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**TRANSPARENCY AND ACCOUNTABILITY IN THE FUNDING OF  
POLITICAL PARTIES AND ELECTION CAMPAIGNS**

***Revised preliminary draft resolution submitted by the co-Rapporteurs  
Mr. P. Moriau (Belgium) and Ms. M.T. Kubayi (South Africa)***

The 124<sup>th</sup> Assembly of the Inter-Parliamentary Union,

- (1) *Considering* that representative and participatory democracies function largely within the political party system as essential expressions of the political will of the people,
- (2) *Recognizing* that political parties require appropriate funding to fulfil their core functions, both during and between elections,
- (3) *Mindful* that it is to the benefit of the public, and to democracy as a whole, that political parties are adequately funded within an agreed framework of accountability and transparency mechanisms,
- (4) *Acknowledging* that in modern democracies, significant amounts of money are required to conduct competitive election campaigns so as to enable political parties to communicate their policy proposals as broadly as possible,
- (5) *Also recognizing* that the funding of political parties may comprise both public and private funding and encompass both direct and indirect forms, such as free broadcasting time on television and radio, tax subsidies, use of public buildings and public election billboards and that in order to mitigate the risks associated with the financing of political parties, measures have been put in place in many countries to regulate spending on elections and ensure transparency and accountability in the funding of political parties generally,
- (6) *Noting* that in systems where there is limited public funding of political parties, the importance of private funding increases and vice versa,
- (7) *Also noting* that the concerns surrounding the private funding of political parties are often viewed as a question of political equality and can be divided into three main areas of concern: inadequate resources that result in political parties and candidates pursuing relationships with donors who expect certain gains should those parties come into power; some political parties being better resourced than others; and cases where campaign finances come from compromised sources that expect a legislative or other benefit,

(8) *Recognizing* that the aspects of private funding that need to be addressed concern the admissibility of anonymous donations, cash donations, donations by foreign natural and legal entities, foreign international organizations, non-governmental organizations (NGOs), State-owned enterprises and enterprises responding to a call to tender,

(9) *Noting* that while codes of conduct for members of parliament and the executive have addressed accountability issues as they apply to elected representatives individually, there has been growing concern over the funding of political parties and the associated accountability of political parties, as a whole, to the people,

(10) *Further noting* that clear guidelines to regulate party and campaign finance, including reasonable limitations on campaign finance, campaign finance reporting requirements, political finance reporting requirements, measures to prevent the abuse of State resources, the establishment of an independent regulatory body to monitor the funding of political parties and electoral campaigns and appropriate sanctions for violations are all measures that should be given consideration in order to ensure that political parties remain accountable to citizens,

(11) *Recalling* that Article 7.3 of the United Nations Convention against Corruption, which entered into force on 14 December 2005, provides that "Each State Party shall also consider taking appropriate legislative and administrative measures, consistent with the objectives of the 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",

(12) *Considering* that political parties and election campaigns in all countries should aim to prevent and fight corruption,

(13) *Recognizing* that the State should provide reasonable support to political parties in a fair and objective manner in accordance with a set of agreed criteria in order to promote equal access to resources in accordance with the principle of political pluralism and as a counterweight to corruption by eliminating the need for undue reliance on private donors,

(14) *Noting* that public funding does not necessarily reduce the need for private funding, but should be used to mitigate the negative effects of excessive reliance on the former and to support smaller political parties that may not have access to private sources of financing for their political campaigns, but whose contributions to political debate are essential to a healthy democracy,

(15) *Underscoring* that temporary special measures, as outlined in Article 4 of the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), aimed at promoting gender equality should not be considered discriminatory and, as such, the allocation of funds based on party support for women candidates could be identified as an incentive for achieving gender equity in parliaments and for increasing women's political participation,

(16) *Reiterating* that gender equality and the empowerment of women are crucial components of any democratic system and that access to public funding can help promote gender equality in politics,

