

NURU

Promoting Transparency in

Political

Finance

in Southern Africa

Comparative analysis and findings
from Mozambique, Namibia, South Africa,
Zambia and Zimbabwe



Transparency
International
Zimbabwe

NURU

Promoting Transparency
and Accountability in

Political

Finance

in the SADC Region



**Transparency
International
Zimbabwe**

Transparency International Zimbabwe (TI-Z) is the local autonomous and independent National Chapter of Transparency International (TI). TI-Z was formed in 1996 by a group of dedicated and concerned Zimbabweans to fight against Corruption and its effects on society. TI-Z is part of the growing network of TI National Chapters fighting corruption through networks of integrity within civil society, business, academia and government to curb corruption both nationally and internationally.



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Introduction

Financial resources are important for the functioning of modern representative democracies. Political parties and candidates need money to compete in elections, build grassroots organisations, communicate their messages and canvass voter support. However, money can be used for buying access to politicians and result in undue influence on the decision-making process or other practices which are particularly threatening to emerging democracies.

The findings of the Transparency International (TI) Global Corruption Barometer and other governance indicators highlight the perception in Africa that political parties are one of the institutions most affected by corruption. Studies of the National Integrity Systems (NIS) of seven countries in Southern Africa provide detailed accounts of how the transitions to multiparty democracy have opened new opportunities for political corruption, including vote buying and the sale of influential positions in government. With election campaigns increasing in sophistication, and thus becoming more expensive, the importance and need for political funding is ever-increasing. Both political parties and individual candidates have become more vulnerable to accepting illicit funds or entering into patron-client relationships with private donors that undermine their democratic accountability to the citizens.

The purpose of the work against corruption of political finance is not to reduce the amount of money available but rather to ensure that political funding does not come from illegitimate or potentially questionable sources. Increased transparency and public knowledge about flow of money in politics can help to eliminate the negative effects of corrupt practices and reward integrity. Therefore, transparency becomes the cornerstone of regulating financing of political parties. It provides the ability to verify and detect malpractice and enables citizens to make informed decisions when selecting political leaders.

With the objective to contribute to the debate on political financing TI Zimbabwe has initiated a NURU project carried out in five countries of the SADC region, namely Mozambique, Namibia, South Africa, Zambia, and Zimbabwe. The objective of the project is to increase transparency in the financing of political parties and election campaigns, and is premised on the conviction that transparency is the foundation for monitoring money in politics. The project sought to measure the level of transparency in political financing by looking at laws and practices of given countries and comparing existing systems with the international standards enshrined in the tool used for the research. The methodology borrows from the Crinis project developed by TI's Latin American chapters and the Carter Center to promote transparency and accountability in political financing in Latin America. The tool evaluates current legislative systems and studies the practices of key actors involved in political finance, helping to identify gaps and shortcomings in the country's political financing systems as well as in developing specific recommendations to address them. In June 2008 the original methodology was adapted to the African context with the support of African and international electoral experts, including representatives of political parties and electoral commissions. The adapted methodology was named Nuru, a Swahili word for light.

The following types of political financing were assessed in the selected countries:

- **Finances for non-electoral activities of political parties in Namibia**
- **Finances for non-electoral activities, presidential and legislative election campaigns in Mozambique**
- **Finances for non-electoral activities and legislative campaign in South Africa**
- **Finance for non-electoral activities, presidential and legislative campaigns in Zambia**
- **Finances for non-electoral activities, presidential and legislative campaigns in Zimbabwe**

This report presents the summaries of country findings and outlines overall findings with comparative results from five countries.

Data for the project was collected by research teams in each of the 5 countries. The team of two to three individuals in each country conducted extensive desk research on existing laws and regulations and assessed practice. The research team also conducted one-to-one interviews with the stakeholders and guided the group of citizens and journalists to conduct field tests on accessibility of information on political financing. Overall, the response rate was very low and few public documents were available for the researchers to analyse.

Therefore, a large proportion of the findings in this report are based on observations of the research teams and perceptions of those stakeholders who have shared their information and views. Despite the limitations of the research, it is important to publish these findings as a constructive insight into political finance systems in these countries.

Overall Findings and Comparative Analysis

As signatories to the 2003 African Unions Convention on Preventing and Combating Corruption, all five countries examined under the NURU study are obliged to adopt legislative and other measures to proscribe the use of illegally and corruptly acquired political contributions, as well as incorporate the principle of transparency in party financing. However, as the research findings have shown, the laws and practices of political financing in the countries are far from the internationally established minimum standards of transparency.

African Union Convention on Preventing and Combating Corruption

Article 10: Funding of Political Parties

Each State Party shall adopt legislative and other measures to: (a) Proscribe the use of funds acquired through illegal and corrupt practices to finance political parties; and (b) Incorporate the principle of transparency into funding of political parties.

This section of the report presents an overview of the comparative analysis of the countries on political finance laws and practices.

The key findings for the annual political financing (non-electoral) from each of the three countries are grouped in ten dimensions with corresponding scores as highlighted in the table below.

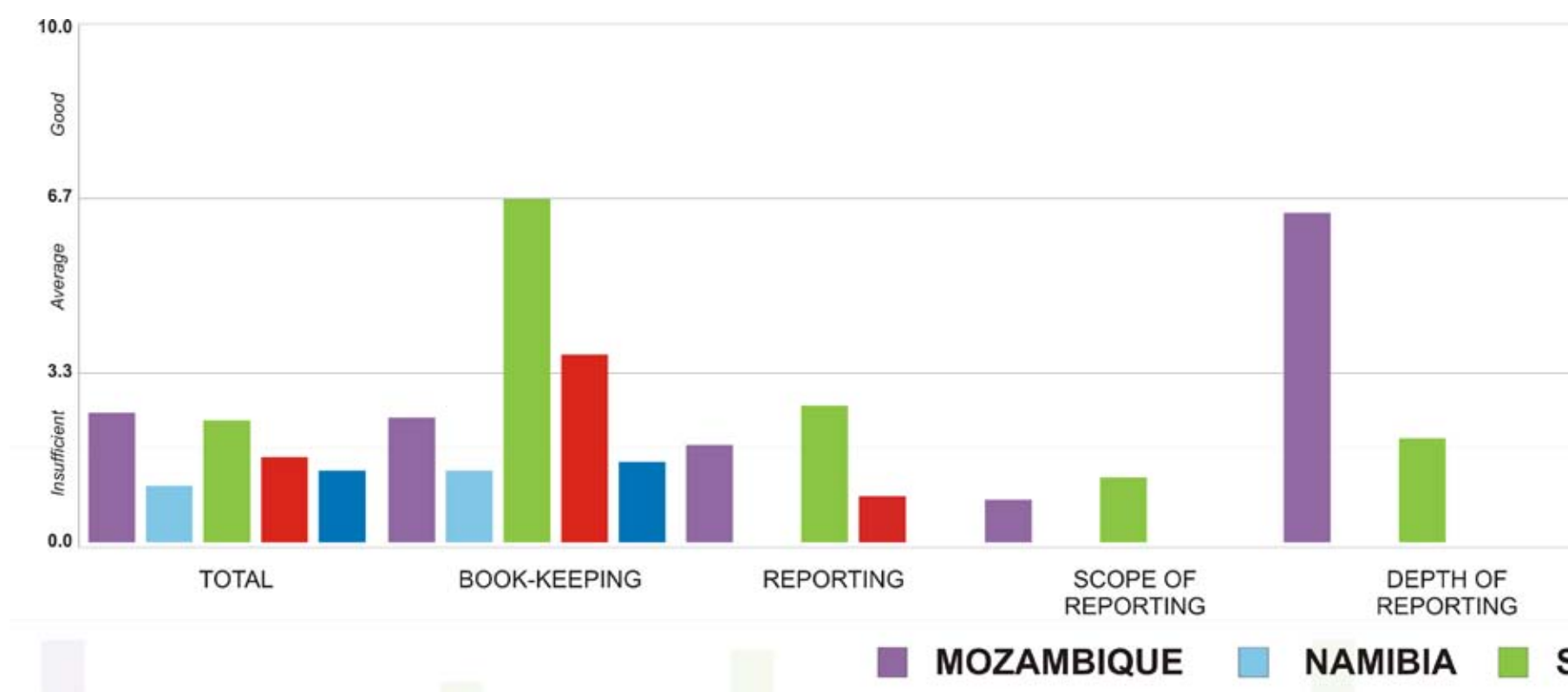
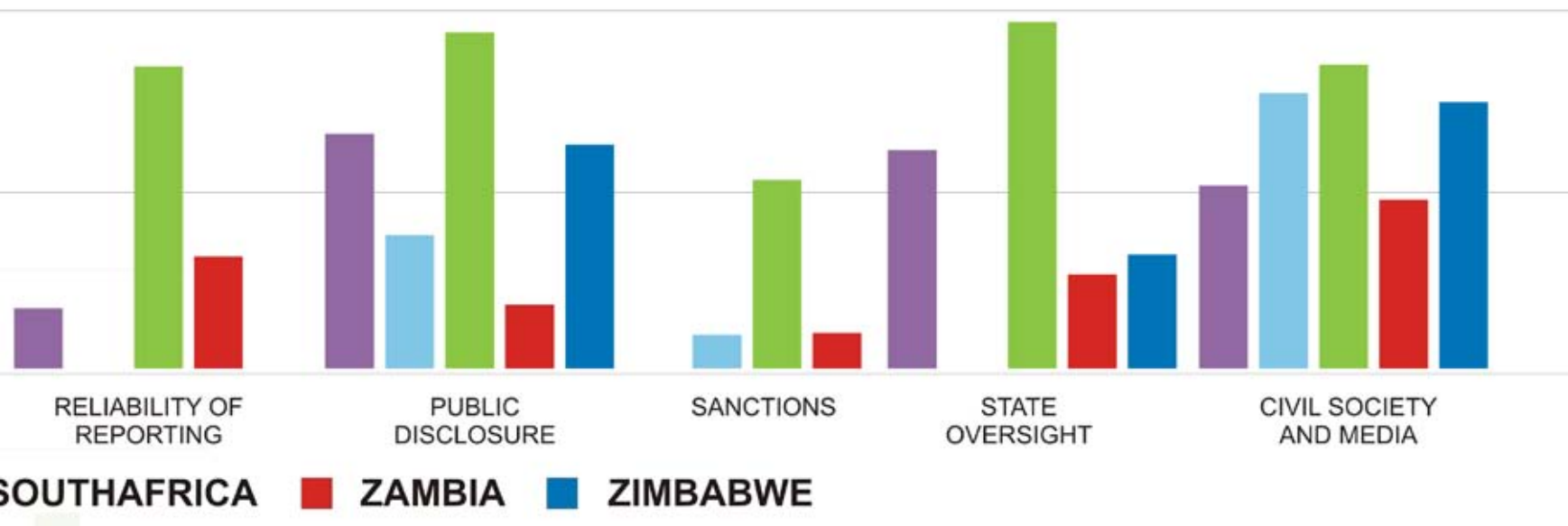


Figure 1: Comparative Average scores for the annual financing of political parties for the five countries.

Ten dimensions of transparency (see below) are measured for non-electoral political financing in a given country. The quantitative index is calculated by averaging all 10 dimensions, each of which is given the same weight in the calculation. A weighted average based is made to calculate a total. The scale for each dimension ranges from 0 to 10, where 10 indicates that a country fulfils all criteria expected in terms of transparency and accountability, and 0 indicates no fulfilment of criteria. Scores between 0 and 10 are grouped into three evaluation categories: insufficient (0-3.3), average (3.4 to 6.7) and good (6.8 to 10).

The CRINIS/NURU tool allows quantification of the transparency of political finance activity by using 10 dimensions:

1. **Internal bookkeeping** refers to the way in which political parties internally manage their financial resources.
2. **Reporting to the electoral management body** evaluates the extent to which parties or candidates report to a government oversight body.
3. The next three dimensions, **comprehensiveness of reporting**,
4. **depth of reporting** and
5. **reliability of reporting**, centre around the nature of data furnished in the financial reports, and help to determine the quality of data submitted to the electoral bodies. These evaluate crucial areas such as relevant financial activity, including cash, in-kind and other transactions; donor identity; the credibility of submitted data and the perception of credibility of reports by key actors.
6. **Disclosure of information to citizens** examines public access to political finance information.
7. Dimensions encompassing **prevention**,
8. **sanctions**, and
9. **state oversight** address the monitoring of compliance with established rules and regulations. This includes preventive measures to facilitate effective oversight, the existence of sanctions that can be imposed and the institutions and actors in charge of performing oversight functions.
10. The last dimension addresses the oversight activities performed by **civil society**.



