



Netherlands Institute for  
**Multiparty Democracy**

## Roundtable on

### Political Party Funding and Women's Participation in Political Life

Tbilisi, 29-30 June 2011

Marriott Courtyard Hotel

#### Roundtable Conclusions on Political Party Financing<sup>1</sup>

*Political parties are one of the key players in democratic politics. Their role and performance will only become increasingly relevant as Georgia organizes two elections in 2012 and 2013 that will likely be of historical importance for the country's future. To discuss some of the key issues that affect political life, the Central Electoral Commission of Georgia, Office for Democratic Institutions and Human Rights of the Organization for Security and Cooperation in Europe (OSCE/ODIHR), International Foundation for Electoral Systems (IFES) and the Netherlands Institute for Multiparty Democracy (NIMD) convened a Roundtable to address the issues of political party financing on June 29 with the broad participation of Georgian political parties, non-governmental organizations, international donor and development agencies, experts of the field and the Georgian media.*

*Participants at the roundtable discussed a number of issues that concern Georgia's democratic development and the role of political party financing in it. The discussion centered around four major areas: 1. financial transparency and accountability, 2. the level and amount of public funding, 3. control and monitoring of funding, and 4. general issues related to the political environment and Georgian party system. The roundtable participants outlined 15 specific areas which need to be addressed in order to streamline and improve the key aspects of political party financing and therefore ensure a fair, level and competitive playing field for the effective functioning of political parties.*

#### Transparency and Accountability of Political Party Finances

1. The issue of financial transparency in political party funding should be addressed, taking into consideration not only the funds that are used during the electoral campaign, but also funding during regular, non-electoral periods as well. Only by taking this broader view can a more transparent and accountable system of monitoring funding and spending by and for political parties be established.
2. Current legislation does not provide for adequate mechanisms to hold parties sufficiently accountable for their fundraising and spending. Better mechanisms need to be put in place to ensure that the

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<sup>1</sup>These good practices and conclusions have no official status and are not based on consensus. Their inclusion in this report does not necessarily suggest that it reflects the views or policies of the organizers including OSCE/ODIHR, the US government, USAID, IFES or NIMD



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quality of political party disclosure and accountability does not depend on the political goodwill of respective organizations, but rather is mandated by law.

3. Effective regulatory and oversight mechanisms are required for those political party donors that win tenders and auctions commissioned by the Georgian government and/or are awarded government contracts.
4. The same principle applies to state-owned companies and firms that are in effect in possession of public funds. The options of monitoring, limiting or altogether restricting them from the sponsorship of political parties or candidates should be further explored.

### **The Amount of Public Funding for Political Parties**

5. Stark asymmetry in political party funding is apparent in Georgia. One party has significantly more financial resources than the other parties, which have a very limited funding base. This situation poses a challenge to the realization of healthy political competition.
6. Public funding is vital to sustaining a multiparty environment. The current level of public funding for political parties is insufficient to achieve this goal. Georgia needs a sound and more robust public funding system for political parties.
7. Public funding for presidential elections should be considered as a viable instrument for creating a more equal, level and transparent electoral environment - not only during parliamentary elections but for presidential elections as well.
8. Georgia ranks last in the OSCE area in terms of the number of women in the Parliament. There exists a strong linkage between women's participation in political life on the one hand and internal political party management decisions on resource allocation and women's representation on the other. These linkages should be further identified and existing gaps filled to allow for equal and effective participation of Georgia's women in its political life. To these ends, linking the level and degree of women' participation in political parties to allocations of public funds should be considered as one possible remedy, for example by linking levels of public funding for political parties to the proportion of women nominated as candidates by political parties and/or included on party lists.

### **Monitoring Political Party Finances**

9. There is a need for an unbiased and independent institution that can effectively monitor political party funding and finances. Such an institution should be impartial and equipped with the relevant



mandate and all necessary resources to be able to properly monitor funding and perform an oversight function.

10. The establishment of common accountability standards is paramount. Such standards should be clear and simple. Necessary training of political parties and other relevant stakeholders should be provided to ensure proper awareness levels on any such standards, their implementation and the implications of non-compliance.
11. Existing sanctions for non-compliance with the norms of transparency and accountability need to be enforced more vigorously and - if necessary - new ones introduced. Sanctions, however, must be clear and all necessary safeguards should be envisaged to avoid their usage as a political weapon. Any such sanctions should be proportional to the degree of non-compliance and must be adequate and reasonable in order not to inhibit the functioning of a political party unnecessarily.
12. Non-compliant parties should have access to all necessary mechanisms to guarantee due process.
13. Reasonable spending ceilings are recommended to be introduced during electoral campaigns by political parties or candidates. The ceilings must not stifle political innovation but rather allow for a healthier and more competitive electoral environment for all political contestants.
14. The timing for funding and financial reporting shall be re-assessed, since funding as well as the identity of funders is relevant for both political parties and voters. Voters should have full information about political party donors before they mark their choices on the ballot.

### **The Political System and Political Environment**

15. Georgia has a dominant party environment. This creates significant challenges for its democratic development. Necessary policy and legislative actions are needed to provide a level playing field for all political players.
16. Important political and legislative changes should not be adopted and enforced without the consensus of all major political parties.