

Including political finance in international election observation missions

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Introduction

This document debates if and how the issue of political finance can be included in international observer missions. It is based on the discussions during meetings in Atlanta in October 2008 and in Washington DC in January 2009, organized by IFES and the Carter Center. It is also based on lessons learned from conducting a political finance framework analysis of the upcoming Parliamentary elections in Lebanon as part of the Carter Center observation mission, and the author's experience of working with political finance issues over a prolonged period.¹

This document is in turn intended to serve as inspiration for further discussions on political/campaign finance and election observation during the meeting planned for 1 – 2 April 2009 in Atlanta. It is not the intention here to present any final conclusions; rather to assist discussion.

The paper starts with four lessons learned from the above discussions. This is followed by thoughts concerning the levels of political finance that international observer groups can monitor, and then provides some practical recommendations as to activities that such groups may conduct.

1. Never ignore political finance in election monitoring missions

Money is never unimportant in elections, and the risk of money negatively affecting an electoral process should never be ignored. Therefore, the issue of political finance should always be included at the planning stage of an election observer mission. There may be cases where observer groups decide not to include political finance monitoring due to lacking capacity or because the issue is overshadowed by other shortcomings in the electoral process. However, such decisions should always be taken based on a conscious debate on the issue, not because no one thought of the matter.

2. Identify the importance and difficulties of observing political finance in each case

Even though money is never unimportant, its relevance will vary between countries and between elections in the same country. Where the electoral competition is very low due to interventions by the government or due to ethnic voting patterns, for example, money is sometimes only important during the candidate selection process. If there are widespread reports of vote buying and the abuse of state resources in cases where elections are technically well conducted and otherwise fair, it may be reasonable to make political finance a main aspect of the observation. In cases where there are no financial disclosure requirements, or where such requirements are ignored or veiled in secrecy, monitoring these issues will be particularly difficult.

While each case is unique, there are some qualities of political finance that tend to remain the same, and which need to be taken into account;

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Opacity The use of money in election campaigns tends to be an understudied issue in most places, and in particular in countries where international election observation is likely to take place. It is significantly more difficult to study than for example the process of registering voters or counting ballots. To add to this, there is less international consensus on what is desirable behaviour and regulation than there is for example regarding vote tabulation.

Sensitivity The role of money in politics tend by its very nature to be politically sensitive (in particular for competitors) in a manner that many other aspects of the electoral process are not.

Timeframe issues A particular concern with monitoring campaign finance is that in cases where candidates and/or political parties submit financial reports after elections, this is often done one to two months after election day. At this point most international observer missions will have departed. Conversely, political finance to a very large extent concerns the entire election cycle, so to effectively monitor it often requires an approach stretching over several years or even electoral cycles. This does not mean that short term international observer missions can have no role in the observation of political finance.

Lack of a population from which to draw samples Most polling day observations are based on randomly selected polling stations chosen so as to create a nationally representative sample (a similar approach can for example be chosen for studying the voter registration and candidate nomination processes). However, campaign finance has few natural populations from which such samples can be made. This means that it is for example difficult to judge whether reports on vote buying signify isolated incidents or a widespread practice.²

3. Review your capacity to observe political finance in particular missions

Observing the role of money in politics in general and in elections in particular is subsequently a demanding task, and for each international observer mission, the group(s) responsible needs to analyse its capacity to take on political finance monitoring. Aspects to be taken into account include the overall availability of information on the issues; the openness of the disclosure system (if applicable); the personnel capacity of the mission and (as discussed above) the time frame for the mission.

Whenever possible, the international observer group should request a person with knowledge of political finance matters and the country in question to make a preliminary analysis, on which a decision can be made. Such a person could also help to train mission members on political finance issues.

4. Find the most suitable solutions for the case

In some cases, the mission may decide not to include the issue of political finance at all. However, it is important to realise that an analysis of political finance need not include a presence over several years with a cadre of experienced auditors. Below is developed the notion of three levels of political finance to monitor; the regulatory framework; the implementation of this framework, and the actual role of money in the elections. While a complete political finance analysis include all three, a partial implementation can still be beneficial.

