Internet Applications to Increase Political Finance Transparency

Dr Marcin Walecki
European Partnership for Democracy
”What needs to be said, and which in any case everyone knows, is that the greater part of political funding is irregular or illegal”

Bettino Craxi, Former Italian Prime Minister

”Sunlight is the best disinfectant”

Louis Brandeis, Former United States Supreme Court Justice
Political finance: Definition

- “Campaign finance”
  - ‘the way in which political entities gain resources to conduct election campaigns, and the way in which they spend those resources.’
- “Campaign expenditure”
  - ‘expenses incurred by a party for the purpose of directly influencing an election’
- ”Party financing”
  - includes also the costs of maintaining permanent offices, carrying out policy research
Effective Control of Political Finance

- Civil Society/Media
- Voters
- Independent Political Finance Regulator
- Party’s Internal Control
Effective Control – Independent Regulator

1. Non-partisan enforcement agency willing to be unpopular, supported by good appointments and adequate budget
2. Aggressive enforcement policy (REAL time disclosure and audits and enforcement action DURING the election)
3. Systematic and detailed reporting, public access to records and publicity, disclosure of ALL relevant financial information
4. Conduct AUDITS, including random audits during the election
5. Website, searchable database
6. Training for parties and candidates
Political Finance Disclosure

- Disclosure is based on comprehensive and regular exposure of the details of the party’s or candidate’s finances

- Who gives, how much, to whom, and for what, and when?

- Timing of disclosure and access to information (office, newspapers, web site)
Global and Regional Standards

- **UN Convention Against Corruption** Art. 7 (3):
  
  *Each State Party shall also consider taking appropriate legislative and administrative measures to enhance transparency in the funding of candidates for elected public office and, where applicable the funding of political parties.*

- **Council of Europe Recommendation Rec. (2003) 4** on common rules against corruption in the funding of political parties and electoral campaigns

  **Article 13  Obligation to present and make public accounts**

  a. *States should require political parties to present the accounts regularly, and at least annually, to the independent authority (...)*

  b. *States should require political parties regularly, and at least annually, to make public the accounts (...)*

- **Council of Europe (Venice Commission), Guidelines** on the financing of political parties

  *The transparency of electoral expenses should be achieved through the publication of campaign accounts*
ICT and Legislative Requirements

• **Moldova Law on Political Parties No. 294-XVI of 21.12.2007**

   Article 31 (5) The Central Electoral Commission shall publish on its web page, within two months from the date of elections, the budget of expenditures for electoral campaign of each political party, based on the information presented by the political parties.

• **Latvia Law on Financing of Political Organisations (Parties) Article 9. Transparency in financial and economic operations**

   (3) The declarations (…) shall be published in the *Latvijas Vēstnesis* newspaper and on the Internet within 10 days’ time after they are submitted, doing so in accordance with procedures defined by the Cabinet of Ministers.

• **Georgia (Electoral Code)**

   48. 11. Information concerning election contribution is open, public and available for everyone. CEC is obliged to give information to all interested persons concerning election campaign fund of electoral subject. CEC is also obliged to ensure the publication of the following information on web page within 2 business days of its adoption.
Access to Information

- Right to Know (FOI)
- Kinds of Information
  - Public Documents
  - Assets Disclosure (Candidates)
  - Donor Database
  - Political Finance Accounts
  - Audit Reports

- Secrecy Concerns (post-conflict environment)
Electoral Commission of the Republic of Lithuania

Election Campaign Finance Report of the Republic of Lithuania

Search conditions:
- Election: Elections to the Office of President of the Republic, 22 December 2002
- Party: None selected
- Candidate: Rolandas Paksas

Display options:
- All data
- Incoming
- Expense

Incomings/Expenses category:
- Donations and gifts from enterprises, legal persons (excluding party funds donated)

Display options:
- Detail
- Summary

Source: http://www3.lrs.lt/pls/rink/w3_paj_isl_new.pip_e
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Administering and Enforcing Federal Campaign Finance Laws

Campaign Finance Maps. Campaign finance information is now available via easy to use the USA for both Presidential and House and Senate Elections through the most recent report period.

Source: http://www.fec.gov
### Presidential Candidates

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Source: http://www.necliberia.org
Latvia

Source: http://www.knab.gov.lv/lv/finances
Quarterly donations report

On the 25th of November 2009, we published donations and borrowings accepted by political parties in Quarter 3 2009 (July-September 2009). Click here to view our analysis of Quarter 3.

You can also see the analysis of Quarter 1 2009 and Quarter 2 2009 and the one for the year 2008.

Trends

Donations and public funds reported since 2001. Figures are expressed in millions.

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Great Britain register of donations to political parties

Name of registered political party
- All

Received by (Head office or name of accounting unit)
- [Field]

Type of donation
- All

Quarterly reporting period from
- 02/04/01 £1,000,000.00
- 13/01/02 £2,000,000.00
- 22/03/05 £1,536,064.80

Donor status
- Any

Source: http://www.electoralcommission.gov.uk
NGO monitoring (USA)

Source: http://www.opensecrets.org
NGO monitoring (Brazil)

Source: http://www.opensecrets.org
Recommendations

- Start with asset disclosure, followed by campaign finance disclosure, online reporting, then online complaints mechanism
- Institutionalization – online disclosure recognized by a country specific legal framework and accepted by major stakeholders
- Sustainability - database designed according to the capacity of the monitoring agency (e.g. data entry) and supported by independent budget
- User friendly and visible – systematic approach with trainings and publications
THANK YOU VERY MUCH!