Weakest Dimensions

Among ten dimensions of transparency measured for each of the five countries included in the study, the dimensions on reporting and its quality have been identified to be weakest in all five countries. As a common trend, reporting, scope and depth of reporting and sanctions have received the lowest scores on average.

Reporting to the State Supervisory Agency

Only Mozambique and South Africa have regulations requiring disclosure of financial reports to the government oversight body. Despite the fact that Namibia and Zimbabwe provide public funding for political parties, these countries have no legal provisions to report for any type of political financing, whether for party annual funding or election campaigns. There are no legal provisions to stipulate at least how public funds should be used or accounted for, either general or specific. In practice, no one in these countries has ever reported on either the party or campaign funds.

In Zambia the reporting provisions do not explicitly ask for information on financial transaction of parties. Since the financial information is not explicitly demanded, political parties either do not report at all or submit information on activities of parties and changes in personnel that do not include sources of income and expenditure.

The legal requirements for reporting vary in Mozambique and South Africa, in terms procedures and timeframes. Although the laws in Mozambique envisage reporting both for annual funding and election campaigns, the research has found that in practice parties do not submit annual accounts to the relevant supervisory bodies. South Africa has comparatively sound regulations on reporting on expenditure incurred from the public funds, which are largely adhered to in practice. However, the reporting is only limited to public funding.

None of the countries under this study have provisions requiring donors or service providers to report.

Scope of Reporting

All countries included in the study score extremely low on the dimension of scope of reporting. This is largely due to the fact either countries are not reporting at all and those that have legal provisions lack requirements for repoing private contributions.

None of the countries studied require political parties and candidates to disclose private contributions to their annual activities or electoral campaigns. While Mozambique and South Africa have laws for reporting expenditure of money received through public funds, these laws are silent on requiring any information on amounts raised from private contributors, be it individuals or legal entities. The result: this leaves a significant proportion of funds undisclosed and beyond the scrutiny of either state oversight bodies or the general public.

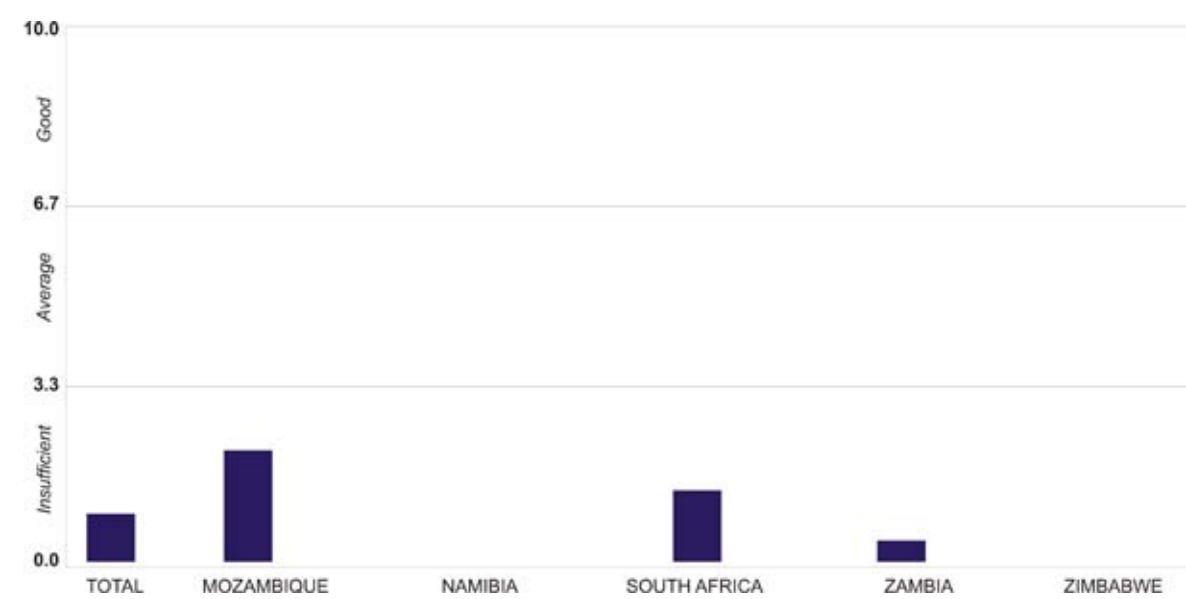


Figure 3: Comparative aggregate scores for Reporting for the five countries

Depth of Reporting

In countries where reporting to the state supervisory body is required by law, procedures for filing reports are lacking. The details of financial information to be disclosed to the supervisory body is often not narrowly defined and leaves ample room for interpretation. As a result, if rules on reporting are adhered to, the level of detail provided to the supervisory bodies is not adequate for a comprehensive assessment.

Mozambique law seems to be best compared to the four countries when it comes to details of reporting. The law on election campaigns is quite comprehensive. It obliges election candidates to make detailed accounting entries for all income received and expenditure made in an election campaign and submit these to the Election Commission within a maximum of 60 days after the official announcement of the election results. The candidates, political parties or party coalitions are responsible for submitting the accounts to the Electoral Commission.

In South Africa political parties are expected to submit audited financial reports to the Independent Electoral Commission (IEC) for all expenditure incurred from the public funds. This is adhered to in practice. But party reports on expenses also do not include information on service providers, which could be valuable information for the IEC to cross-check the accuracy of statements. No details are provided on expenditure incurred specifically for the elections, as there are no legal provisions for regulating election campaign financing.

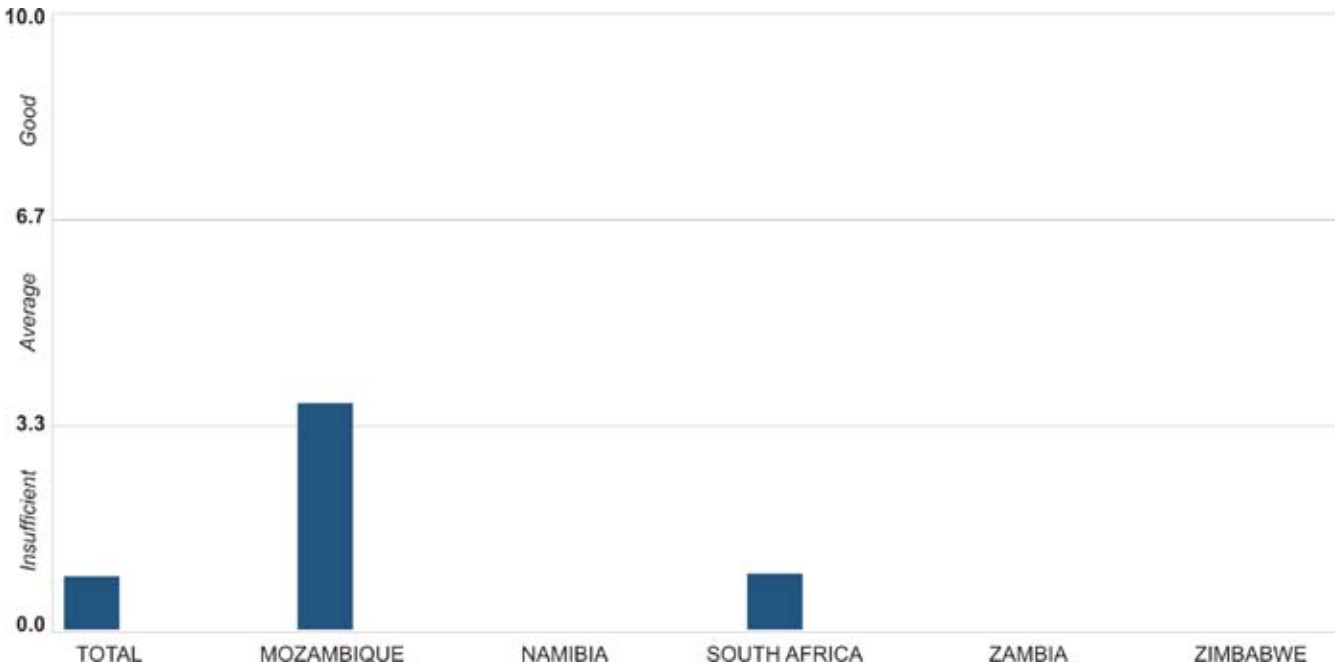


Figure 4: Comparative aggregate scores for Depth of Reporting for the five countries

Sanctions

Sanctions turned out to be one of the weakest dimensions in all countries studied. Sanctions are non-existent for non- compliance with reporting, and disclosure requirements are virtually non-existent in Zimbabwe, even on paper.

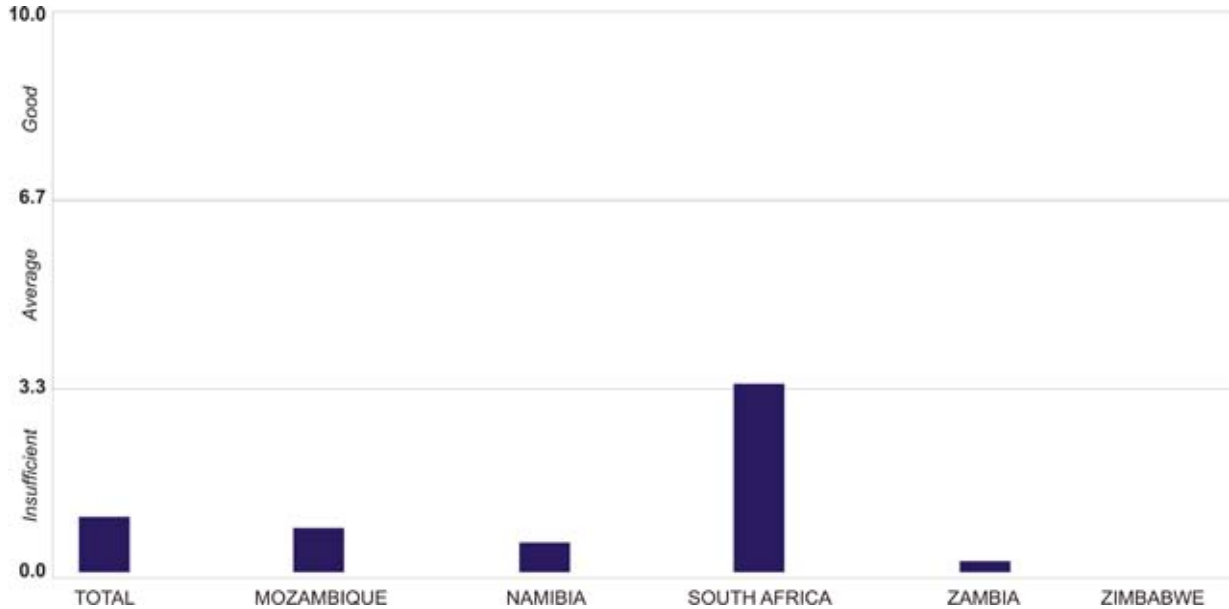


Figure 5: Comparative aggregate scores for Sanctions for the five countries

Funding of Election Campaigns

Out of the 5 countries studied only Mozambique has a legislative framework which subjects funding of election campaigns to the reporting and disclosure requirement. The Law on Funding of Elections to the Candidates and Deputies to the Assembly provide for funding of candidates which is separate from annual funding allocated to the parties. Election candidates are supposed to report and disclose sources of income. Although according to the research findings this is essentially not adhered to in practice, the law recognizes the necessity to subject electoral expenditure to the scrutiny of state institutions.

In Namibia and Zambia even annual spending of parties is not a subject of state scrutiny. In Zimbabwe, the Electoral Commission is mandated to make regulations on reporting electoral expenditure, but this never materialized. The law does not specify the procedures for reporting on funds spent on election campaigns. In South Africa, the financing of election campaigns as such is not a subject to any controls. Independent Electoral Commission of South Africa carries the mandate to oversee annual disbursements made to the parties but does not oversee funds raised for elections. However, significant amounts of funds are raised for election campaigns. The absence of the relevant regulatory framework and sufficient control mechanisms leave considerable amounts unaccounted for.