In addition to this, international observer groups should whenever possibly consider cooperating with domestic organisations involved in the monitoring of political finance. Such groups will

² When more time and resources is available for monitoring, this problem can be overcome. For example, monitors can observe randomly selected candidates covering all relevant parties; the expenditure of selected Ministers or the campaign costs in selected constituencies.

invariably have better local knowledge, better contacts, more time available for monitoring, and often also more personnel available (assuming funding can be found). This issue is discussed further below.

Determine what to observe

Overall, an observer group can include political finance in its election observation at three different levels. These levels are not mutually exclusive and whenever possible all should be addressed. While the third level is the most important, observer missions should however start with the first two, when applicable. Crudely put, these deal with the regulation of political finance, not with political finance itself. Thereby, they represent a narrower but more easily applied focus. Bear in mind that only the third level will be relevant if not disclosure regulations are in place.

A. The regulatory framework

The first is the regulatory framework, and an analysis of this is a natural first step of a political finance analysis. These are some of the questions to be addressed (the list is by no means exhaustive, and a discussion around it during the April Atlanta meeting could be useful);

Table 1. Main questions in a regulatory framework analysis

No	Question	Reference
1	Are there disclosure requirements in the law, and if so do they adequately cover the information necessary to enhance transparency?	<p>"Each State Party shall also consider taking appropriate legislative and administrative measures, consistent with the objectives of this Convention and in accordance with the fundamental principles of its domestic law, to enhance transparency in the funding of candidatures for elected public office and, where applicable, the funding of political parties." UNCAC, art 7(3)</p> <p>"a. States should require political parties to present the accounts referred to in Article 11 [consolidated accounts that include those of directly or indirectly related entities] regularly, and at least annually, to the independent authority referred to in Article 14 [independent monitoring which includes supervision over the accounts of political parties and campaign expenses]." Committee of Ministers, Recommendation Rec(2003)4, Art. 13(a)</p> <p>"Electoral campaign accounts will be submitted to the organ charged with supervising election procedures, for example, an election committee, within a reasonable time limit after the elections." Venice Commission, Guidelines on the Financing of Political Parties, adopted 9-10 March, 2001, para 11</p>

2	Is information submitted by political parties and/or candidates made available to the public?	<p>"The transparency of electoral expenses should be achieved through the publication of campaign accounts". The Venice Commission Guidelines on the Financing of Political Parties Article 12.</p> <p>"independent monitoring should include supervision over the accounts of political parties and the expenses involved in election campaigns as well as their presentation and publication." Committee of Ministers, Recommendation Rec(2003)4, Art. 14b</p> <p>"Rules which require a party to maintain and make available for public scrutiny records identifying donations exceeding a certain value and their donors, may be said to embody the principle of transparency." van Biezen, Ingrid, "Financing Political Parties and Election Campaigns - Guidelines." Council of Europe, 2003, p.22</p>
3	Are there income and expenditure thresholds, and/or bans on income from certain sources or on certain type of expenses? If so are these restrictions reasonable?	<p>"Reasonable restrictions may include, for example, prohibitions of funding of campaign expenses from foreign sources, public corporations, or anonymous sources" OSCE/ODIHR Observation Handbook (Fifth Edition), 47;</p> <p>"Reasonable limitations on campaign expenditure may be justified to ensure that the free choice of voters is not undermined or the democratic process distorted by disproportionate campaigning on behalf of any candidate or party." European Commission, Handbook for European Union Election Observation, Second Edition p. 53</p> <p>"b. States should take measures aimed at limiting, prohibiting or otherwise strictly regulating donations from legal entities which provide goods or services for any public administration." Committee of Ministers, Recommendation Rec(2003)4, Art. 5 (b)</p>
4	Is the use of state resources in election campaigns banned (and are there sanctions against such activities)?	<p>"The electoral law should prohibit the Government to aid or to abet any party gaining unfair advantage" SADC Parliamentary Forum Norms and Standards, 13, para 3.i</p> <p>"Unfair incumbency advantages should be addressed and the use of state resources that are not made available to all candidates in the electoral campaign should be prohibited." The Carter Center, Statement of the Council of Presidents and Prime Ministers of the Americas, 'Financing Democracy: Political Parties, Campaigns, and Elections' March 19, 2003, p.2</p> <p>"Government office space, vehicles, and telecommunications equipment should not be used for partisan purposes unless equal access is provided to all contestants" OSCE/ODIHR Observation Handbook (Fifth Edition), 47;</p>

