

Campaign Finance Monitoring Methodology Local Elections 2015

The Campaign finance monitoring methodology for local elections is elaborated by Promo-LEX Association within the project „Civic Monitoring of Election Campaign Finance in Moldova Parliamentary and Local Elections 2014-2015 years” with the financial support offered by the Stefan Batory Foundation, with funds donated by the Solidarity Fund.

1. Context of the monitoring

1.1 Legislation

The legal framework for campaign finance for the local elections 2015 includes the Election Code, regulations and decisions adopted by the CEC, which provide an overall adequate basis for the conduct of democratic elections. The new adopted law on political parties and campaign finance brings new amendments to the electoral code, criminal and contravention code in terms of reporting and disclosure, more gradual sanctions for violations and the most important funding from the state budget for the political parties.

1.2 Issues at the parliamentary elections 2014

1. Unclear formula for establishing the ceiling for financial contributions that could be transferred to candidates' „Electoral fund”. The formula didn't highlight the basic criteria used in elections – the number of voters, but instead referred to the annual value of annual allocations from the state budget for financing the political parties (provision from the law that was not billed for that time). The ceiling increased by 3,5 times.
2. Consequently it was alarming that by increasing the ceiling, CEC admitted the raise of the ceiling's percentage that a candidate was allowed not to disclose and in case of exceeding it he could be eliminated from the electoral campaign. Thus, if in 2010 the rate of 5% out of the admitted ceiling for financial contributions to candidates constituted 1,083,222 lei, in 2014 it has increased to 2,750,000 lei.
3. There were found many cases of electoral activities conducted by candidates prior to opening accounts with the “Electoral Fund”, thus the expenses were not reported in candidates' financial statements.
4. Many Electoral candidates failed to declare their sources of revenues and material support of the election campaign in weekly national publications as it is provided in the electoral law.
5. The majority of electoral candidates didn't report all expenses and thus revenues made in the campaign.
6. Almost 15 million MDL in expenses remained undeclared in candidates' financial reports.
7. At least 2 candidates didn't declare more than 5% of the established ceiling for financial contributions which are allowed not to be declared, and ran the risk of having their registration in the race cancelled.
8. Most of the undeclared expenses, pertained to organizing public events – 11,160,545 lei, which represent 74.82 % of total estimated undeclared campaign expenses.

1.3 Features of election campaign for the local general elections 2015

The forthcoming local elections will be conducted to elect 898 mayors of municipalities, towns, communes and villages, as well as 19 000 councilors (district), municipal, town, communes and village councils. Mayors and councilors are elected for a four-year term. Members of councils are elected under a proportional representation system without a threshold. Mayors are elected using a majority system, with a runoff between the two candidates who received the highest number of votes in case no candidate won an absolute majority of the valid votes in the first round. At least 25 per cent of registered voters must participate for the elections to be valid. There is no turnout requirement for second rounds and repeat voting. The right to nominate candidates in local elections is granted to political parties and electoral blocs, as well as to Moldovan citizens through self-nomination upon submission of voter support signatures. The local general elections 2015 will be administered by CEC, 37 level II District Electoral Councils (DECs), 898 level I DECs, and around 2000 Precinct Electoral Bureaus. The scale and complexity of organizing local elections is larger than the one for the parliamentary elections. For the local general elections a considerable field of party and independent candidates is expected to register.

2. Purpose of the monitoring

After the adoption of the law on political parties and campaign finance the current framework provides more means and leverage to assess candidates' campaign activities, their obedience to the law and better formulated sanctions in case of violations.

- The transparency of campaign finance is a worrying issue for the Republic of Moldova. A part of campaign spending is undisclosed, which means money sources are undisclosed either.
- The previous campaign for the parliamentary elections 2014 revealed that in the absence of fixed sanctions and the absence of viable mechanisms for monitoring and supervising the finances of political parties and candidates, the electoral process was slightly flawed.
- Using opaque resources generates electoral corruption, vote buying, inequality in media coverage of all the candidates, use of administrative resources, tax evasion.
- By monitoring the management of candidate's financial resources, we expect to increase voters' confidence in election results.
- There is the need to fill in the gaps in the law related to party finance in the election campaign and to provide the electorate with qualitative, unbiased information.

2.2 Goal

The Campaign Finance Monitoring aim is to increase campaign finance equitability and transparency among electoral candidates and reduce the risk of electoral corruption.

It is especially important during local election campaign. The more transparent local election campaign finance means the fairer and better for the community decision made by the mayors and the councilors after elections.

