Joint EC-UNDP Thematic Workshop on Sustainability in Electoral Administration: Adequate Resourcing for Credible Elections
POLITICAL FINANCING AND IMPLICATIONS ON ELECTORAL INTEGRITY

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• Background information & Baselines – where are we coming from and where we tend to be going

• Definitions and scope – generic considerations linking elections’ integrity with political financing & definitions of political financing

• Political finance & Elections’ integrity – where and how political finance impact elections

• Best Practices – entry points for action
A lot has been accomplished, in particular during the last decade.

(IFES, 2006) *Study on Political Finance in Post-conflict societies*

(2007-2009, UNDEF funded IFES Programme)

*Political Finance Regulation: The Global Experience*


*Deepening Democracy*
Background information & Baselines

International technical Assistance, in particular UNDP’s, is focusing on

*strengthening electoral systems and processes*

&

*the ability to promote more credible and inclusive electoral processes and institutions*
Background information & Baselines

results tend to be more mitigated in relation to promoting normative values of free and fair process

political financing is an important variable in this assertion
For elections to embody democracy, further development and promote security, they must be conducted with integrity.

Where elections have integrity, the bedrock democratic principle of political equality is honoured.

Political finance has the potential to undermine the integrity of elections and democratic governance.

In current global context, since 2000 only 11 countries in the world did not have held national elections.

More than 50 countries have adopted democracy in the last 20 years and now struggle to consolidate democratic governance.
Global recession and rising economic inequality are putting pressure on many democracies, including older ones.

Political Financing is among the major challenges elections with integrity face nowadays.

Regulating uncontrolled, undisclosed and opaque political finance becomes a core issue in Electoral Field.
Political finance is about

*Campaign finance*

Party finance

and all aspects related to

Funding of

Spending by

*parties and candidates in election campaigns*
“political finance system” encompasses limitations on support for and accountability of funding for political parties, candidates and other electoral participants.
Political finance & Elections’ integrity

The regulation of political funding includes disclosure, contribution and spending bans and limits, direct and indirect public funding, and less obvious mechanisms such as limited campaigning periods.
In post-conflict countries and emerging democracies, political financing has become in the past decade a serious issue not deserving however the enough attention.
Post-conflict societies experience distinctive problems with regard to political finance regulation

Funding from undesirable sources, electoral violence and unequal opportunities for participation can reduce electoral competition, lead to one-party domination or even return to conflict.
Political finance & Elections’ integrity

Challenges faced when programming political finance in post-conflict societies

Effective legal and procedural frameworks

Limiting political violence

Funding from undesirable sources and abuse of state resources
Political finance & Elections’ integrity

Enacting enforcement mechanisms

Addressing transparency through financial reporting and public disclosure

Balancing the competitive field by providing subsidies
Problems that are particular to post-conflict environments

irregular and nontransparent political financing
often because of lack of meaningful regulations and oversight

transparency, accountability and fairness

values/concepts are weakly rooted in stakeholders
lack trust in the process and among the political actors, the population at large, due to political instability

lack political infrastructure (gap to be filled by groups that have the capacity to rally large numbers of people to participate in or boycott the process)

lack of established electoral calendars
Political finance & Elections’ integrity

Funding from illegal or irregular sources

illegitimate, criminal and/or terrorist interests access to the overall political process

immediate post-conflict elections are often extremely expensive operations

little time or capacity to tackle political financing and the overall democratization effort
Political finance & Elections’ integrity

Additional problems characteristic to transition and fragile states (exacerbated in post-conflict environments)

lack of dialogue among stakeholders: political elites, civil society organizations (CSOs), media and newly mandated state institutions

little popular funding (small donations or membership dues) to support political parties and candidates
lack of dialogue among stakeholders: political elites, civil society organizations (CSOs), media and newly mandated state institutions

little popular funding to support political parties and candidates

Political finance detection and enforcement mechanisms are weak and lack of cooperation with Political Finance Regulators
Political finance & Elections’ integrity

8 case studies in 2006 IFES study, Mozambique among them

Lessons learned in

Political financing & violence

Limits on transparency

Legal/regulatory framework & Limits of enforcement

Controls of funding sources & abuse of state resources and access to media

Direct & indirect funding and support
Political finance & Elections’ integrity

Regarding political financing

Global experience clearly indicates that

*regulation and monitoring by government agencies is not sufficient*

*an active civil society and vigilant media is necessary if effective oversight is to be achieved*
Political finance has not received enough attention and commitment to reform.

No broad consensus exists on what constitutes best practice regarding political finance.

But good practices can still be identified to form a minimum standard of integrity for elections.
Transparency

Effective oversight of political financing requires transparency and disclosure

Be comprehensive and identify income, expenditure, liabilities and assets

Be timely and report throughout the electoral cycle or well in advance of election day

Be available to the public easily

Be subject to stringent sanctions for inadequate disclosure or timeliness
Restrict and Limit Private Contributions

Private contributions may represent support by the electorate.

But

With unregulated private donations comes the possibility of a few donors buying influence over the electoral process.
Restrict and Limit Private Contributions

reasonable control of private donations by

placing quantitative limits on the size of donations and

through banning anonymous donations, foreign donations or criminal donations
Balance Private and Public Funding

complement to the private contributions that parties and candidates raise themselves

level the playing field among electoral contestants by providing public financial support

can be in non-monetary forms, access to free media airtime or the free use of public facilities for campaign activities
Restrict the Abuse of State Resources

A wider concept of what constitutes an abuse needs to be applied together with stronger enforcement of the law.

Control Campaign Expenditure

Expenditure limits are determined in relation to the size of the voting population or of the applicable electorate, as opposed to simply setting one maximum limit.
Independent Monitoring and Oversight Authority

responsible for receiving, examining and auditing financial reports from political parties and candidates

Power to monitor parties’ accounts and investigate potential political finance violations but also to impose stringent sanctions
Organized Crime and Political Finance

penetration of transnational organized crime into mainstream politics, and its ability to move finance across borders illicitly

require regional and international efforts and there is no adequate international approach to addressing the challenge of international criminal networks’ infiltration of democratic political processes