Inadequate State Oversight of Political Financing

State oversight is an indispensable element in regulating political financing. The independence and clear mandate of the oversight body is necessary for its effective functioning. It is also critical that political finance oversight bodies have necessary human and financial resources to effectively carry out their duties.

In the 5 countries studied, with the exception of South Africa, state oversight is clearly not adequate and far from the international standards. Namibia and Zambia do not have designated state institutions mandated by law to oversee political financing. In Namibia there is no specific agency mandated to review and monitor the spending of funds by political parties, despite the fact that those represented in its parliament are receiving money from the budget. While the Auditor General of Namibia audits all agencies and departments receiving money from the state revenue fund, it does not audit political parties. In Zambia, the Office of the Registrar of Societies is the only institution in charge of receiving annual reports from legal entities, including political parties. The office is not explicitly mandated to ask for financial statements of parties or to conduct any audits, but it serves as a mere depository of reports which usually lack financial information.

Zimbabwe has designated the Minister of Justice, who – together with the Zimbabwe Electoral Commission (ZEC) – is supposed to administer the Political Parties Financing Act. But the law does not empower these bodies to carry out monitoring and exercise oversight functions. The Act provides for ministerial regulations to establish the form and procedures for reporting on public funds, as well as passing regulations on bookkeeping guidelines for parties. However, no such regulations have been adopted. Similarly, when it comes to the Election Commission, which is a constitutional body, it can enact regulations governing reporting by the public media on elections for ensuring balanced allocation of time to all contesting parties; to date however it has not done so. In principle, the ZEC lacks a sufficient level of independence, since the individual in key positions are appointed by the president and only a third of the personnel are permanent staff.

In Mozambique the Administrative Tribunal (TA) is in charge of supervising annual party accounting and National Election Commission (NEC) looking after the funding provided to presidential and legislative candidates. Although, the legislative framework establishes mechanisms that more or less ensure the independence of the state supervisory bodies, they leave much room for improvement. The presiding judge of the Administrative Tribunal is appointed by the president and the criteria for the election of members of civil society to the EC are not clearly defined. The powers of these institutions are also limited since they are not mandated to carry out audits or party accounts and are restricted to analysis of files for public funds.

In South Africa, the Independent Electoral Commission (IEC) is the only oversight body overseeing spending of public funds allocated to political parties. The Commission consists of five members, one of whom is a judge, ap-

pointed by the President for a term of seven years. Although the IEC seems to enjoy the adequate level of independence and has handled its statutory duties relatively well, its legal mandate only covers the oversight of funds disbursed to the parties from the budget. IEC does not have the mandate to oversee election expenditure separately and private contributions made to the parties during electoral or non-electoral years.

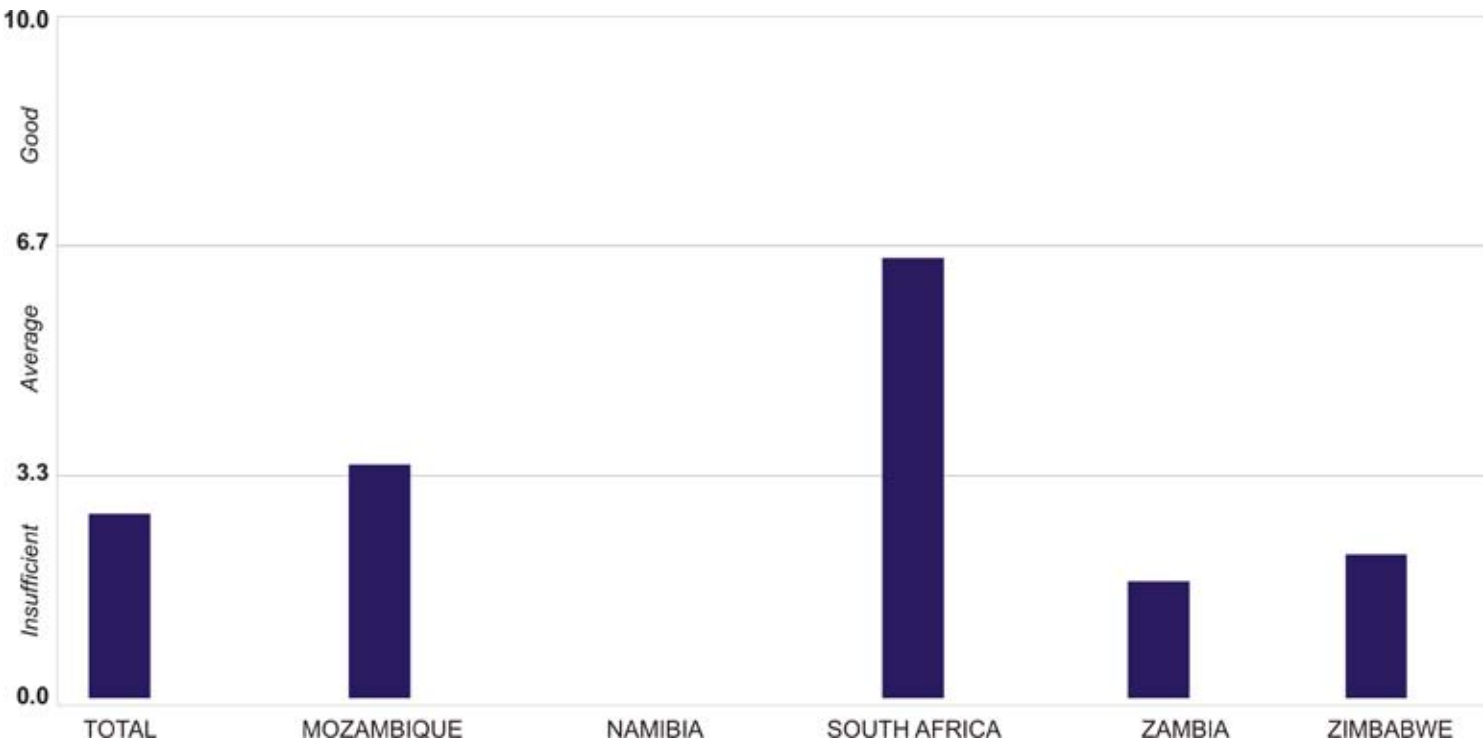


Figure 6: Comparative aggregate scores for State Oversight for the five countries

Lack of Meaningful Disclosure

When it comes to disclosure of information, as the findings of this report indicate, only the disbursements from state budget are usually made public through official channels. These total amount of funds disbursed to political parties are reflected in the national budgets, but it is often difficult to estimate how they are spent and whether or not they are accounted for. In certain countries there have been isolated cases of information on private funding being disclosed at party conventions, but other than that, party funding appears to be sensitive issue where disclosure is confined only to the highest ranking individuals of the party.

In Namibia, the amount allocated for political parties annually is reflected in the national budget and is thus public information. However the sums received by each party per annum are not publicly available. The research team had to gauge numbers by using the formula to estimate on how much money was going into each party’s coffers.

Mozambique has a clear requirement in law for the disclosure of information through the official newspapers. However, nothing of election expenditure or non-electoral expenditure has ever been disclosed by the supervisory bodies. More significantly, to date, none of the political parties or candidates has revealed any information about sources of their income and expenditures either. The only information available to public is the allocations to parties and candidates from the national budget.

In Zambia the information submitted to the Office of the Registrar of Societies by political parties (as legal entities)

is not to be publicly disclosed. Despite repeated requests of the researchers to access the annual reports of political parties, the Office has not responded with any information. It appears that parties do not feel obliged to release any financial statements. The information from one of the parties was obtained through personal contacts.

Zimbabwe publishes information on state funding of eligible parties in the official government press, stating the total amount of funding as well as the amounts for each recipient party. When it comes to disclosure by parties themselves, only one political party examined has disclosed information to delegates at the annual party convention. In general funding is considered to be a highly sensitive issue which is confined to the highest levels of parties.

South Africa publishes information each year in the form of its Represented Political Parties Fund Annual Report. The report details total allocation to represented parties for the year, as well as the amounts disbursed to each party both in terms of proportion and equity. It is available in hard copy and electronic formats and the latter is accessible through the Independent Electoral Commission's website. Thus, the information is relatively easy to access. In some political parties it is also standard practice to disclose this information to party members. However, disclosure of information is not comprehensive. It does not include income from other sources and dates of expenses incurred.

Conclusions and Recommendations

There is a general agreement about the fact that looking at the accounts of money received through public funding is not sufficient to obtain an accurate idea of how much money is being raised and spent by the political contenders. More importantly, information on which vested interests stand behind particular parties and candidates is always a subject of speculation. This on the other hand, contributes to the increasing mistrust of politicians. For the sake of accountability towards the citizens the legal provision on reporting should extend to private contributions received from individuals or legal entities.

Interviews with relevant stakeholders have revealed that in comparison to funds for ongoing party activities, significant amount of funds is raised for election campaigns in all 5 countries at question. However, absence of the regulatory framework and sufficient control mechanisms leave considerable amounts of funds out of the state and public scrutiny. With the exception of Mozambique none of the countries have proper legislation on the financing of election campaigns. This opens up the possibilities for totally legal donations to parties and election candidates which carries risks, since donations to candidates can be sources of additional income but are not accounted for. In the interest of transparency it is recommended that regulatory framework addresses the election funding and where applicable, establishes the reporting requirement for individual candidates.

Reporting requirements need to be strengthened and proper measures for rigorous enforcement need to be introduced in all countries. Laws should not leave room for evasion or interpretation but must provide detailed guidelines on how reporting should be done. It is recommended that laws also clearly mandate a requirement for audit.

Supervisory bodies play critical role in enforcing the legislation and monitoring compliance. Therefore, they need to be sufficiently mandated and resourced to carry out their duties effectively. According to the findings, the oversight bodies often lack adequate levels of independence and/or teeth for enforcing existing regulatory framework. Existence of more than one supervisory body for political finance, such as the case in Mozambique and Zimbabwe, can easily result in diluted responsibilities when neither institution is able to assume the leadership in control of the political finance. Ensuring clearly defined and equitable criteria for selection of commissioners and auditors of oversight agencies helps to boost the independence level and increase public trust towards the institution.

Disclosure deserves a special attention. Meaningful monitoring cannot be conducted without necessary data being provided to public oversight actors, civil society, media and citizens. The frequency of disclosure, the extend of infor-

mation published and the accessibility of reports are critical elements of any disclosure regime. Lack of the relevant provisions for disclosure and mix of inconsistent practices found in the countries at question calls for a standard to be put in place on what type of information is disclosed, as well as when and how. Political parties are strongly encouraged to disclose their reports on regular basis, even if this is not required by the legislation. As it is the case in South Africa, oversight bodies must publish reports online and ensure that information is available in easily accessible and understandable format.

Although civil society and media has scored relatively well compared to other dimensions, those institutions still need to do a lot more to become considerable forces in exercising public oversight of political financing. Since laws on party and election funding are enacted by those who are subject to their regulation, it is particularly important that civil society voices heard. Media can certainly do much more to step up its efforts on investigative journalism and make financing its primary focus of reporting on election campaigns.

Mozambique



Basic Information on Data Collection
1. The index refers to the 2008 annual funding for political parties and electoral funding of the 2009 presidential and legislative elections.
2. Data collection occurred from November 2009 to May 2010.
3. Interviews with 25 stakeholders were conducted from April to May 2010.
4. The letters requesting information were sent out by the local research team in March 2010.
5. The field tests on access to information by citizens, students and journalists were conducted during the week of 25 May to 2 April 2010.

Legislative Framework

The constitution approved by Mozambique in 1990 allowed for the establishment of a multi-party system, resulting in the first multi party elections being held in the country four years later.

The funding of political parties in Mozambique is regulated by Law 7/91, while the funding of election campaigns is regulated by Law 7/2004 on the election of the President of the Republic and of the deputies of the assembly.

The law on political parties prohibits state bodies, corporate persons governed under public law, as well as public utilities governed by private law to finance or subsidize political parties. The state budget provides designated amounts for funding political parties on annual basis.