2.3 Objectives

1. Ensuring transparency of campaign finance for the general local elections 2015;
2. Assessing the capacity of the oversight bodies and regulators in supervising and controlling campaign finance for general local elections 2015;
3. Assessing the correspondence of Moldova's legal framework on campaign finance with the international standards for democratic elections;
4. Promoting equal opportunities and an even electoral playing field for all candidates;
5. Assessing the presence of under-represented groups, women specifically in the electoral campaign and their access to funds for campaigning;
6. Contributing to the adjustment of the legal framework on campaign finance after the local general elections 2015;
7. Informing the public opinion about noticed violating of the regulations and the threats associated with the financing of election campaigns;
8. Increasing the scope and practice of the civic society/public supervision election campaign stakeholders – mainly political parties and candidates;
9. Strengthening cooperation between civic society and public institution in order to achieve more transparent public life.

3. Methodology's monitoring focus

The Promo-LEX Association in its observation effort for the local general elections involves 39 long-term observers, 32 mid-term and short-term observers. On Election Day, Promo-LEX delegates over 1000 short-term observers usually for each polling station. The activity of all long-term and short-term observers is coordinated by a central team, which monitors both the pre-electoral and post-electoral periods. The monitoring itself is neutral and unbiased with regard to all electoral candidates. Findings are based mainly on the observations and analysis of the documentation.

Before participating in the Monitoring Effort, Promo-LEX observers are trained in election campaign finance' monitoring and reporting. The monitoring of the use of finances by the electoral candidates, their revenues and expenses, and their reporting is done in accordance with the law. The calculations of expenses are based solely on the findings of Promo-LEX observers, based on a realistic documentation and estimates of the minimal costs. The public reports of the Monitoring Effort are developed based on official information, observers' direct observation and on candidates' financial statements to CEC, level II DEC, level I DEC and EBPS, interviews with electoral actors, and analysis of official documents.

The focus of the campaign finance monitoring for the local general elections 2015, similar to the parliamentary elections is on all electoral constituencies. In this way the scope of the methodology is to have a full coverage of the Republic of Moldova. The reasoning behind these chosen path sits in the different reporting destinations. Two types of candidates will run for each of these institutions - party candidates and independent candidates. The oversight bodies in terms of campaign finance are different for each of the electoral candidates, thus parties will report centralized to CEC in a cumulative financial report for all their candidates while independent candidates specifically to level II and I DECs or EBPSs depending on the institutions for which they will run. In order to have a level playing field for each of the candidates and have an equitable approach in monitoring, analyzing and comparing the findings of observers with the ones reflected in candidates' financial statements, the Promo-LEX monitoring focus is on all of the constituencies with their specific party and independent candidates.

4. Promo-LEX Observers Principles and Responsibilities

Long Term Observers (LTOs) are deployed by Promo-LEX mission to observe, access and report pre-election and election process at the regional level. In accordance with Promo-LEX observer methodology and principles, it is important for Long Term Observers to have such an approach as to enable a full and substantive analysis of the election processes.

LTOs essentially work as regional representatives of Promo-LEX, being deployed to every district of the country. Each LTO will be assigned a specific area of responsibility. Each LTO should assess the area and prioritize their work as given the time and financial constraints, a full detailed observation of the entire campaign events will not be possible, but the methodology counts on. It is important to do a good job in a reasonably wide area rather than a less good job in a larger area. Each LTO will make observations based on the following basic questions: What? Who? When? How? Where? How much? And will be compiled into a monitoring weekly report.

- **Respecting the law.** LTOs are obliged to respect the law and all the applicable legal acts of electoral processes. LTOs are obliged to follow all the legal provisions issued by state bodies.
- **Ensuring political impartiality and good will.** LTOs are obliged to keep political impartiality and good will during the campaigns. They should avoid expressing any kind of personal opinion, manifesting partiality or showing sympathy towards the national organs of the state power, political parties and election candidates.
- **Respecting the international human rights.** Observers are required to respect the fundamental human rights and especially the right to vote and to be elected.
- **Avoiding to interfere with the election process.** Observers are required not to create obstacles to the electoral process in any of its stages. However observers have to notify the electoral bodies about the identified problems but so as not to create additional obstacles in the work of election administration.
- **Ensuring accuracy of observations and professionalism in drawing conclusions.** Observers are required to ensure the accuracy of the observations they make. Observers must base their conclusions on verifiable facts and not draw premature conclusions.