	<p>Do political parties and/or candidates receive public funds for their campaign activities? If so, is the distribution transparent and fair?</p>	<p>"Objective, fair and reasonable criteria should be applied regarding the distribution of state support." Committee of Ministers, Recommendation Rec(2003)4, Art. 1</p> <p>"The use of public assets and funds for political party purposes should be regulated in order to level the playing field for political competition." EISA and Electoral commissions Forum, PEMMO, para 4.7</p> <p>"The strengthening of political parties and other political organizations is a priority for democracy. Special attention will be paid to the problems associated with the high cost of election campaigns and the establishment of a balanced and transparent system for their financing." Inter-American Democratic Charter, Article 5</p>
6	<p>Are there unnecessary restrictions on the right of political parties and candidates to run effective campaigns?</p>	<p>"It is also advisable that provisions regarding anonymous donations be such that the administrative burdens of parties are kept proportionate by excluding low-value donations from the obligation to refuse anonymous donations." van Biezen, Ingrid, "Financing Political Parties and Election Campaigns - Guidelines." Council of Europe, 2003, p.26</p> <p>"A legal framework for political finance regulation— contained in the electoral law, the political parties law or a separate political finance law—should include:Realistic requirements for financial reporting of electoral activity, including disclosure of private sources of funding for political activity (also with relatively high thresholds for public reporting)." Dahl, Bob, in Political Finance in Post-conflict Societies, IFES, 2006, pg. 129</p>
7	<p>Is the institution(s) set to enforce compliance with limits, bans, thresholds and disclosure regulations independent from political influence by stakeholders?</p>	<p>"Ensure that the financing of political groupings and regional elections is not only subject to traditional parliamentary scrutiny but is also monitored by an independent body such as a court of auditors" Congress of Local and Regional Authorities of the Council of Europe, Resolution 105 (2000) on Financial Transparency of Political Parties and their democratic functioning at regional level (Paragraph 11).</p> <p>"States should establish independent auditing bodies endowed with sufficient powers to supervise the accounts of political parties and the expenses linked to electoral campaigns." Parliamentary Assembly of the Council of Europe, Recommendation 1516 (2001), (Paragraph 8 D).</p> <p>"The enforcement of political finance laws and regulations requires the existence of independent oversight authorities and an effective system of sanctions to end impunity." The Carter Center, Statement of the Council of Presidents and Prime Ministers of the Americas, 'Financing Democracy: Political Parties, Campaigns, and Elections' March 19, 2003, (Page 3).</p>

8	Are there proportionate and clear sanctions against breaches of existing rules?	<p>"The enforcement of political finance laws and regulations requires the existence of independent oversight authorities and an effective system of sanctions to end impunity." The Carter Center, Statement of the Council of Presidents and Prime Ministers of the Americas, 'Financing Democracy: Political Parties, Campaigns, and Elections' March 19, 2003, p.3</p> <p>"States should require the infringement of rules concerning the funding of political parties and electoral campaigns to be subject to effective, proportionate and dissuasive sanctions." Committee of Ministers, Recommendation Rec(2003)4, Art. 16</p> <p>"Any irregularity in the financing of an electoral campaign shall entail, for the party or candidate at fault, sanctions proportionate to the severity of the offence that may consist of the loss or the total or partial reimbursement of the public contribution, the payment of a fine or another financial sanction or the annulment of the election." Venice Commission, Guidelines on the Financing of Political Parties, adopted 9-10 March, 2001, para 14</p>
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In asking all these questions, the observers need to consider factors such as the level of political corruption in the country, the public interest in enhanced transparency, and the risk of harassment of contributors if information is made public.