The legislation contains important features regarding the internal bookkeeping of political parties, establishing that political parties must have organized accounts and an inventory of their assets, as well as a bank account. The law also prescribes that annual party accounts must be rendered to the state supervisory bodies. The law on political parties does not specify who is responsible for the annual supervision of political parties. It simply states that the rules for rendering accounts in relation to the amounts allocated in the state budget are the same as those applying to public administration. Since the Administrative Court (TA) has a core role in analysing the general state account, it therefore carries the responsibility to analyse the spending of public funds disbursed to political parties from the state budget.

When it comes to the scope of information to be submitted to the oversight bodies, the legislation turns out to be ambiguous. The law simply states that political parties must render accounts on all their income and expenditure without specifying which sources of income should be included in those reports.

The financing of election campaigns is regulated by law 7/2004 on the election of President of the Republic and of the deputies to the assembly of the Republic. Chapter III of the law specifies the sources of income for campaigns. The law prohibits direct contributions to election campaigns from foreign governments, government institutions and public companies. The law on election campaigns also sets prohibitions on the use of public assets in election campaigns. The state budget must provide an amount to finance the election campaign and the National Election Commission (NEC) is mandated to set the criteria for the distribution of funds for presidential and legislative candidates, and in the latter case, to take into account the parliamentary representation and the proportion of candidates standing in the election.

According to the aforementioned law, the election candidates must make detailed accounting entries for all income received and expenditure made in an election campaign and submit these to the NEC within a maximum of 60 days after the official announcement of the election results. The candidates, political parties or party coalitions are responsible for submitting the accounts to the Electoral Commission. Scrutiny of the accounts is the responsibility of the NEC, which should do so within 60 days of receipt and publish its conclusions in one of the largest circulation papers as well as in the official Gazette. If any irregularities are found, the NEC is mandated to notify the parties and candidates to rectify such errors within 15 days. Failure to submit the relevant accounts to the NEC or to make required corrections within the allocated time should result in the Commission passing the matter to the public prosecutor.

The law on election campaigns covers the infringements regarding the misuse of public goods. Misuse of public goods for election campaigns can be punished and failure to render accounts is also penalized¹² by paying a fine as well as the prohibition from standing in the next election. Members of the central bodies of the parties, coalitions,

delegates or representatives can also be held liable for the breach of this rule. However, the legislation on political parties envisages no sanctions for the failure to submit parties' annual accounts.

Practice

Although the legislative framework for funding of political parties and election campaigns in Mozambique seems to be one of the most comprehensive among the countries included in this study, the enforcement seems to be lacking. While the scores for the law range between “satisfactory” and “average”, the mean scores for measuring the same dimensions in practice indicate that these are “insufficient”.

The study found that the political parties do not submit accounts on annual finance to the Administrative Court (TA) but instead to the National Directorate for Public Accounts. When it comes to the accounting after elections, parties provide evidence of payments made from public funds to the National Electoral Commission, but no actual financial reports are filed.

Although the law sets out provisions for the internal bookkeeping of political parties as well as presidential and parliamentary elections, in practice the research team was unable to gain access to any such reports in order to verify compliance to legal provisions. Since no reports were made available, it was impossible to gauge how detailed and rigorous, or accurate they are.

Despite the clear requirement in the law for the disclosure of information through the official newspapers, it has never been disclosed by the supervisory bodies in this way. More significantly, to date, none of the political parties or candidates has revealed any information about sources of their income and expenditures either.

As supervisory bodies, the Administrative Tribunal and the NEC have not exercised their role in auditing the accounts of political parties, citing legal limitations as the reason for this. While these institutions have demonstrated ability to expose infringements in other institutions receiving funding from the public purse, they have failed to do so with the political parties.

The dimension on sanctions received the lowest score in practice. While there are sanctions against violation of rules regarding accounting of election expenses, no precedents of actual application have been identified by the research team. None of the political actors involved were aware of any punishment that has taken place and the general public seems to be largely ignorant on this issue.

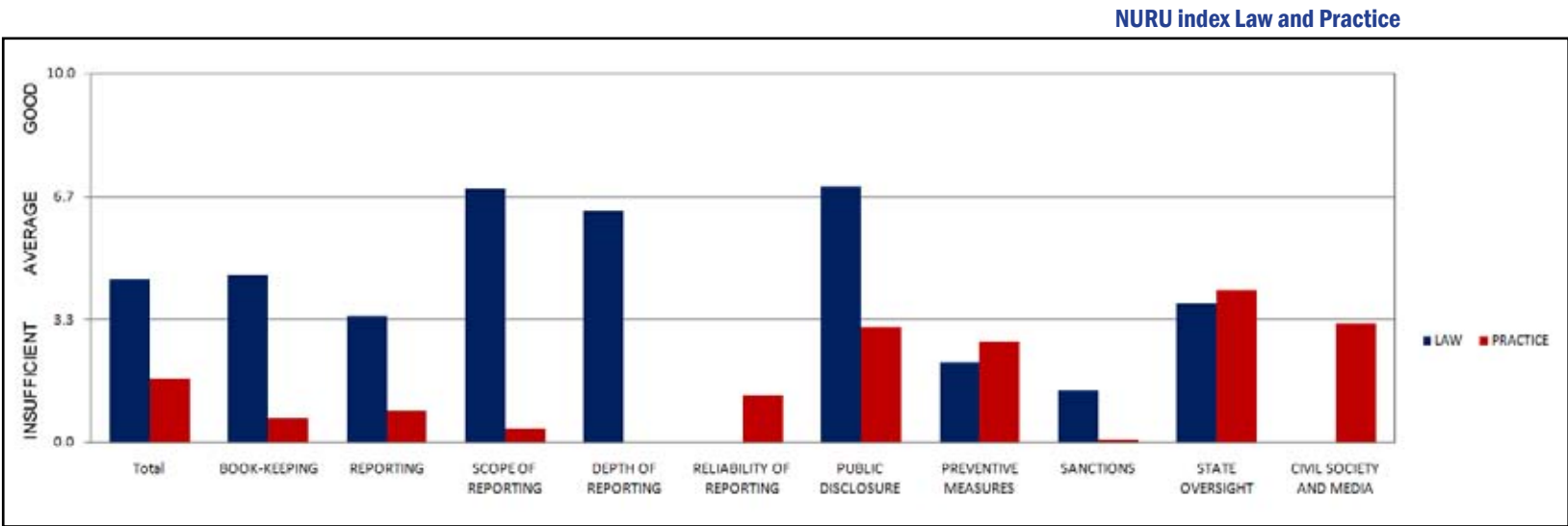
Civil society organisations have done little work on the subject of political financing. Although there seems to be a general understanding about the risks political financing entails, organisations have not focused their efforts on the subject. They have been involved in analysing the electoral processes in general. The media has also not showed sufficient interest in issues of party finance.

Recommendations

The shortcomings of Mozambique's legal framework on political financing need to be addressed. There is a pressing need to establish straightforward rules on allocation and spending criteria in order to prevent the misuse of funds. The government is advised to enact legislation requiring parties to execute all financial transactions through the banking system. Similarly, specific legal obligations to disclose information regarding private contributions to political parties, the name of donors and the amounts received must be established.

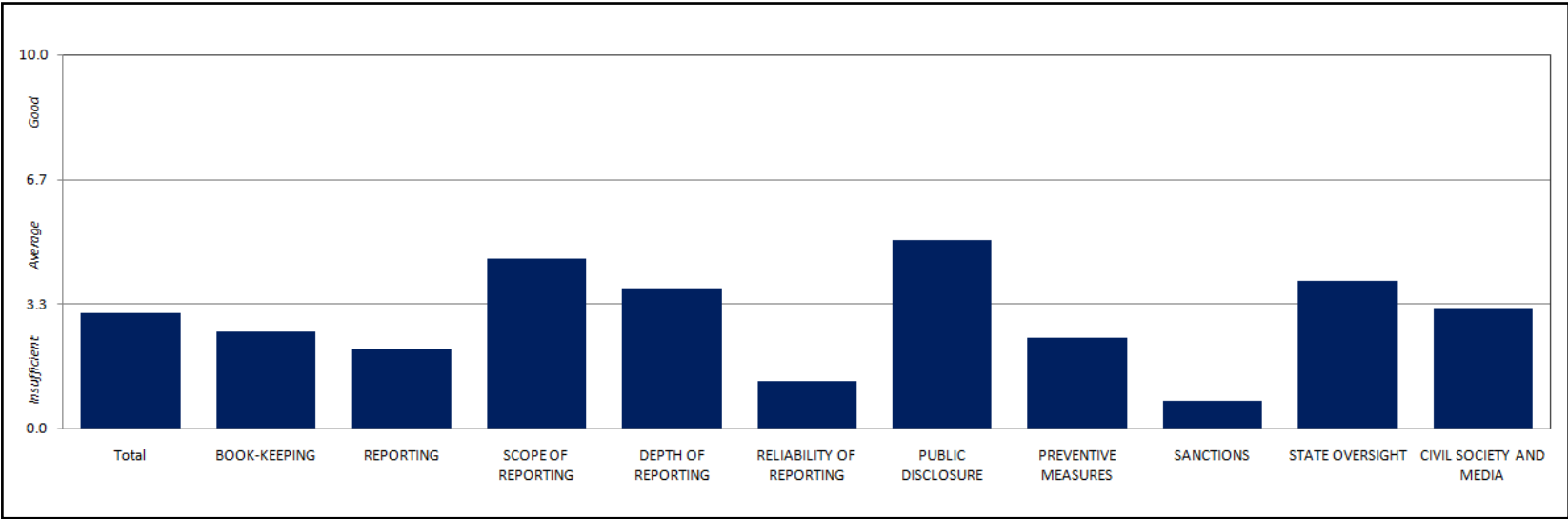
The NEC should act to supervise the enforcement of relevant legislation. In order to further stimulate transparent practices it is proposed that the NEC create a unit dedicated specifically to auditing the accounts of political parties – functioning throughout the year – and generating greater awareness to sources of income and expenditure. Importantly, this information must be made accessible to the public. It is therefore recommended that a website be launched to display results electronically once received.

Civil society organisations should stimulate joint and coordinated advocacy efforts on reforms necessary to make the issue of political finance more transparent, as well as step up its efforts to monitor finances in election period. Additionally, the media should ensure independent and balanced reporting, undertake investigative reports on the sources of funds received for election and make available any other official documentation in order to inform the public.



Average scores for ten dimensions of transparency of political financing in Mozambique:

Aggregated averages:



Transparency in Political Finance Different Dimensions of Transparency

Namibia



Basic Information on Data Collection
1. The index refers to the 2008 annual funding for political parties.
2. Data collection occurred from December 2009 to May 2010.
3. Interviews with 35 stakeholders were conducted in April and May 2010.
4. Letters requesting information from stakeholders were sent in April 2010.
5. The field tests on access to information by citizens, students and journalists were conducted during the week of 25 May to 2 April 2010.

Legislative Framework

The Constitution of the Republic of Namibia, which came into force in 1990 with the independence of the country, established the principle of multiparty democracy. However, the multiparty system has never developed vibrancy. Opposition political parties have maintained mostly small and dispersed support bases, which has had an impact on their financial standing, while the national political and to some extent economic power has been centralized around the ruling South West Africa People’s Organisation (Swapo)¹³.

All political parties represented in the National Assembly of Namibia are allocated public funding. Amounts are disbursed annually and funding is reflected in the national budget. A formula determines that 0.2 percent of government revenue of the preceding financial year is used to determine the lump sum to be disbursed among political parties in parliament. However, the specific sum that is annually received by each party is not publicly available.

The Electoral Act of 1992 is the only legal document dealing explicitly with the issue of political finance. However, the Act itself only partially deals with party finance by prohibiting foreign funding.

There is no law requiring political parties to keep a complete record of their accounts or maintain a registry of assets nor are there any rules to having accounts audited by a certified auditor and to disclose such information publicly. Political parties are only obliged by the Electoral Act to disclose the receipt of foreign funding, but without defining how and when the disclosure should take place. The Electoral Act only defines a sanction in the event a political party is found to have violated the provision on foreign financing¹⁴.

There is no legal provision requiring political parties to submit regular income and expenditure statements to any state agency or authority. Likewise, there is no specific agency mandated to review and monitor the spending of funds by political parties. While the Auditor General of Namibia audits all agencies and departments receiving money from the state revenue fund, it does not audit political parties¹⁵.

