

# Promo-LEX presents the conclusions of its observation mission on the financing of the 2016 Presidential Campaign and a comparative assessment of different legal frameworks in the fight against political corruption in the Eastern Partnership countries



On 28 November 2016, the Promo-LEX Association conducted a workshop on the financing of political parties and

election campaigns in Eastern Partnership countries and specifically on campaign finance practices in Moldova's

Presidential Election. The report reveals that **11 election candidates did not submit a complete accounting of their expenditures during the election campaign.** The study covers the period from 25 August to 13 November 2016.

The Promo-LEX Mission's analysis of the finances of initiative groups and electoral candidates during the election period shows that **MDL 1 160 427 were collected in accounts marked "Intended for Initiative Groups" and MDL 59 426 475 in "Electoral Fund" accounts.** The majority of the contributions collected by the initiative groups came from legal entities (46.58%), followed by individual contributions (41.49%) and in-kind donations (4.66%). On the other hand, election candidates received the majority of their contributions from individuals; 2 895 people transferred MDL 52 408 936 to campaign funds, followed by MDL 7 008 200 from legal entities and in-kind donations totaling MDL 837 765. **The total amount reported by election candidates was MDL 59 426 475.**

In addition, **Promo-LEX has estimated that a total of at least MDL 7 627 223 was not reflected in the financial statements of 11 candidates.** Most of the unreported expenditures are payroll expenses for campaign staff, compensation for volunteers/observers, outdoor and mobile advertising, promotions and – last but not least – maintenance costs for campaign offices. According to the observers' estimates, Igor Dodon, Marian Lupu and Dumitru Ciubaşenco are among the candidates whose financial statements omitted the largest amounts of money. Estimates of the expenditures of these electoral stakeholders reach more than one million lei each. In addition, the Observation Mission estimates that a total of MDL 2 239 310 was spent by 5 political parties for electoral purposes – expenses that should be included in those parties' semi-annual financial statements (semester II, 2016).

The closest any initiative group came to reaching the funding ceilings set by the CEC was 82.77%, raised by the initiative group supporting Dumitru Ciubaşenco (PPPN), followed by the

initiative group supporting EC Marian Lupu (PDM), which raised 36.86% of the maximum (he later withdrew from the electoral race). **The initiative groups supporting Mihai Ghimpu (PL), I.C. Vasile Tarlev, I.C. Maia Laguta, Vitalina Pavlicencon (PNL), Ana Gutu, I.C. Geta Savitcaia, I.C. Ion Dron and 1 EC (I.C. Maia Laguta) declared no expenditures during this period.**

The observers note that **94% of the reported expenses were designated for advertising** (including promotional materials), 2% for public events, 2% for transport, 1% for compensation of volunteers/observers and 1% for other expenses. No electoral candidates reported payroll expenses or expenses related to public opinion polling. Only three electoral candidates reported expenses for volunteer compensation, consulting and additional maintenance expenses (including telecommunications). Like the electoral candidates, the initiative groups focused their attention on advertising (including promotional materials), spending 75% of reported expenses on advertising, 17% on transport, 4% on additional maintenance expenses and 4% on other expenses.

In addition, the Promo-LEX Mission found that electoral authorities were less active during the 2016 presidential election, given that they independently supervise and oversee the financing of political parties and election campaigns. **Legislation currently in force provides for gradual sanctions when laws on political party and election campaign financing are violated.** The CEC also has the ability to inform the relevant bodies about any violations punishable under administrative or criminal law, or related to violations of tax law. Regarding this mechanism, **Promo-LEX did not record any cases of sanctions being imposed or relevant bodies being informed with a view toward imposing sanctions.**

In conclusion, **the Promo-LEX Mission observed several irregularities that were not properly accounted for in the financial reporting of both initiative groups and election**

**candidates, with a view toward imposing proper sanctions or filing appeals.** The comparative assessment of campaign financing was based on the financial statements submitted by initiative groups and election candidates to the CEC, analyzed in connection with the observers' findings.

The comparative analysis of the ability of legal frameworks to fight political corruption in Eastern Partnership countries focuses on 4 areas of comparison. These areas are: the regulatory body for political party and election campaign financing; revenue and expenses in political party and election campaign finances; reporting requirements for political party and election campaign financing; and sanctions for violations in political party and election campaign financing. **The analysis notes Georgia's positive experience with elections, which serves as an example for the rest of the countries in the region and demonstrates that the Republic of Moldova needs to make progress in campaign finance transparency.**

Click here to find the study on **Political Parties and Election Campaign Finance in the Eastern Partnership Countries**. The findings and recommendations of the Promo-LEX Observation Mission can be found here.

*The workshop "Political parties and election campaign finance in the Eastern Partnership countries. Campaign finance practices in the Presidential Election of the Republic of Moldova" was organized under the projects "Strengthening civil society organizations in the fight against political corruption in the Eastern Partnership countries" and "Civic monitoring of political financing and support for the uniform application of the judicial code in Moldova", with the financial support of the Civil Society Forum of the Eastern Partnership Countries, the Ministry of Foreign Affairs of the Czech Republic, the European Union, the National Endowment for Democracy and the Embassy of Great Britain in Chisinau. Responsibility for the opinions expressed belongs to the*

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