An assessment of this kind can often be conducted largely out of country, although the evaluation of the suitability of the current framework needs to be done through discussions with stakeholders.

When political finance is included in international observer reports it is often limited to this legal analysis. While this is understandable, it risks giving a misleading impression concerning the transparency of political finance in situation where existing regulations are not enforced. If more thorough monitoring of political finance is intended, this first step is however a necessary precondition.

B. Implementation of the political finance regulatory system

The second level concerns the compliance of candidates and/or political parties) with the disclosure requirements. By this is simply meant if contestants provide financial statements in line with existing regulations. Detailed reporting requirements are of little use if they are ignored by those set to comply and those set to enforce them (this is more common than people might believe).

Non-compliance may be due to political parties and candidates being reluctant to disclose where their funds come from and how they are used. However, the reporting requirements can also be so arduous that it becomes difficult for them to comply. Being expected to report too frequently or in too much detail can place undue burdens on political parties and candidates, and reduce the expectations on them submitting (accurate) reports.³

³ See for example van Biezen, Ingrid, "Financing Political Parties and Election Campaigns - Guidelines." Council of Europe, 2003, p.26

Closely related to this is the amount of information available to political parties and candidates regarding their reporting requirements. Especially in cases when reporting requirements are a new phenomenon or the regulations are very complicated, and in cases where the educational level and literacy may be low among candidates, the Political Finance Regulator (PFR) must reach out to those involved with easy-to-understand manuals and guides. It is often also highly beneficial if the PFR can provide training sessions for those required to submit reports, preferably as early as possible.⁴ To evaluate this issue, interviews can be conducted with PFR officials but in particular with candidates and political party representatives.

When conducting an analysis of this kind, it should also be taken into account whether the PFR has sufficient resources and capacity to conduct its work. The burden placed on the PFR must not be such that it can never be fulfilled (no PFR could for example audit every single campaign contribution).

Of special importance to study is whether there is any discernable bias in the enforcement of political finance regulations, such as if certain political parties or candidates seem to be especially targeted with sanctions, whereas others escape the attention of the regulation institution. Biased enforcement could more than reverse any benefits that may come from regulating the use of money in an election.

Monitoring this aspect of disclosure should be seen as a minimum requirement if political finance is to be included in international observer missions, and doing so would normally only involve contacting the implementing agency at the time of the reporting deadline and conducting interviews with stakeholders. A difficulty for some international observer groups will however be that this deadline often falls some 30 or even 60 days after polling day, by which time the mission may have been required to submit its final observer report.

In combining the first two levels of analysing political finance, it may be helpful to apply the questions in the Opinion Society Justice Initiative handbook on Monitoring Election Campaign Finance, so see whether the regulatory system is;

- too vague to allow for effective enforcement
- too complicated to allow for effective enforcement
- too restrictive to be observed in practice
- adequate but lacking an effective enforcement framework
- adequate but enforced in a discriminatory fashion⁵

One final point on the issue of compliance with reporting requirements; in situation where disclosure requirements are introduced for the first time, the level of compliance and the quality of received reports are not always entirely impressive. It is not uncommon that the PFR in such cases decides not to apply sanctions, although such sanctions may be available in the legal framework. Such behaviour by electoral competitors and PFRs can be seen as being anathema to political finance transparency. However, it should be remembered that developing a system of political finance transparency is a complicated and time-consuming task at the best of times, and in emerging democracies (not least those coming out of armed conflict), this will be even more so.

⁴ In cases where candidates are required to submit financial statements after an election, IFES recommends that detailed information regarding these commitments, including forms to be used, is provided during their candidate nomination. This is because the nomination process is often the only time that the PFR can reach all candidates directly. If the PFR is not conducting the candidate nomination, it should seek the cooperation of the institution that is.

⁵ Opinion Society Justice Initiative (2005) *Monitoring Election Campaign Finance, A Handbook for NGOs*. Justice in Action Series. Opinion Society, New York.

This does not mean that international observer missions should not pay attention to the political finance regulatory framework, or that they should not point out major failures. However, I urge some restraint in too vocally criticising shortcomings that are due to a lack of capacity, practice or understanding. Blatant abuses by political actors and biased behaviour by the PFR should always be condemned.

