

Strategies, practices and tools for financing political parties in Moldova

On 30 March 2016, the national debate was presented study Promo-LEX 'strategies, practices and tools for financing political parties in Moldova. "The document examines the current state party financing, assessing how practices and international recommendations on financing parties are applied nationally and not least outlines a series of recommendations designed to contribute to improving the financing of political parties.

The study highlights three categories of problems currently existing in political parties beings. A first category of issues relates to the accounting and control system designed to protect the political arena illegal funding, dependence on a limited number of parties donors or over-spending. Thus, although there are limitations for donations or for the total amount of revenue that a party may obtain from private sources, Promo-LEX notes that they are set at very high levels.

In this regard, Promo-LEX recommends Parliament to revise the ceilings donations from individuals and legal entities at 20 and 40 respectively in average earnings, as it was originally established in 36 of the draft Law 04/09/2015 . Also, to prevent undue influence of political parties on the private sector, it is recommended lowering the limit for annual income of political parties from private sources and reducing the amount of membership fees and donations collected annually from 0.3% to 0, 2% of the revenues accruing to the state budget.

Other problems aim at providing transparency and control of

political party funding. Promo-LEX found that annual financial reporting of political parties was very erratic so far. Of registered political parties, only 10 submitted their financial reports in 2013 and 18 in 2014. Although the law guarantees transparency of financing political parties are reluctant to disclose financial information. At the same time, penalties for non-compliance with the legal framework on transparency and financing of political parties are not harsh enough and can not serve as an effective deterrent.

To combat these weaknesses Promo-LEX recommends diversification and significant increase penalties for breaching the provisions concerning financial transparency of political parties.

A third category of problems related to the limited capacity of political parties to ensure effective management, transparency and reporting of funds managed within the parties. Promo-LEX study reveals that in most cases the internal regulations and structure of the political parties do not meet legal requirements, financial management is over centralized.

Thus Promo-LEX recommends institutionalizing financial management structures and their decentralization, staff training political parties at central and local level on the existing legal party funding and effective financial management.

In drafting the Study Promo-LEX has conducted 14 interviews with representatives of the central party (between the parliamentary parties, only the Democratic Party declined the invitation Promo-LEX). Other 245 interviews were conducted with representatives of 21 regional branches of political partidelo and three interviews with other stakeholders. Data was collected qualitative and quantitative analysis of this subject by statutes of 43 political parties, 28 annual reports and 21 reports on campaign financing for parliamentary

elections in 2014.

Electronic version of the study [here](#).

The study was developed by the Promo-LEX under the “Fight political corruption in Moldova by improving the legal framework on financing of political parties and civic supervision” implemented with the support of the Good Governance Fund of the British Embassy in Chisinau.

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