There are also no legislative provisions for preventive measures. Neither the Electoral Act, nor the Code of Conduct for Political Parties developed by the Electoral Commission of Namibia (ECN), deal with the issue of political party finance or the use, misuse and abuse of state resources.

Practice

Most political parties surveyed under this study did not acknowledge the existence of books of accounts, thus the existence or nature of book-keeping could not be verified by the research teams. However, the political parties appear to have the internal structures, such as a treasurer or a secretary of finance in place to be able to keep books, and to have them signed off, as well as to be able to provide disclosure. Due to the lack of transparency within the parties, not even its own members appear to have access to the financial statements of the parties in question.

Although parties represented in the National Assembly have been receiving money from state coffers for more than a decade, to date the usage of this money has not been monitored by any state institution. The Auditor General of the Republic of Namibia has made several calls to bring party finances within the regulatory ambit of the agency; however as of July 2010 nothing had come of these calls.

There are at least two civil society organisations in Namibia which have over the years highlighted to a limited extent, the issue of political party funding. However, the efforts have been limited to producing and publishing papers on the topic. There are no civil society groups specifically dedicated to monitoring political parties. In fact, it can be

argued that the impact of civil society as a whole has so far been weak.

There are at least two civil society organisations in Namibia which have over the years highlighted, even if irregularly, the issue of political party funding. These efforts however have been limited to producing and publishing papers on the topic. There are no civil society groups specifically dedicated to monitoring political parties: the impact of civil society as a whole has so far been weak.

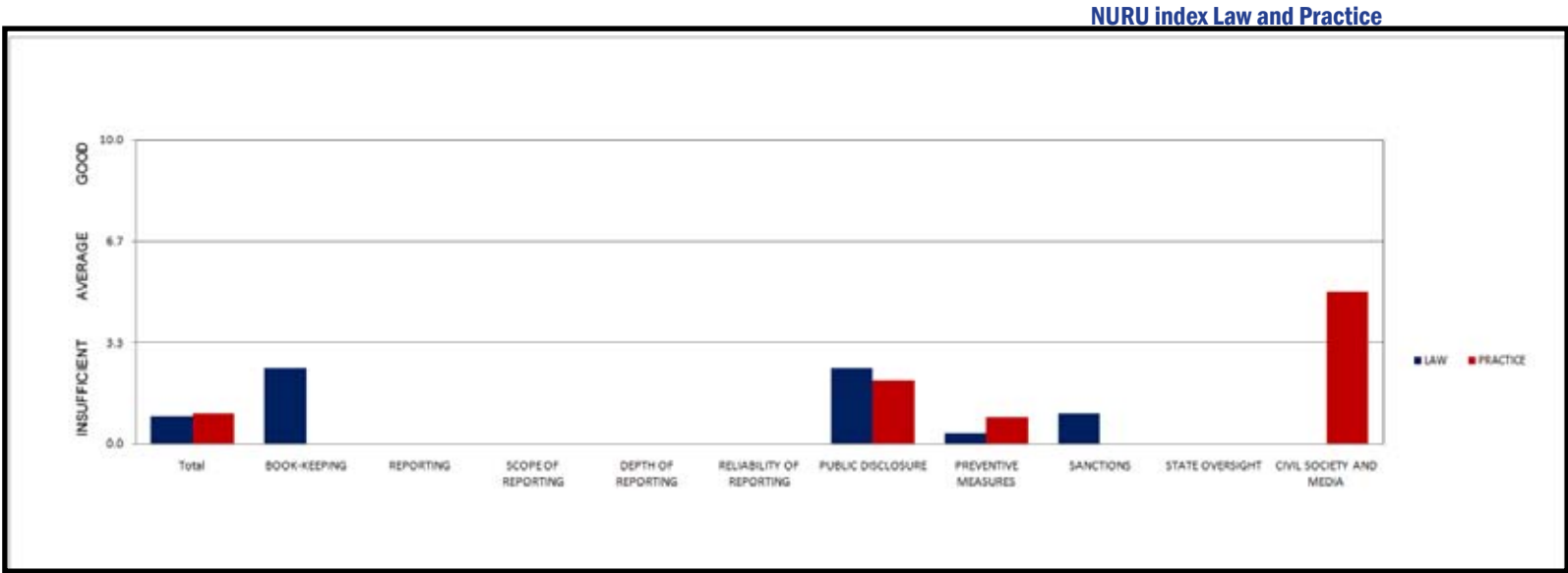
The media has also engaged with the issue somewhat erratically. Political party funding appears not to have been on the list of top priority issues being covered by media outlets. As the study has found, no media organisation or individual journalist has ever undertaken a comprehensive investigation of parties' financing practices in Namibia.

Recommendations

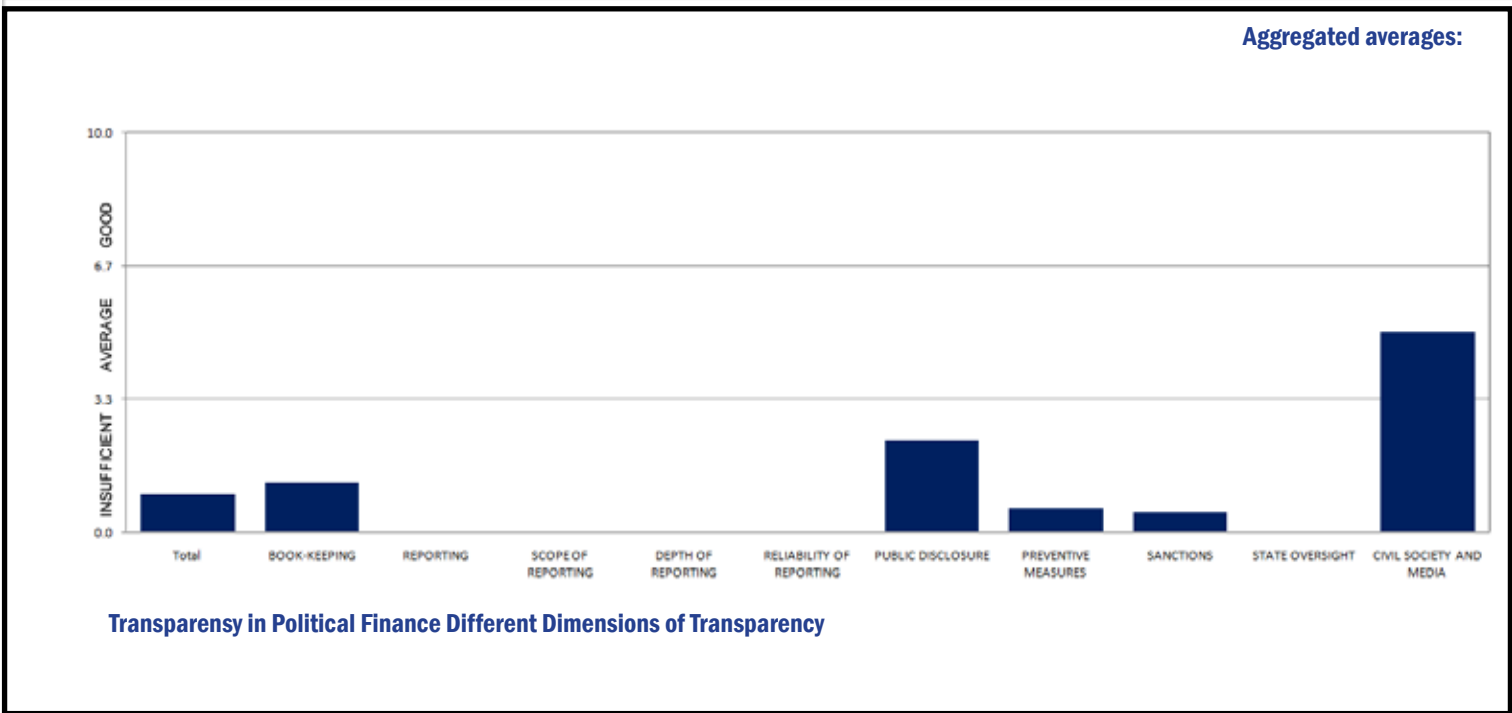
With political parties showing little interest in the need to be transparent and accountable, no comprehensive legal framework to regulate political party finances has been implemented in Namibia. It is highly recommended that the government engage in efforts to strengthen and expand existing legislation. Specific laws addressing the distribution of state funding, the creation of a separate fund for election campaigning, wider access to information and conditions concerning the release of funds in respect to satisfactory accounting and auditing as well as membership data should be included.

In the hope of becoming more transparent, political parties are urged to introduce proper internal structures and strengthen both bookkeeping and reporting arrangements to develop sound policies regarding the internal and external disclosure of financial matters. Additionally, in adopting a more open approach to access to information, the private sector should be publically candid about its involvement in political process, adopting an attitude of voluntary public disclosure regarding political donations.

It is further recommended that civil society organisations initiate dedicated research projects around the issue of money and politics and take a more pro-active role in related advocacy efforts. Similarly, the media could carry out investigations and provide continuous and consistent coverage on political party finance.



Average scores for ten dimensions of transparency of political financing in Namibia



South Africa



Basic Information on Data Collection
1. The index refers to the 2009 general elections and annual funding of parties in 2009
2. Data collection occurred from April to July 2010
3. Interviews with 27 stakeholders were conducted from April to July 2010
4. The letters requesting information were sent out by the local research team in April 2010
5. Attempts to conduct the field tests investigating access to information by citizens, students and journalists were made during the third week of May 2010.

Legislative Framework

As a commitment to furthering multi-party democracy, the South African Constitution (1994) provides for the public funding of political parties participating in the national and provincial legislatures. The Represented Political Parties Act 103 of 1997 is the legislation that governs the public funding of political parties. The allocation of public funding takes place in the context of a proportional representation electoral system, based on party lists. Thus the bigger share of public funding goes to parties with larger representation in the National Assembly and in provincial legislatures. The Independent Electoral Commission is mandated to administer and manage the fund. It is the only supervisory body overseeing spending of public funds allocated to political parties. The Commission consists of five members, one of whom is a judge, appointed by the President for a term of seven years.

Political parties are required to submit audited financial reports to the IEC for all approved expenditure from the Represented Political Parties’ Fund. In this respect South Africa scores solidly for transparency, though the score for the overall reporting dimension is much weaker due largely to the fact that donors, vendors/suppliers, and media companies are not required to report to the IEC on their transactions with political parties. Party reports on expenses also do not include the name and official registration of each vendor/supplier.

The Act defines the purposes for which the fund may be used. There is also an array of preventive measures to safeguard against the abuse of the fund: transactions with the IEC are undertaken through the banking system, and there is a code of conduct aimed at preventing against specific forms of abuse. Failure to comply with rules of accounting is sanctioned through fines and party leaders can be held criminally responsible. However, sanctions for non-compliance with annual financing reporting requirements do not target important players such as donors and media companies.

Overall, the public funding of political parties in South Africa is fairly well regulated and amenable to public scrutiny. But when it comes to electoral financing, there is no law governing campaign funds. Public funding remains woefully inadequate to run election campaigns, and political parties raise significant amounts through private contributions, which are not subject to any regulation.

Practice

The Independent Electoral Commission appears to handle its statutory responsibility of managing and administering the public fund reasonably well. Political parties are expected to submit audited financial reports to the IEC for all approved expenditure relating to the Fund. However, opposition parties do not think that the IEC fully satisfies the conditions of independence. They argue that Commissioners are consistently selected from the ruling party.

An interesting finding from the research is that the country’s annual party financing practices, in terms of book-keeping, score higher than annual party financing laws on the same dimension. Accounting for this seemingly odd variance is the fact that while parties are expected to submit audited financial reports to the IEC, the law does not explicitly ask parties to have these signed specifically by party accountants. This is left to parties’ discretion. However, in practice this is done by all parties reporting on to the IEC. The overall annual financing bookkeeping laws are weaker than practice, but on the specific requirement to keep books on income and expenses, assets and liabilities, practice falls short of the required standards.

The scope and depth of reporting also leaves much to be desired as the list of funding sources, as well as the expenses included in the accounting reports of political parties are far from comprehensive. The reports do not

include individual and corporate monetary donations, private donations in kind, money from fund-raising activities, self-funding and money from private sources.