C. (Actual) use and role of money in election campaigns

The third thing to be observed is the accuracy of submitted reports, or put differently, monitoring the *actual income and expenditure* of electoral contestants. This is naturally both the most pertinent and at the same time the most difficult aspect of campaign finance observation.

It is at this level that many of the difficulties mentioned at the beginning of this paper become relevant.

Table 2. Forms of campaign expenditures

Type of expenditure	Methodology for observation	Ability for international observers to monitor
Media advertisements	Media monitoring	Can be included if general media monitoring is conducted ⁶
Posters, banners, billboards	Field study of selected areas	LTOs could count number of billboards etc in selected areas and calculate the costs thereof
Campaign rallies	Interviews, participatory observation	Seldom possible for international observers to monitor effectively
Door to door campaigning	Interviews, participatory observation	Seldom possible for international observers to monitor effectively
Abuse of state resources (using public media, vehicles, funds etc).	Media reports, interviews, participatory observation	Often easy to receive information, but may be difficult to verify
Vote buying	Media reports, interviews, participatory observation	Seldom possible for international observers to monitor effectively

The abuse of state resources

An especially important issue to study is the abuse of state resources (in some countries referred to as “administrative resources”). This issue is fairly easy to define, though often difficult and potentially politically sensitive to study. While there is global consensus rejecting the practice of government political parties and candidates making use of their incumbency status, it is equally recognised that this happens in almost all elections. Sitting Presidents running for re-election will unveil plans to build new hospitals soon before elections, and Parliamentary majorities will increase public servant salaries.

⁶ By general media monitoring is meant the study of newspapers, radio and TV to analyse attention and bias displayed regarding various political parties and candidates. Adding a political finance component to this would include counting the number and size of advertisements placed by different political parties and candidates, and through calculating costs using the media outlets advertising charges, estimate the campaign expenses relating to media advertisements. This will be difficult in cases where there are many relevant media outlets.

When the use of a position of incumbency, and in particular the direct abuse of state resources, skews the electoral competition so that opposition forces have little or no chance of succeeding, this issue becomes utterly important, to the extent that a technically perfect election may nonetheless become fundamentally flawed.

Some cases of abuse of state resources may be displayed publically, such as a sitting President campaigning using his publically owned helicopter, or state media blatantly supporting the government party. Other cases may be more subtle, and very difficult to receive information about or particularly to verify.

In practice, it may be difficult for shorter international observer missions to monitor the issue of the abuse of state resources with any confidence. The difficulty is exacerbated by the fact that by its very nature, only one side, the government, will normally have access to state resources.⁷ Accusations concerning the abuse of state resources will therefore automatically be one-sided accusations against the government. This also means that the opposition has an incentive of producing such accusations, whether correct or not.

Some suggestions on how international observer groups can monitor the abuse of state resources are included in the possible tasks for core teams, LTOs and STOs listed below. Apart from these activities (which may or may not be relevant in any particular case), international observer groups should consider partnering with credible and independent domestic organisations monitoring the abuse of state resources. This issue is discussed further in a later section.

Vote buying

It can be helpful to distinguish between two types of vote buying. The first could be conceived of as transactional vote buying, where voters are provided with direct, immediate and material compensation in return for voting in favour (or against) a particular political party or candidate. In such cases, the “purchaser” of votes must have some means of knowing how individual members of the electorate votes, or at least must make voters believe that (s)he has such means.⁸

The other type of vote buying does not take the form of a direct transaction between a candidate or political party and an individual voter.⁹ Such non-transactional vote buying relies on the political party or candidates providing generous gifts during the election campaign to persuade voters that if elected, such gifts will continue to be provided. In the words of Mushota, “a candidate’s ability to deliver the goods was *a priori* determined by his/her ability to meet the incessant demand for sharing in the spoils system”.¹⁰ This type of vote buying can much more difficult to define, but it is arguably more common in many parts of the world, as it does not rely on knowledge on how individual members of the electorate votes (as it is based on buying people’s preferences rather than their actions).