(17) *Recognizing* that in many countries, measures such as bans or limits on private political contributions, expenditure limits for election campaigns, increased public funding of political parties and controls over political expenditure have been taken,

(18) *Noting* that some States have enacted legislation ranging from requiring political parties to put in place financial controls, public disclosure of funding sources and an array of criminal, administrative or financial sanctions to ensure compliance with the law,

(19) *Recognizing* that public confidence in the democratic process could be undermined by political funding mechanisms that are not accountable and transparent, and that this should not only be a cause for concern for governments and parliaments, but also for international organizations working to enhance world democracy, and for political parties,

(20) *Noting* that the reasons for regulating the funding of political parties include the need to promote the democratic principles of transparency and accountability, prevent corruption, enhance competition among a broad range of political parties, accommodate a wide spectrum of political viewpoints, platforms and policies, and strengthen political parties and empower citizens to make informed decisions,

(21) *Convinced* that corruption represents a serious threat to the rule of law, democracy, human rights, equity and social justice,

(22) *Recognizing* that while mandatory disclosure of the funding of political parties contributes to greater transparency and gives the public an opportunity to understand what factors might inform the actions of a political party, it might also discourage donors from funding political parties,

(23) *Mindful* that disclosure laws, regulations and guidelines on campaign and political party funding seek to limit the negative impact of anonymous, foreign or business sources of funds to political parties as well as to ensure that all parties have an equal opportunity to compete and that although these measures may prove difficult to enforce in some countries, they are, nevertheless, important in ensuring that citizens are able to hold their political parties and elected representatives to account,

1. *Invites* States to consider putting in place measures aimed at ensuring the independence of political parties so as to shield them from undue influence and avoiding corruption and excessive spending on election campaigns;
2. *Recommends* that the call for reducing spending on elections and election campaigns also take into account low levels of income, literacy, access to information and technology and vast distances between urban and rural areas in some countries, which would make such a reduction difficult;
3. *Considers* that the funding of political parties should aim to give a voice to the people in the political and democratic process by encouraging a diversity of opinions and political perspectives, promoting a level playing field between large, well-funded political parties and those less endowed with financial means and generally encouraging meaningful participation in the political process by all actors, irrespective of their financial means and access to resources;

4. *Is convinced* that raising public awareness of the funding of political parties enhances the functioning of democratic institutions and limits the negative impact of corruption;
5. *Recognizes* the difficulty of setting universal accountability mechanisms for the funding of political parties due to different democratic and constitutional systems and political parties; *encourages nevertheless*, Member Parliaments, through the IPU, to continue to ensure accountability and transparency in keeping with the prevailing realities in different countries while drawing upon the basic principles established in international instruments such as the Universal Declaration of Human Rights and the International Covenant on Civil and Political Rights;
6. *Recommends* that parliaments, as institutions tasked with overseeing government action, civil society organizations and the media serve as watchdogs to educate citizens about the funding of political parties and continuously monitor the exercise of power in order to build a culture of transparency and responsibility in political life;
7. *Encourages* political parties to be part of the solution and become agents of change in a transparent and accountable manner;
8. *Recommends* the use of self-regulatory mechanisms, including internal codes of conduct and integrity for political parties;
9. *Invites* IPU Member Parliaments to consider putting in place measures to limit, prohibit or regulate funding by inter alia NGOs, corporate bodies and foreign sources so as to ensure that they do not exert undue influence on political outcomes;.
10. *Recommends* that governments and political parties ensure that mechanisms are put in place that require political parties and candidates to establish internal and financial controls with a view to greater financial accountability;
11. *Encourages* IPU Member Parliaments to adopt, in their legislative frameworks, anti-corruption regulations regarding the funding of political parties and election campaigns, in cases where specific laws, procedures or systems that provide for the regulation of the funding of political parties do not already exist;
12. *Calls upon* the Inter Parliamentary Union to develop a technical assistance and training programme for political parties on financial accounting systems and codes of conduct for political parties.