The positive side of the reporting is that there are no defined thresholds for disclosure of annual income. In other words, parties are expected to account for all the funds disbursed to them and not only a portion of the money. Annual finance reporting also appears to be fairly reliable in practice without significant inaccuracy issues. IEC publishes information each year in the form of its Represented Political Parties Fund Annual Report. The report details total allocation to represented parties for the year, as well as the amounts disbursed to each party. The report also includes financial statements of each party, detailing annual expenditure from public funds and is accessible through the Independent Electoral Commission's website.¹⁶ In some political parties, it is also standard practice to disclose this information to party members.

While the measures for preventing the abuse of annual financing appear fairly comprehensive, they do not seem to measure up well against practice. For instance, it is probable that many political party financial transactions, barring those undertaken with the IEC, are not reflected in the banking system.

While there is no law governing campaign funds in South Africa, civil society oversight has ensured that the issue remains in the public spotlight. A noteworthy highlight is the 2005 High Court application by the Institute for Democracy in Southern Africa (Idasa) to compel South Africa's major political parties to reveal their major private funders. Though Idasa's application was rejected, a few large corporations have since then, come out voluntarily, mainly during election time, to disclose the amounts of their political contributions. In this regard, that is, as far as the disclosure dimension is concerned, the country's electoral financing practices score favourably over its electoral financing laws.

Recommendations

South Africa's ruling party needs to honour its 2007 resolution to develop guidelines and policy on public and private funding of political parties. The 2008 resolution of the Multi-Party Forum, a coalition of opposition parties, to bring 'proper enabling legislation for the regulation of party funding before Parliament for enactment', also needs to be acted upon. In the process of considering regulatory options a number of existing proposals need to be taken into account.

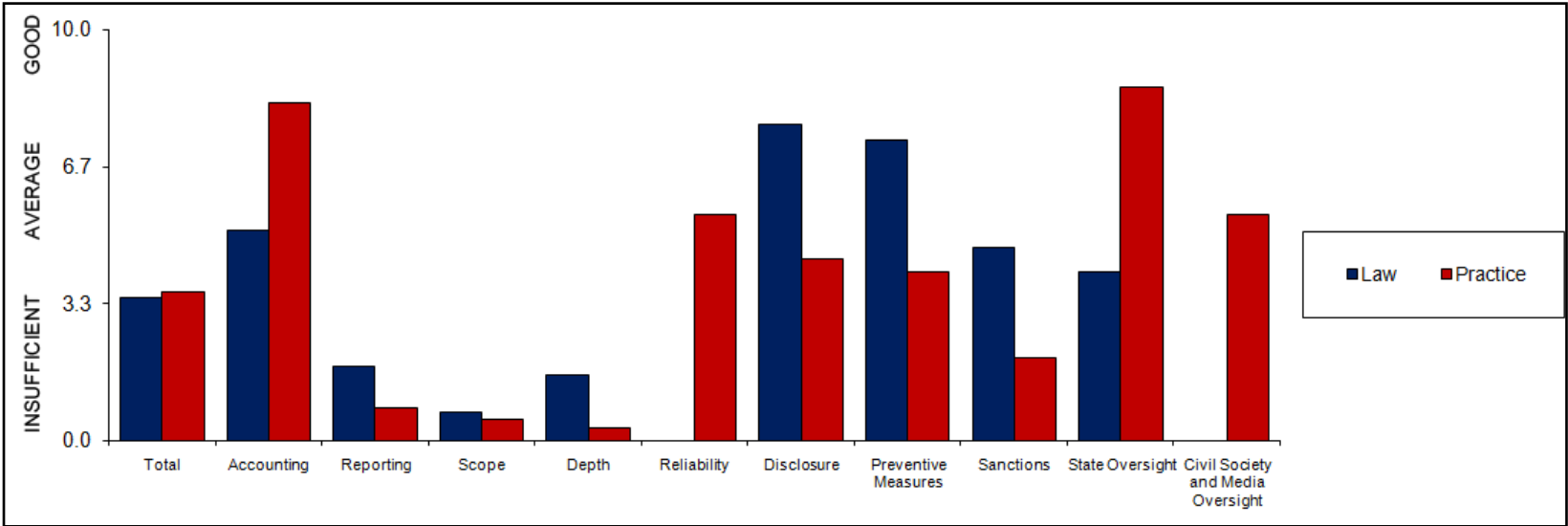
The IEC's perceived lack of independence warrants some attention. It is essential that the institution be seen by all represented parties to be executing its duties without favour or bias.

Financial accounting reporting requirements of political parties may also need to be revised to include individual and corporate monetary donations and include more details on other sources of income.

More private donors need to come out to disclose the amounts of their political contributions. For listed companies, the Johannesburg Stock Exchange's (JSE) voluntarily Social Responsibility Index (SRI), is an excellent opportunity for entrenching a corporate culture of openness and transparency in party funding. Vendors/suppliers and media companies should also be willing to disclose their transactions with political parties in the interests of transparency.

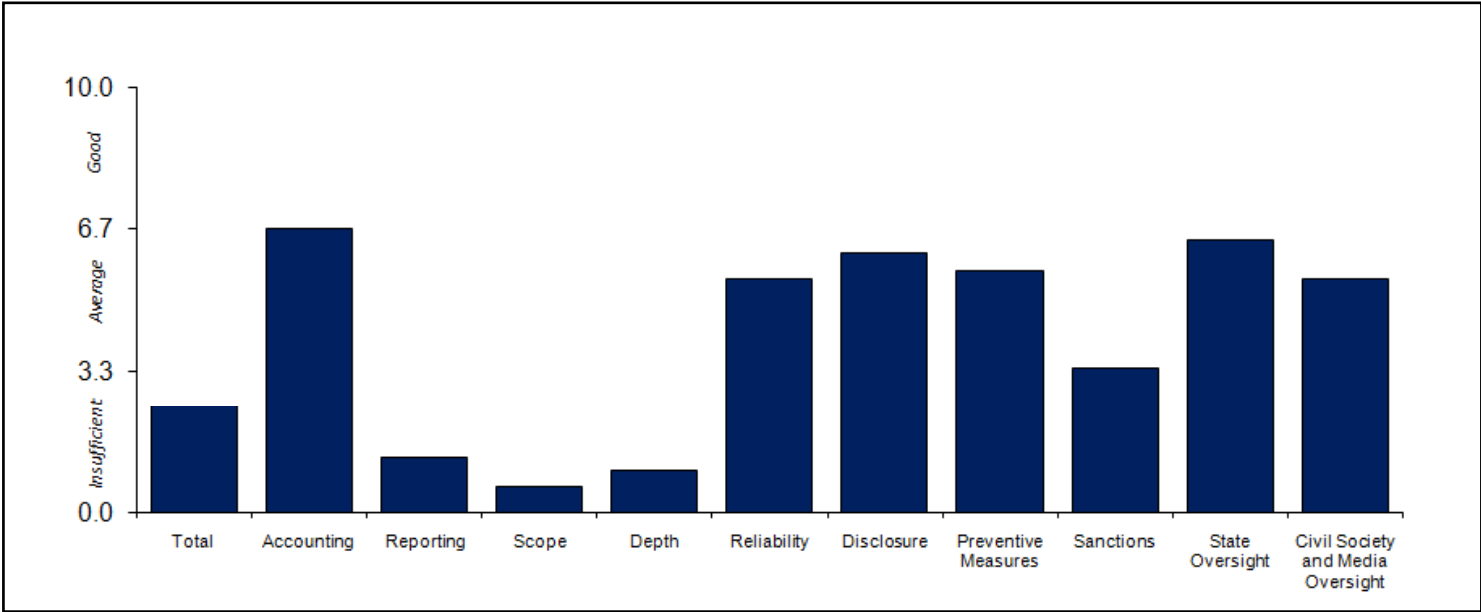
Even though they have not been exceptionally fruitful in terms of yielding regulatory legislation civil society campaigns on party funding regulations are still necessary and need to be sustained.

NURU index Law and Practice



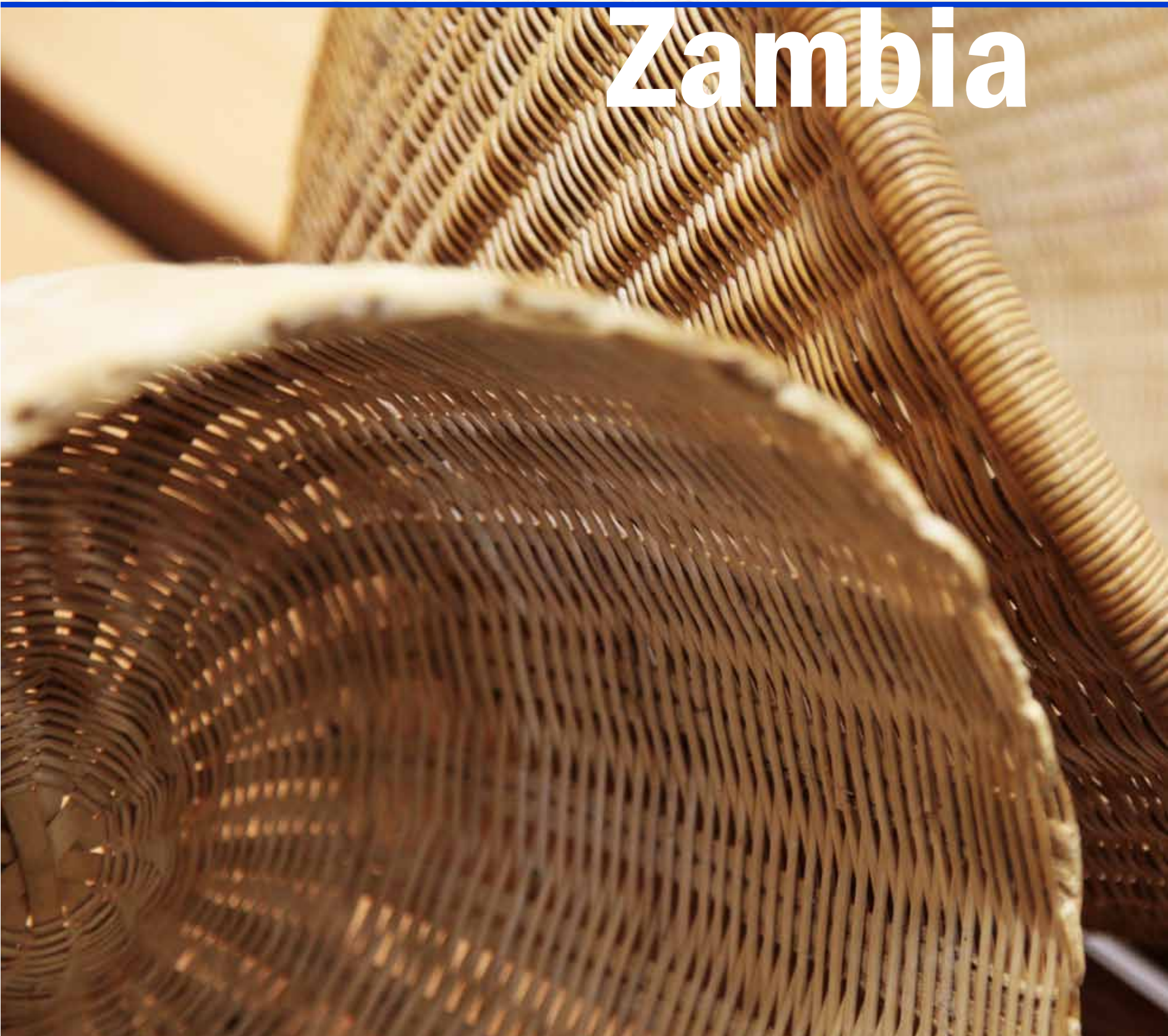
Average scores for ten dimensions of transparency of political financing in South Africa

Aggregated averages:



Transparency in Political Finance Different Dimensions of Transparency

Zambia



Basic Information on Data Collection
1. The index refers to the 2006 general election, including presidential and parliamentary elections and annual funding of 2009
2. Data collection occurred from January 2010 and to June 2010.
3. Interviews with 18 stakeholders were conducted from April to May 2010
4. The letters requesting information were sent out by the local research team in March 2010.
5. The field tests investigating access to information by citizens, students and journalists were conducted in May 2010

Legislative Framework

Zambia ratified a new national Constitution in 1990 which outlawed the one party system and paved the way for the reintroduction of the multiparty democracy.¹⁷ However, the Constitution does not address the key issue regarding financing of political parties and election campaigns.