⁷ It has been suggested that monitoring the abuse of state resources at a local level can be a way to escape this problem. This is true, but requires a) that more than one political party or coalition dominate different local government areas, and b) that there are any state resources at local level to abuse. In many African countries, the capacity of local government is so low that it simply does not allow for meaningful abuse.

⁸ See further for example Stokes, Susan C. (2004) “*Is Vote Buying Undemocratic?*” Department of Political Science University of Chicago Chicago” Prepared for Paper prepared for delivery at the 2004 Annual Meeting of the American Political Science Association, Chicago, September 2-5, 2004.

⁹ As a result of this, some prefer not to define such activities as vote buying, but rather view it exclusively within the larger framework of clientelism and patronage (of which it undoubtedly is an example).

¹⁰ In Ohman, Magnus (2004) *The Heart and Soul of the Party, Candidate Selection in Ghana and Africa*. Department of Government, Uppsala University, Uppsala, page 155.

Tackling the difficult issue - is there a level playing field?

There is one question that emerges as the most difficult to study, especially during international observer missions with limited time and man power available, while it at the same time is among the most important aspects of any political finance system. This is whether access to funds is such that political contestants can compete on equal terms, or if one candidate, political party or coalition through its access to funds gains an electoral advantage that does not relate to the wishes of the electorate.

While the concept is widely used (a Google search for “level playing field” and “elections” gave 3.26 million hits), there is no universally accepted definition. There are two ways of approaching the issue of a level playing field in relation to political finance. One is to ask if significant actors have a base-line level of resources to be heard. This is then a focus on a floor, or minimum amount of resources to which each candidate or political party needs to have access to reach the electorate with their message.

The other approach focuses on the disparity in access to resources, or the relative gap between resource-rich and resource-poor political parties and/or candidates. With this thinking, a rich contestant can “drown” the voice of competitors by outspending them.

Determining if all (relevant) contestants have sufficient funds to be heard, or if the disparity is too large, does unavoidably involve making subjective and difficult judgements. It is often difficult to judge what is a necessary level of resources, and the increasing number of incumbent political parties losing elections in spite of large financial disparities shows that incumbency does not guarantee re-election.¹¹

One partial solution is to focus on whether existing regulations work to increase or reduce the extent of a level playing field. Public funding of election campaigns can help reduce problems relating to the first interpretation of a level playing field, whereas spending limits can help to address the second.¹² On the other hand, abuse of state resources will in most cases increase the disparity between contestants, and intimidation against potential contributors to the opposition may deprive the latter of the resources necessary to reach the electorate with their message.

To quote NDI, “[t]he level playing field metaphor is used to describe a process that protects equal treatment and fair opportunity. It is evaluated by considering, among other issues: the degree to which competitors are afforded equitable access to resources (e.g. finances and material resources, media access and news coverage.)”¹³

I recommend that this issue is awarded significant attention in forthcoming meetings on the issue of political finance and election monitoring.

¹¹ The 2008 elections in the Maldives, Ghana and Zimbabwe can serve as just some examples.

¹² “While it is understood that elections do not always take place on a completely level playing field, reasonable limitations on campaign expenditure could be introduced to avoid disproportionate expenditure on behalf of any candidate or party. Expenditures in regard to campaign may be regulated by the election law or separate legislation dealing with public financing if campaign funds are to be provided by the state.” Hogdahl 'Election Observation', page 14

¹³ NDI Domestic Monitoring: A to Z, page 56.

Follow the peculiarities of each system

While the goal of including political finance monitoring in international observer missions should be to develop general methodologies and gaining results that can be compared between countries and elections, each observation mission will still need to adjust its work to the prevailing conditions and the peculiarities of each system.

The first question to ask is whether a disclosure system exists. Where no so system is in place (or where it is moribund), a different approach must be chosen. This can either include an ambitious methodology including a larger group of long term monitors focused on this issue; cooperation with an domestic group monitoring these issues, or a more modest analysis of the funds available to different competitors and their income and expenditure, based on interviews and credible media reports.¹⁴ The level of awareness of the issue of political finance, especially within media (do they report on scandals?) and civil society groups (do they monitor the transactions by ministers, political parties and/or candidates?), and the sensitivity of such issues are other factors to be taken into account.

