



**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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- **Best Practices** – *entry points for action*

# Background information & Baselines

A lot has been accomplished, in particular during last decade

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

(2007-2009, UNDEF funded IFES Programme)

***Political Finance Regulation: The Global Experience***

(2012) Report of the Global Commission on Elections, Democracy and Security

***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***

## *Definitions and scope*

**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**

The report of the Global Commission on  
Elections Democracy and Security

## *Definitions and scope*

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



## *Definitions and scope*

**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**

# *Definitions and scope*

**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 & Elections' integrity

***“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*

# Political finance & Elections' integrity

In post-conflict countries and emerging democracies

***political financing has become in the past decade a serious issue***

***not deserving however the enough attention***

# Political finance & Elections' integrity

**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***



# Political finance & Elections' integrity

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*

# Political finance & Elections' integrity

***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***

# Political finance & Elections' integrity

***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