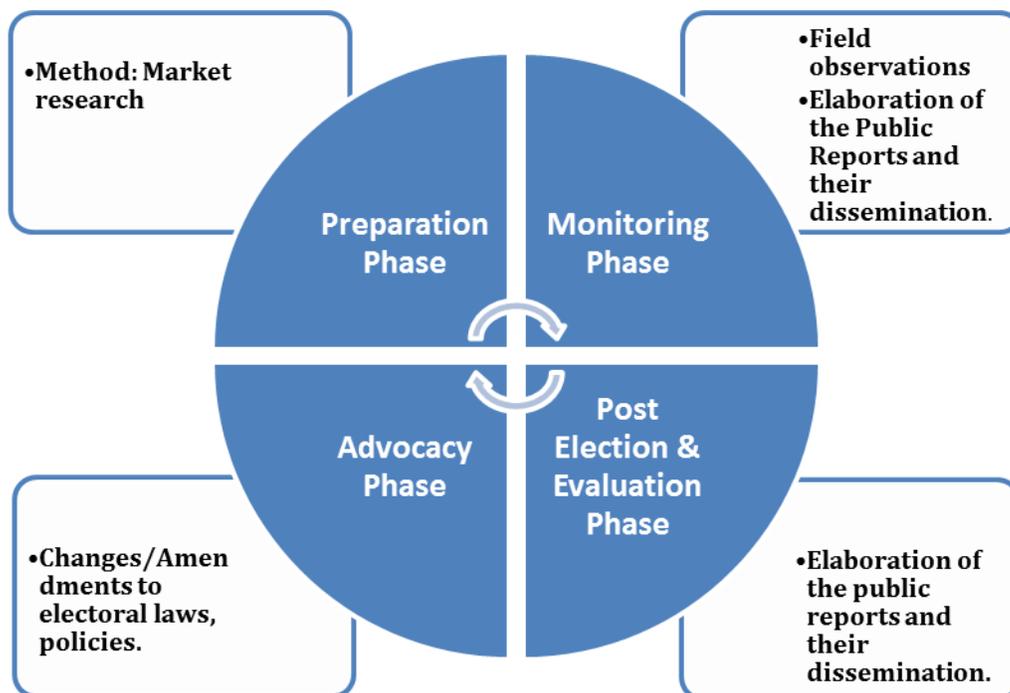
- **Respecting the Code of Conduct.** Observers are required to ascertain the electoral law, the regulations developed by the electoral authorities and lead to precisely the methods applied by the observation mission.
- **Respecting the observation mission and its organizational unity.** Observers are required to respect and protect the organizational unit of the observation mission. Observers should be aware of the role they have in the observation mission and the importance of the findings for their analysis, mission and society.

5. The stages of the monitoring

The monitoring effort consists of four central phases and each of the phase includes certain methods of observation.

Phases: *preparation period, monitoring period, post-election and evaluation period, advocacy period.*

Methods: *1) Market research, 2) field observations, 3) analysis and evaluation, 4) elaboration of the election public reports and their dissemination.*



5.1 Preparation phase

This first stage, which is de facto the most important must provide the foundation to the effort. The successful implementation of the planning process is important to answer the following questions.

- *What information and data may be useful for actors involved in the electoral process?*

5.1.1 Method: Market research

Consists of elaborating a data base with information related to the prices of all expenditure units candidates will make in the campaign. Expenses regard: cost for office rent (price for 1m² of space, regionally adapted), cost for related services (price for gas, electricity, water), cost for transportation (price of gas per 1km), staff remuneration (minimum wage from the budget law), advertising costs (prices of several advertising companies for every type of advertising material), cost for public events (price for renting the location in each district, price for stage, price for artists in accordance with the duration of their performance, price for media coverage), cost of communication services (price for mobile communication, internet and landline communication).

Similarly, at this stage, there should be identified those indicators that will be used in the monitoring process. It has also clarified the definition of the latter: an indicator is a factor or variable that provides a simple and reliable means to measure achievement and reflects changes in any domain. Simultaneously there should be developed a classification of indicators which depending on the type of information used, may include quantitative indicators (quantitative measures, numbers, percentages, transport unit, traveled distance, number of advertisements or articles) and qualitative indicators (voters' individual perceptions, opinions of others or the relevant actors). The monitoring period itself.

The main stages of market research:

- 1) Establishing the method of inquiry (Focus on direct approach for gathering data)
- 2) Data collection (Campaign finance analyst gathers information from the state agencies, media agencies, advertising companies, etc.)
- 3) Analysis and interpretation (Selecting many option prices, amounting them and establishing an average standard which will be the pillar for estimating costs).
- 4) Creating the data base (Inserting all the average standard prices in the data base).