Also when disclosure are in place and at least not entirely ignored, each system will be unique, and the approach should be adjusted accordingly. If reports submitted by political parties and candidates are treated as confidential, the disclosure system often turns into a black box of little use to outside observers. International monitors can in such cases focus on the capacity, professionalism and actual and perceived independence and fairness of the PFR.

In some cases, political parties and/or candidates are required to submit financial reports during the candidate nomination process or before and/or during the campaigning period. If such reports are made public, they can provide important information as to the financial status of different political parties and candidates. They can also give indications regarding the capacity and willingness of the competitors to provide such information, and of the capacity and willingness of the PFR to act in cases where submitted reports to do not comply with the existing regulations.

The most important points in an electoral cycle

While money is always an important factor in politics, there are certain points during the electoral cycle when it tends to play a particularly important role, and subsequently when monitoring can be particularly rewarding (naturally this will vary depending on the specific circumstances).

Table 3, Periods of particular importance for political finance

Period	Explanation
During candidate selection process	The competition to be nominated by a political party is in many cases as fierce as the election, and corruption tends to be rife. Note however that such practices, while arguably harmful to intra-party democracy, are not necessarily illegal
Shortly before start of election campaign	In cases when political parties have to report on their income and expenses during the campaigning period, it is common to see a surge in fundraising and expenditure shortly before this period commences, for obvious reasons
During election campaign	Understandably, political parties and candidates tend to concentrate most of their campaign expenses to the actual campaign (though fundraising often starts earlier). Whether expenditure will focus on

¹⁴ An example of this is the section on private funding practices in the Carter Center Observer mission to the 2004 Mozambique elections, page 30ff.

	<p>the beginning or the end of the campaigning period depends on a number factors, such as the length of the campaigning period (when legally stipulated) and the availability of media channels with wide outreach capabilities.</p> <p>In some cases, political parties and/or candidates are also obligated to submit financial reports at the beginning of and sometimes during the campaigning period.</p>
One to two months after polling day	In cases where electoral competitors are required to submit financial statements after an election, this often takes place at least one month after polling day. Following the deadline for submission, the PFR is normally mandated to audit received reports. Whether submitted statements and the subsequent reports by the PFR are made public varies from country to country.

Tasks for core team, LTOs and STOs during a hypothetical election observer mission

Below follows an example of a checklist for a hypothetical observer mission in a hypothetical election. This checklist is intended as an inspiration for discussion rather than to being used in any actual case. It is unlikely that any than the most ambitious, long term and high capacity observer mission would be able to include all or even most of the activities listed here.

Core team

Task	Comment	Timeline
Conduct framework analysis	Should be conducted by person with knowledge of political finance issues. Analysis should also include recommendation regarding the inclusion of political finance in the observer mission	At beginning of mission
Receive training on political finance issues	If decided to include political finance monitoring in any form, core team members should be briefed in general principles of political finance and its regulation, and on the particular political finance regime in the particular country	After framework analysis has been conducted
Analyse disclosure statements provided before election	In some cases, political parties and/or candidates are required to submit financial statements before or during the campaign. If these reports, or information relating to them, are made public, they may provide important information	Before or during election campaign
Coordinate with domestic groups monitoring political finance	Coordination with domestic (and where applicable other international) groups monitoring political finance to ensure the exchange of information	At the beginning campaign (regular contacts throughout)
Conduct interviews with political finance regulator	To evaluate their willingness and capacity to enforce existing regulations	During campaign period and if possible follow up after election
Conduct interviews with political parties	To evaluate their awareness of existing regulations and capacity and inclination to comply	During campaign period and if possible follow up after

		election
Conduct interviews with media and civil society	To evaluate their awareness of existing regulation and confidence in their unbiased enforcement	During campaign period and if possible follow up after election
Monitor abuse of public media	Analyse whether publically owned media gives support to particular political parties and/or candidates, or ignore others	Throughout campaign
Monitor media campaign expenditure ¹⁵	Through counting number and size of advertisements, calculating cost of campaign	Throughout campaign
Train LTOs and STOs on political finance issues	Both on political finance in general and on regulations and issues of particular importance in the case in question	During regular LTO and STO training
Field experiment to test availability of information	In cases where reports are submitted and should be available to the public, have national person approach PFR to request access to information	After financial reports have been submitted by political parties and/or candidates

