAC	221	30,000.00	30,000.01	28,000.00		88,000.01
15	CITY MUNICIPALITY NEW BELGRADE	221	54,162.00				54,162.00
16	MINISTRY OF HUMAN AND MINORITY RIGHTS	221		120,360.00			120,360.00
17	HEALTH CENTER VALJEVO	221		3,000.00			3,000.00
18	MUNICIPALITY OF VRBAS	221		123,900.00			123,900.00
19	THE CITY OF SUBOTICA			123,900.00		162,000.00	285,900.00
20	THE CITY OF ČAČAK	221		88,500.00			88,500.00
21	MUNICIPALITY OF RUMA	221		123,900.00	150,000.00		273,900.00
22	THE ASSEMBLY OF THE CITY OF KRAGUJEVAC	221		123,900.00	150,000.00		273,900.00
23	THE ASSEMBLY OF THE CITY OF NOVI SAD	221		123,900.00			123,900.00
24	MUNICIPALITY MALI IDOŠ	221		8,800.00			8,800.00
25	DIRECTORATE FOR RAILWAYS	221			3,900.00		3,900.00
26	MUNICIPALITY SMEDEREVSKA PALANKA	221			150,000.00		150,000.00
27	THE CITY OF ZRENJANIN	221			150,000.00		150,000.00
28	AGRICULTURAL SCHOOL VALJEVO	221			2,100.00		2,100.00
29	TOURIST ORGANIZATION OF VALJEVO	221			7,000.00		7,000.00
30	INSITUTE FOR THE PROTECTION OF CULTURAL MONUMENTS	221			3,000.00		3,000.00
31	HOUSE OF HIGH SCHOOL SUDENTS SOMBOR	221			1,500.00		1,500.00
32	AP VOJVODINA	221			2,000,000.00	4,256,000.00	6,256,000.00
33	INSITUTION FOR CULTURE AND SPORT "CULTURAL-SPORTS CENTER UB"	221			8,400.00		8,400.00

34	PE DIRECTORATE FOR URBAN PLANNING, LAND, ROADS AND CONSTRUCTION OF VALJEVO	221				70,000.00	70,000.00
35	CULTURAL CENTER OF BELGRADE	221				550,000.00	550,000.00
36	MUNICIPALITY OF ŽITIŠTE	221				8,800.00	8,800.00
37	MUNICIPALITY OF NOVI BEČEJ	221				288,000.00	288,000.00
38	LIBRARY "LJ. NENADOVIĆ" VALJEVO	221				10,500.00	10,500.00
39	MUSEUM OF CONTEMPORARY ART	221				30,000.00	30,000.00
40	MUNICIPALITY OF PARAĆIN	221				8,800.00	8,800.00
41	MUNICIPALITY OF MIONICA	221				14,000.00	14,000.00
42	MUNICIPALITY OF PEĆINCI	221				120,000.00	120,000.00
43	THE CITY OF ZAJEČAR	221				444,000.00	444,000.00
44	MUNICIPALITY OF INĐIJA	221				162,000.00	162,000.00
45	THE CITY OF LESKOVAC	221				162,000.00	162,000.00
	TOTAL		6,724,962.03	10,534,431.43	5,699,100.02	11,694,900.00	34,653,393.48

No.	Name of legal entity	Registration number	Ownership structure	2011	2012	2013	2014	2011-2014 TOTAL
1	B92 AD	7528604	SHARE CAPITAL 100%					
	code 221			2,140,744.97	18,685,735.64	8,325,913.52	7,053,248.48	36,205,642.61
	TOTAL			2,140,744.97	18,685,735.64	8,325,913.52	7,053,248.48	36,205,642.61
2	RTV VOJVODINA	8859230	PUBLIC SERVICE	2011	2012	2013	2014	2011-2014 TOTAL
	code 221			12,595,899.12	12,375,581.32	32,458,943.72	1,494,852,417.51	1,552,282,841.67
	code 263			3,664,565.00	3,080,000.00		9,400,000.00	16,144,565.00
	code 290				160,000.00	100,000,000.00	896,238,319.47	996,398,319.47
	code 247				584,965.50			584,965.50
	code 287						340,000.00	340,000.00
	TOTAL			16,260,464.12	16,200,546.82	132,458,943.72	2,400,830,736.98	2,565,750,691.64
3	RTS	17644661	PUBLIC SERVICE	2011	2012	2013	2014	2011-2014 TOTAL
	code 221			321,610,809.26	19,277,143.39	212,318,827.65	9,860,066,428.99	10,413,273,209.29
	code 263				3,080,000.00		6,128,869,428.27	6,131,949,428.27
	code 220			157,000.00			1,765,310.00	1,922,310.00
	code 290			80,078,500.00	160,000.00	2,488,466,200.00		2,568,704,700.00
	code 247				584,965.50			584,965.50
	code 222					1,814,000.00		1,814,000.00
	TOTAL			401,846,309.26	23,102,108.89	2,702,599,027.65	15,990,701,167.26	19,118,248,613.06
4	STUDIO B	07010109	COMPANY FOR MARKETING AND MEDIA PROPAGANDA MAXIM MEDIA DOO BELGRADE 100%	2011	2012	2013	2014	2011-2014 TOTAL
	code 221			210,536,198.52	214,995,243.35	201,765,425.78	4,782,546.71	632,079,414.36

code 222			92,040.00	130,200.00	77,184.00	31,741.92	331,165.92
code 220			10,000.00		695,880.00		705,880.00
code 287			80,000.00				80,000.00
code 263			30,000.00	17,500,000.00	124,212,130.00	196,999,682.68	338,741,812.68
code 290			176,000.00	490,000.00			666,000.00
code 262				377,600.00	188,800.00		566,400.00
TOTAL			210,924,238.52	233,493,043.35	326,939,419.78	201,813,971.31	973,170,672.96

An overview of significant legal entities engaged in marketing and/or video production, media publishers, with revenues earned from the budget, recorded through consolidated account of The Treasury of the Ministry of Finance (2011-2014)

No.	Name of legal entity	Registration number and ownership structure	2011	2012	2013	2014	2011-2014 TOTAL
1	ADRIA MEDIA GROUP	Aleksandar Rodić 100%	1,067,061.40	597,882.81	629,590.88	10,478,725.67	12,773,260.76

An overview of significant legal entities – contracting authorities, recoded through the consolidated account of The Treasury of the Ministry of Finance (2011-2014)

No.	TOTAL PAYMENTS	Total number of payments	2011	Total number of payments	2012	Total number of payments	2013	Total number of payments	2014	2011-2014 TOTAL
1	TOTAL NUMBER OF EXECUTED PAYMENTS OF UP TO 100,000 RSD	58	945,699.99	39	182,615.00	44	629,590.88	90	3,627,840.87	5,385,746.74
2	TOTAL NUMBER OF EXECUTED PAYMENTS OF 100,000 TO 200,000 RSD	1	121,361.41	1	121,251.01			3	486,360.00	728,972.42
3	TOTAL NUMBER OF EXECUTED PAYMENTS OF 200,000 TO 500,000 RSD			1	294,016.80			4	1,475,152.00	1,769,168.80
4	TOTAL NUMBER OF EXECUTED PAYMENTS OVER 500,000 RSD							1	589,372.80	589,372.80
5	TOTAL NUMBER OF EXECUTED PAYMENTS OVER 1M RSD							2	4,300,000.00	4,300,000.00
	TOTAL		1,067,061.40		597,882.81		629,590.88		10,478,725.67	12,773,260.76