5.2 Monitoring phase

The monitoring period begins with the launch of the mission and registering observers and for each competitor with its registration in the respective electoral body. The data collection process can be applied to qualitative and quantitative techniques. Quantitative techniques may include statistical data, surveys and structured interviews with various experts. Qualitative methods may include various aspects such as legal analysis, observations, laws, reports unpublished material available on the internet, and open interviews. The several years monitoring based on a variety of data sources as a single source can provide all necessary information and different sources in combination, can be used to verify the findings have been subjected to distortion potential which characterizes any single method of analysis. Below are given a few suggestions for data collection to monitor the election campaign financing:

At this stage the core team which consists of the LTO Network Coordinator and 6 other regional coordinators who each manage 6/7 other LTOs, consists of the analytical team, accountant team, logists, IT specialist etc. The analytical team itself consists of judicial analyst, campaign finance analyst, electoral analyst and lastly but not leastly the chief analyst.

Communication and reporting is a key element in the monitoring process. This not only refers to drafting a report but rather to the communication effort, findings, concerns and implicit formulation proposed solutions to overcome obstacles identified as problems. The report must not only determine whether some activities have been implemented or not, but also to determine the competent authorities take measures to achieve the desired changes.

The review process can be described as follows: The analysis team worked all information, inserts a national report conducted in so as to create a very general and comprehensive picture about absolutely all events that were seen and reported by observers.

The team member responsible analysis of campaign funding by chapter, read each event, check whether the reporting criteria, generalizes and structures all the information pursuant to paragraphs depending on the facts or candidates.

After processing the information and grouping them into paragraphs it is necessary to identify those national and international rules that determine tolerance or reflect the positive trend. Namely describing the positive aspect or where applicable, paragraph describing negative start properly. After processing all the information and final grouping paragraphs in a chapter reported events, each team member must play a summary analysis of Chapter reflecting broadly and briefly, in two or three phrases all content the events of the chapter. The recommendation is that this summary to start with those positive aspects which were registered after that slow transition to be made matters less positive or negative; Chapter summary prepared transmitted analysis team leader for inspection and inclusion in the final report to be made public. After checking and integration general principal analyst report draws general summary of the report within one page - two, trying to establish those national trends, concerns and formulates recommendations of the monitoring effort, including those related to campaign financing election.

- Document analysis (financial documents/invoices/receipts/reports on campaign income and expenditure of each electoral candidate, contracts)
- Field observations (documented with photos)
- Interviews with voters
- Interviews with candidates
- Interviews with local authorities

5.2.1 Method: Field observations

Consists of collecting and verifying the field information gathered by the long term observers in their DEC's. Data is collected based on adjusted reporting forms elaborated by Promo-LEX experts in correspondence with the standardized templates elaborated by CEC based on which electoral candidates report in the campaign. The reporting forms, which are in e-format, cumulated in a software, are itemized on contributions (local sponsors who need to present a declaration of the donation to the specific candidate) and expenditures. Each of the 39 long term observers will use a

The items included in the observers' reporting forms are: *office rent, related services, transportation costs, salary for the staff, agitators' honoraria (including per diem), advertising costs (including design, layout, advertising production work, media advertising: regional TV, regional radio, regional newspapers, outdoor and mobile advertising, polygraphic advertising, promotional advertising), public*

events (including: location, stage, stands, outdoor panels, billboards, reflecting the event in media, honoraria for the performing artists) and communication (mobile, landline, internet).

The main stages of field observations:

- 1) Preparation** (needs' assessment, preliminary determination of the action plan, the accumulation of general information about the district, previous elections, candidates involved in other elections, etc.)
- 2) Preventing violations** (observer's simple statement that he will monitor campaign financing which consequently will reduce the willingness of the candidates to admit violations)
- 3) The Observation Process itself** (Observer hears, sees, participates, proves his findings) Fixing, documenting facts (photos, videos, interviews, request for information)
- 4) Reporting** (sending information to the core team) and to the election administration

The target subjects to be monitored

- Men-Candidates/Women-Candidates/ campaign/ income-expenditure/ internal (staff, representatives, volunteers/ observers etc.)
- Election administration CEC-DEC II- DEC I/ activity/ receiving information in time/ processing information/ dissemination of the information/ reporting the results.
- Public administration/ local (police, abuse administrative resources, incompatibilities, supervising and controlling capacity of the resort authorities such as police, judge etc.)
- Media/regional
- Other essential decision makers: local leaders (specific citizens/ charity organizations/ foundations/ service providers etc.
- Third parties who give contributions/in-kind contributions

During the monitoring process observers will cooperate with the same subjects that they actually monitor. But observers should keep in mind that in the process of accumulating information about another monitored respondent, this individual appears already in the role of a partner and only after as an informational resource.