There are no laws in Zambia specifically regulating the funding of political parties and elections of the president or the parliament. The only piece of legislation that relates to party finance is the Societies Act. The latter regulates all legal entities and applies to political parties as much as it does to businesses, civil society organizations and other legal entities registered in the country.

There are no legal provisions regarding funding of election campaigns, either presidential or parliamentary. Although the Electoral Commission of Zambia is the agency administering elections in the country it is not mandated to look after the funding of parties and/or the election campaigns.

According to the Societies Act (Article 16), the Registrar of Societies, is the only state institution mandated to ask for and receive annual reports from political parties (defined as “societies”) and requires them to file annual returns in a prescribed format and defined timeframe. However, the rule is not explicit that annual reports should contain financial information. In the event that a party fails to submit annual report as required the Registrar of Societies sends, to that entity, a notice for default or late submission. In addition to reminding the Society’s managers of the legal requirement to submit annual returns, the notice stipulates the penalty for breaching this provision.

However, the Societies Act is silent on the requirement for political parties to release to the public any information pertaining to their activities, not to mention the details of their financial transactions.

There is no legislative framework prescribing which sources can be used for raising funds for the parties and candidates. Although the Electoral Code of Conduct bans the use of government resources for party or campaign purposes, the Code does not carry any legal power.

Although the Electoral Commission of Zambia has produced the Electoral Offences Act, defining offences related to voter registration, voter intimidation and vote buying, it does not say anything on the obligation of parties to account for their funding. The Registrar of Societies has to receive such information but the latter is a government appointee and the legislative framework falls short of providing guarantees for the independence of the institution.

Practice

Under the conditions of lacking transparency and accountability, it is not possible to know how much money the political parties and their members receive every year in Zambia. It is also not clear where exactly they raise that money from and how they spend it. In other words, party finances in non-election and election periods and parties’ annual finance are completely unaccounted for. Party members treat party matters with secrecy and hence the culture of disclosure is not yet accepted among key stakeholders.

According to unverified information obtained by the research team, the party in government had allegedly not filed its annual returns for the last five years. In addition, the annual returns of one of the political parties which were obtained by the research team lacked detailed information. More specifically, they did not contain any financial information at all.

Three political parties included in the study simply refused to provide researchers with copies of their annual returns. Since there is no law to publicly release such reports, the parties did not feel obliged to do so. Only one out of the three political parties revealed a copy of its annual returns to the research team through unofficial channels. Since there is no legal provision requiring donors to report, no party has ever disclosed any information about contributions made to political parties or election races.

Moreover, the Office of the Registrar of Societies does not provide any access to the reports of the parties.¹⁸

Although the Electoral Code of Conduct prohibits the use of public resources for election purposes, observations and interviews by the research team noted that this document is not actually adhered to by either political parties or candidates.

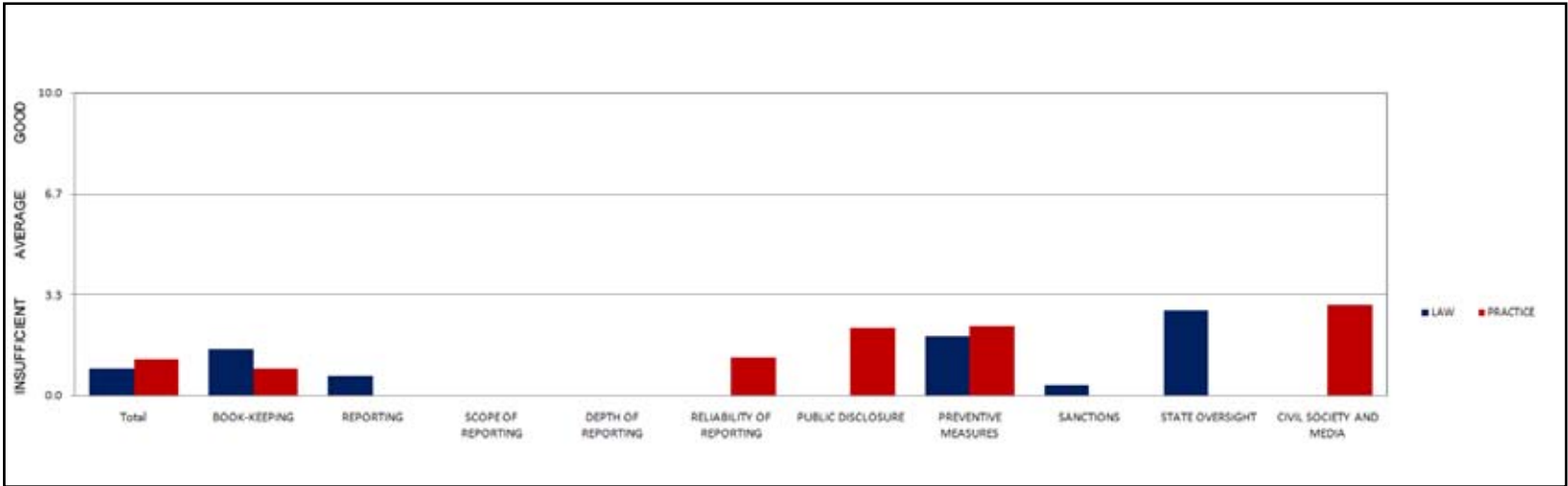
Recommendations

Zambia must avoid piecemeal changes to the legislation and should rather adopt a comprehensive approach that will specify all key issues related to political financing.

The law needs to explicitly deal with funding of political parties and election campaigns and designate an independent oversight agency to be mandated to receive, review and audit the financial statements of parties both for election campaigns and on an annual basis. The law should also define the reporting procedures, including format, timeframes and penalties for non compliance. Public disclosure of information should be an essential element of political finance legislation.

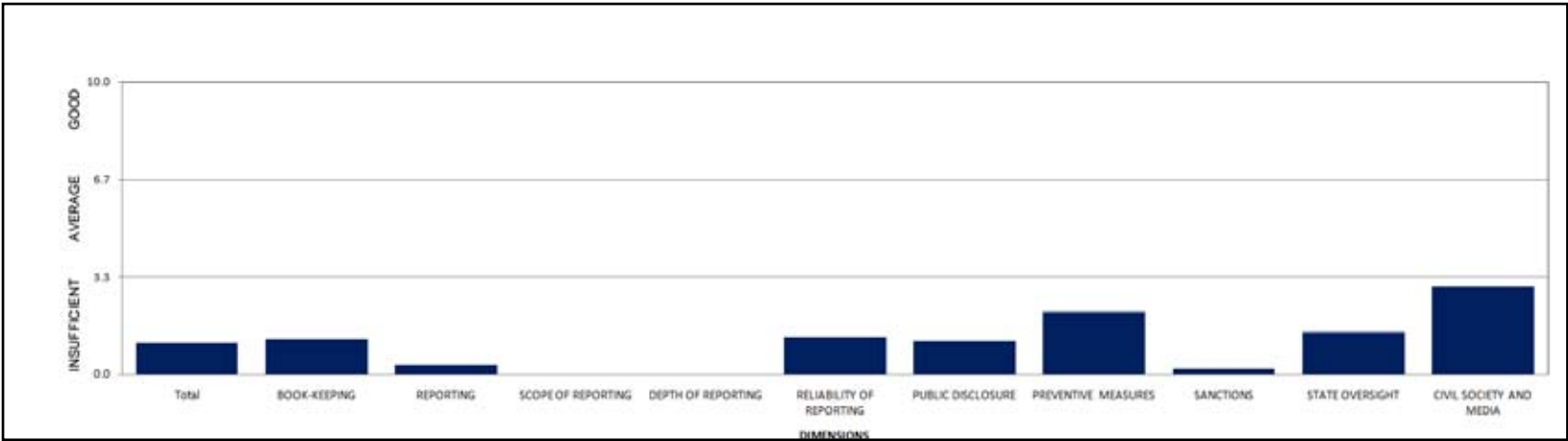
Media and civil society could play a more active watchdog role in monitoring the spending of parties as well as promoting transparency of political funding. More investigative reporting on fundraising of parties and direct engaging in monitoring activities could also raise awareness among the general public and stakeholders for the need for transparency.

NURU index Law and Practice



Average scores for ten dimensions of transparency of political financing in Zambia:

Aggregated averages:



Transparency in Political Finance, Different Dimensions of Transparency

Zimbabwe



Basic Information on Data Collection
1. The index refers to the March 2008 Harmonised Elections and the June 2008 Presidential run-off election and annual funding of 2009
2. Data collection occurred from November 2009 to June 2010.
3. Interviews with 17 stakeholders were conducted from May to June 2010
4. The letters requesting information were sent out by the local research team in March 2010.
5. The field tests investigating access to information by citizens, students and journalists were conducted in the last half of April 2010.

Legislative Framework

Zimbabwe established a multiparty system under its Lancaster House Constitution after having gained the independence in 1980. Funding of political parties is regulated by the Electoral Act and the Political Parties Finance Act (PPFA). The PPFA provides for the funding of political parties by the state and does not distinguish between electoral and non-electoral expenses in terms of what the funds may be used for. Five percent of the votes in the previous general election is required to qualify to receive public funding while foreign funding of parties is prohibited. The parties that qualify first have to apply for the funds, and the eligibility is assessed by the Minister of Justice, who is custodian of the funds. Funds are disbursed each parliamentary year. The Minister of Justice has the legal authority to regulate state funding and ensure integrity in the use of public funds.

It should be noted that the Electoral Act does not cover election campaign finance. Zimbabwe’s legal framework does not require parties or candidates to submit electoral accounting reports to the state oversight bodies. The state oversight agencies are not mandated by their enabling Acts to take part in the monitoring of either electoral or non-electoral party and candidate finances separately. While public funding is provided to the parties the law does not stipulate how those funds should be accounted for.

The Zimbabwe Electoral Commission (ZEC) is a constitutional body, which together with the Ministry of Justice, which administers the PPFA, are supposed to be the two state oversight bodies monitoring and exercising oversight functions over political finance. The Electoral Act empowers the ZEC, with the approval of the Minister of Justice to enact regulations governing electoral reporting by the public media to ensure fair and balanced allocation of time among contesting parties and candidates. In principle the Commission has serious shortcomings, including the lack of political independence since key personnel were appointed and dismissed by the president. In addition, ZEC is a nascent body with only one third of its personnel filled with permanent staff.

The PPFA provides for ministerial regulations stating the form, content and publication of statements of accounts of political parties or to prescribe regulations. According to the law, the Minister of Justice is also mandated to make regulations on the bookkeeping of political parties. However, no such regulations have ever been adopted.

Although the Electoral Act covers “corrupt practices” such as bribery and voter intimidation, consequently stipulating penalties for such practices, the Act is silent on the preventive measures for the potential flow of corrupt money in politics. The law explicitly allows all donations – money and in-kind contributions - as long as they fit the definition of “local donation”. Further there are no limits to donations and spending, or any regulations that compel parties and candidates to channel funds through the banking system.

Practice

The research team has found that all political parties in Zimbabwe treat matters of internal governance as sensitive and confidential, out of sight of the public or the media. Two political parties who cooperated in the study claimed that they had regularly maintained books of accounts and a registry of assets. However, no documents were made available to verify. The research team could not establish how their bookkeeping looked, how detailed they are and what relevant items are included in the financial statements.

The score for reporting to the state oversight agencies equals zero, since virtually no one has ever reported to any government agency to date. Parties and candidates never render any accounts to the state. Once public funding is distributed to the parties, the usage of money is not monitored and even the Auditor and Comptroller General, who are constitutionally obliged to report on all public funds, seem not to do so in respect to public subsidies to

parties. The research established that party financing itself is often inadequate, which has led to some candidates self-financing their electoral activities. In such cases, candidates do not feel obliged to account for their money and the government cannot possibly enforce an accountability mechanism.

When it comes to disclosure, only one political party examined has disclosed information to delegates at annual party conventions. The data on funding of parties is highly sensitive and only discussed at the highest levels of the parties. Strict party protocols bar any officials except the top party executives from speaking to the media on party affairs. However, information on state funding of eligible political parties is made public as it is published in the government gazette by the Minister of Justice who states the total amount to be distributed among political parties as well as the amounts for each recipient party. The information is often published together with the budget in a so-called “blue book” that states votes for each ministry and department.