LTOs

Task	Comment	Timeline
Monitor evidence of illegal expenses	Observe rallies and ongoing campaigning to observe if illegal expenditure is taking place (for example the distribution of cash and the abuse of state resources)	During election campaign
Conduct interviews with candidates	To evaluate their awareness of existing regulations and capacity and inclination to comply	During election campaign
Calculate cost of billboards etc	Count billboards, banners etc for parties and/or candidates in selected areas, calculate cost through local providers	During election campaign
Calculate use of local media (radio)	In cases with local media outlets such as radio stations, monitor advertisements by candidates and/or political parties	During election campaign
Provide additional information to STOs on political finance issues	For example reminding STOs on what is allowable and illegal expenses	During STO deployment

STOs

Task	Comment	Timeline
Monitor evidence of polling day vote buying	Observe whether identifiable representatives of political parties and/or candidates distribute or goods to voters in relation to polling	On polling day (preferably also day before and after)
Monitor use of state resources during final stage of campaign	In cases where STOs are deployed a few days before election day, they can monitor the use of state resources (such as vehicles	Days before polling day

¹⁵ In monitoring media expenditure, it needs to be clarified if media outlets are allowed to provide space for free or at a reduced cost, and if so whether such cases need be reported as contributions in kind. Also, monitors need to know if exceptions are allowed for media outlets owned by or officially connected to a political party or coalition.

	with government licence plates) during the last stages of the campaign	
Study whether political parties provide transport for voters	Monitor if transport is provided to voters (the legality of such practices vary)	Polling day
Study whether state resources are used in favour of any candidate or political party	For example monitor if government owned vehicles are used to transport voters or party supporters	Polling day

Cooperation with domestic organisations monitoring political finance

This paper, and the discussions that preceded it, has shown that it can often be difficult for international observer groups to effectively monitor political finance matters, particularly when the delegation is small and/or stays for a limited time in-country.

An option to consider is then to establish cooperation with domestic civil society organisations that monitor political finance. As indicated above, domestic groups often have some or all of the above advantages over international observer missions;

- Better contacts with stakeholders
- Better knowledge of political context
- Can more easily determine what monitoring methodology is likely to work in particular cases
- More time
- More personnel

The last two factors are normally dependent on the availability of funds. While international groups can subsequently benefit substantially from such cooperation, domestic groups can gain additional expertise, exposure and potentially funding from such cooperation. International observer groups may consider cooperating with domestic groups in one or several of the following ways;

- Provide funding for domestic group's monitoring
- Provide assistance in the development of monitoring methodology¹⁶
- Assist in the training of core team and monitors
- Share information received during own observer mission
- Include findings of domestic monitoring group in own mission observer report (naturally giving due credit)

The monitoring by domestic groups would normally need to start before the international observer group starts its own monitoring activities. Issues of possible cooperation should therefore be raised through preliminary contacts, and groups may consider using international groups with which it has established contacts, and which are established in the country in question, to assist in establishing cooperation with existing groups.

While this is not the place to go into detail regarding possibly methodologies for domestic political finance monitoring projects, they can include random or strategic sampling of constituencies, candidates or political parties to provide coherent information of financial transactions. Normally, projects studying expenditure are easier to implement than those

¹⁶ International organizations such as IFES and Transparency international have developed political finance monitoring projects together with domestic groups in a series of countries.

focusing on income, as the latter tends to be much less visible. To completely ignore income can however be a mistake.¹⁷

¹⁷ It is perfectly possible to conceive of an election campaign where all expenditure follows both domestic laws and international best practices, but where the outcome still becomes corrupt since these funds were acquired through improper means.