5.2.2. Method Elaboration of the public reports and their dissemination

Consists of receiving information from LTOs deployed in their regions, verification and comparison with the financial information from candidates' financial statements submitted to CEC or level II - DEC/ level I – DEC/ EBPSs (analysis, systematization and its evaluation by the core team members). Meeting the oversight bodies when required more in depth verification.

Data analysis should be part of a team effort. Results and criteria should be jointly decided by the team that processes the data. Therefore, more people should participate in this process. Once collected, the data must be systematized, that is organized in such a way as to permit data processing. This can happen in two cases:

- a) In the situation the mission gathers the same type of information from various individuals and groups, the information will be compiled. For example, individual interviews will be organized by them; completed questionnaires will be aggregated into a database etc.

b) If data is collected by using several different methods, we have to identify the issues that need to be analyzed. For example, from the range of event reports there should be selected only the entries related to the means of transportation which refer to the movement of a candidate to an electoral concert, given that for the reported period the candidate did not report transportation costs.

The result of the reporting process accumulated in the field can be described as follows: a) Observer from the field participates at electoral events, makes notes aimed at electoral campaign financing and reflects it in the report. Designates event report as approved by the Finance Mission Branch/Competitor. There should be attached to the report the evidence photos, audio, video that also has naming them according to Branch. Finally, the LTO should forward the report to its regional network assistant.

5.3 Post-election and evaluation phase

During this period, which begins with the announcement of the final election results and validation of mandates we need to draw attention to the concerns or deficiencies of the observation mission, as well to the tools, to the mission strengths and to the possible solutions to overcome all the obvious weaknesses. The evaluation can be comprised of the evaluation questionnaires that need to be filled in by observers and which will answer to questions related to the following domains:

- De-briefings
- Internal communication
- External Communication
- Logistics Insurance
- Reporting
- Tools used
- Visibility Mission

5.3.1 Method: Elaboration of the public reports and their dissemination

Consists of elaboration of the preliminary, interim public reports, formulation of positive and negative trends, formulation of a list full of concerns and recommendations of the observation mission and public dissemination of reports. Launching follow-up activities such as public debates with all actors involved in the electoral process, on the formulated concerns and recommendations. Recommending amendments to adjust the campaign finance law post elections etc.

Long Term Observers (LTOs) are deployed by Promo-LEX mission to observe, access and report pre-election and election process at the regional level. In accordance with Promo-LEX observer methodology and principles, it is important for Long Term Observers to have such an approach as to enable a full and substantive analysis of the election processes.

LTOs essentially work as regional representatives of Promo-LEX, being deployed to every district of the country. Each LTO will be assigned a specific area of responsibility. Each LTO should assess the area and prioritize their work as given the time and financial constraints, a full detailed observation of the entire campaign events will not be possible, but the methodology counts on. It is important to do a

good job in a reasonably wide area rather than a less good job in a larger area. Each LTO will make observations based on the following basic questions: What? Who? When? How? Where? How much? And will be compiled into a monitoring weekly report. Below there are the stages of elaborating the public reports:

- Event classification and its framing under certain general tendencies
- Legal analysis of the spotted tendencies
- Organizing the trends in the report on sections/chapters
- Attempt to define the causes and conditions that favors the trends
- Drawing conclusions and recommendations, elaborating the summary
- Integrating the financial section/chapter in the general report
- Editing the entire report
- Public presentation of the report and its dissemination to the interested stakeholders

5.4 Advocacy phase

Advocacy activities include oral, written or electronic communications to electoral actors

Advocacy after the monitoring itself aims to influence decisions within political, oversight, and electoral bodies. Through advocacy many activities such as round tables, media campaigns, public debates, conducting workshops or publishing research are meant to improve the electoral framework and make the entire democratic process related to elections a fairer one.

- Formulation, modification, or adoption of electoral legislation
- Organizing relevant focus groups for generating ideas adapted to public's needs assessment
- Elaboration and modification, or adoption of an electoral rule, regulation, policy or position of the central electoral body.

The advocacy activities should will done in a neatly organized frame. These specific activities will also include time (specify in hours or days) and money expenses spent preparing and planning such activities.