Both the public and private media in Zimbabwe have played a largely marginal role in ensuring transparency in political finance. So far, media has only reported, and hardly ever analysed, on the state allocations to political parties or when there is controversy, over the distribution formula. In the run up to the elections, there have been only few public debates on the subject. Granted political finance is a high risk policy issue but as it appears there is not a sound appreciation of the value of democracy and accountability in this area. The media has not been an effective watchdog in the area of political financing.

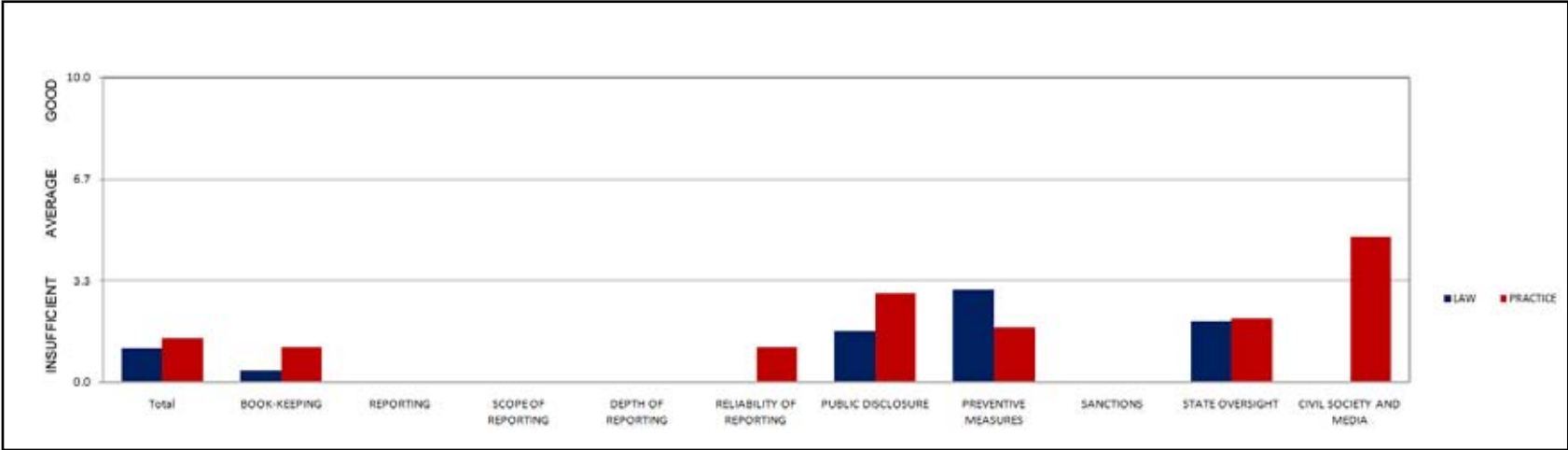
A few civil society organizations in Zimbabwe have engaged in informing citizens about elections, rights to vote and media space allocations to different parties. One of the NGOs has recently been engaged in monitoring political finance, by facilitating workshops for political parties and women parliamentarians to raise awareness on the need for transparency in political finance. The organisation is also advocating for a comprehensive political finance reform in the new constitution making process.

Recommendations

The multiparty parliament under the present government¹⁹ presents a good arena to advocate for the Political Finance Bill, which would be a comprehensive piece of legislation addressing the professional accounting requirements for parties, reporting requirements and detailed procedures, public disclosure of information on political financing and its use and stipulating sanctions for non-compliance. With careful and inclusive engagement with stakeholders, it should also consider establishing thresholds for donations and ceilings for well-defined campaign expenses. The law should also require disclosure of names of donors to registered parties and candidates if the donation is more than the allowed amount.

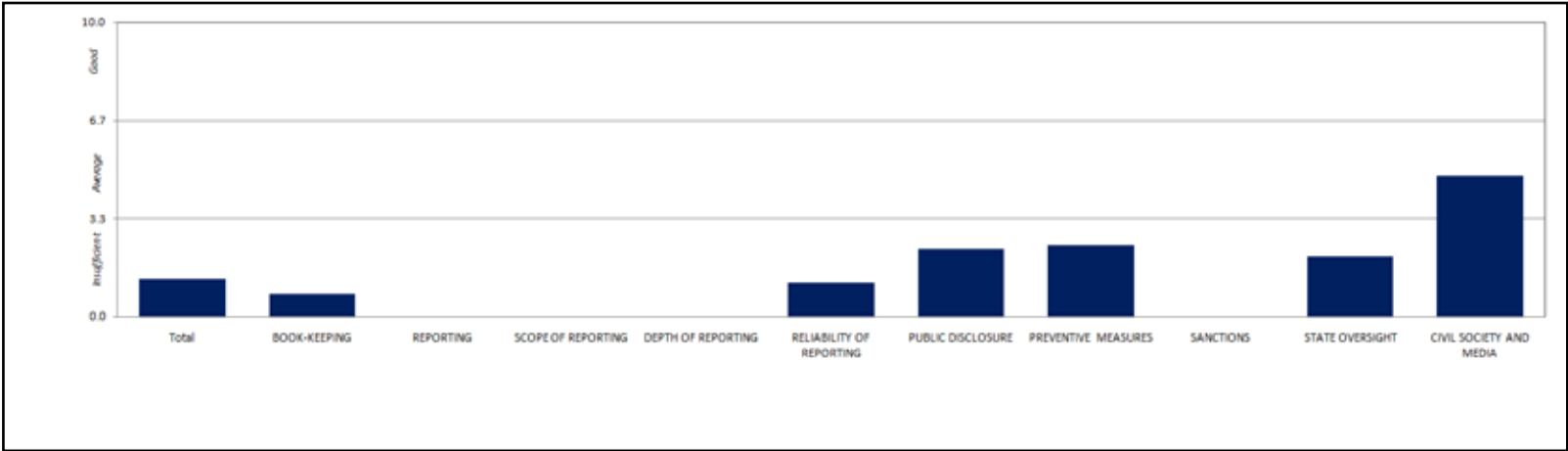
It would be effective to integrate functions of the two state oversight agencies. The natural home for such a body would be an independent Electoral Commission which could not be disbanded by the political will of the executive. The institution would need to be fully capacitated to carry out the enlarged monitoring functions and should be entirely detached from the Ministry of Justice through which it presently receives its funding.

NURU index Law and Practice



Average scores for ten dimensions of transparency of political financing in Zimbabwe:

Aggregated averages:



Transparency in Political Finance, Different Dimensions of Transparency

Methodology

CRINIS/NURU methodology allows the examining of the regulatory framework, so as to compare it to internationally recognised principles on political financing. It also compares what happens in practice by testing access to information, party by party and candidate by candidate. By providing thorough diagnosis of the legal framework and actual practice, it provides strong empirical evidence which gives all stakeholders a clear picture of areas in which reforms are most needed.

Ten dimensions of transparency (see below) are measured for political financing in a given country. The quantitative index is calculated by averaging all 10 dimensions, each of which is given the same weight in the calculation. A weighted average based on the different types of financing (see Introduction) is made to calculate a total.

The information uncovered through the involvement of a broad spectrum of sources and a variety of different research methods makes it possible to bring together more than 140 evaluation indicators. Questions feeding into each indicator have different range of answers, which translates into different weights for the final score for each indicator. While some of the questions have simple “yes or no” answers, others include the possibility of multiple answers which translate into quantitative scores ranging from 0 to 10. The scale for each indicator ranges from 0 to 10, where 10 indicates that a country fulfils all criteria expected in terms of transparency and accountability, and 0 indicates no fulfilment of criteria. Scores between 0 and 10 are grouped into three evaluation categories: insufficient (0-3.3), average (3.4 to 6.7) and satisfactory (6.8 to 10).

Table 1: Ten dimensions of transparency in political finance

Dimension	Generic questions building indicators
1. Internal bookkeeping of parties	Is bookkeeping mandatory by law? How professional are staff in practice?
2. Reporting to oversight agency (Election Commission)	By law, do parties, candidates, service providers and the media render accounts of their role in political finance? When and in what format?
3. Comprehensiveness or scope of reporting	Do reports include public and private sources? Do they cover income and expenses? Do they cover monetary contributions, in-kind contributions, rebates, etc.?
4. Depth of reporting	By law, do reports include information on individual donations? Do they give the value and the date of each donation? Do they clearly identify each donor?
5. Reliability of reporting	Do different actors disclose all resources in reports? How accurate are reports, to the knowledge of experts?
6. Disclosure to the public	Is it mandatory for state agencies/parties/candidates to disclose information on political finance? In practice, how accessible is such information to experts, journalists and ordinary citizens?
7. Preventive measures	Are donations channeled exclusively through official bank accounts? Are there any loopholes for anonymous donations?
8. Sanctions	What are the existing sanctions – civil, criminal and political – according to the law? In practice, are existing laws strictly enforced?
9. State oversight (Election Commission)	Do experts evaluate institutions of state oversight as independent? Are they considered efficient? From the perspective of self-evaluation, do they lack human resources? Do they lack training?
10. Civil society oversight	Do Civil Society Organisations monitoring political finance exist? In which areas of political finance do they develop activities? Do experts view organisations of public oversight as independent?

Data collection mechanisms:

- a. Disclosure of laws and regulations for the purpose of creating a database of legislative framework in each country.
- b. Collection of country-specific data such as information on recent legislative reforms, political financing, corruption cases and the activities of civil society organizations in this area.
- c. Analysis of the operation of the political finance system and on how it is monitored. Reporting and dissemination practices were specifically studied. To do so, a survey was conducted with key actors in each country, including party accountants and treasurers, elected politicians, electoral management body auditors, judges, businesspeople (contributors and potential donors) and members of civil society watchdog groups.
- d. Field tests were also conducted to measure how easy it is for citizens to access financial data and thereby evaluate rates of response among bodies and institutions that should provide the public with this information. The first tests were conducted by local research teams, who had to use standard procedures to contact various actors: the electoral management body, political parties, and members of parliament, private companies and media outlets. The second tests were conducted by groups of volunteers. The aim was to contrast the ability to access the same set of information by actors with different backgrounds and levels of knowledge.

Table 2 summarises the information presented above, classifying the data according to type of information and sources used, and identifying data collection methods.

Type of information	Sources of information	Data collection method
Legal framework	Documents about laws and regulations	Law review
Party practice on financial issues	Party reports, official records and public information	Team analysis, complemented by interviews of party accountants and experts
Disclosure of information	Testing the availability of information through letters sent to different players	Written requests for information
Disclosure of information by parties	Testing the availability of information through requests made by citizens	Access to public information by citizens and journalists
Electoral campaign expenditure of parties and candidates	Parties, candidates, donors and watchdogs / officials	Interview
Practice on political finance	Parties, MPs, the EC, academia and civil society activists	Interview

References

For more details see: http://www.transparency.org/policy_research/surveys_indices/gcb/2009

For a summary see www.transparency.org/content/download/28102/423254/file/Southern_Africa_NIS_overview_2007.pdf

The Crinis Project: Money in Politics – Everyone’s Concern, 2007; accessible at http://www.transparency.org/regional_pages/americas/crinis

The Societies Act of the Republic of Zambia, Rule 16, as well as the Checklist from the Office of the Registrar of Societies, Form S. 09

Law 7/91 of 23 January, Chapter III, Article 20 and Law 7/2004 of 26 February on the election of President of the Republic and of the deputies of the Assembly of the Republic, Article 37

Public Funding of Represented Political Parties Act 103 of 1997

Law 7/2004 of 26 February on the election of President of the Republic and of the deputies of the Assembly of the Republic, Articles 37, 38 and 39

The Electoral Act of 1992, Section 98

The Law 7/2004 of 26 February on the election of President of the Republic and of the deputies of the Assembly of the Republic, Articles 196, 206

The Political Parties Finance Act (PPFA)

Article 39 states that failure to render accounts “shall be punished with a fine of from 25 to 50 times the national minimum wage”

The latter has retained two thirds parliamentary majorities every five years since the first National Assembly elections of 1994

The penalty can vary from liability of a “fine not exceeding N\$12 000 or to imprisonment for a period not exceeding three years or to both such fine and imprisonment”.

When contacted by the research team in April 2010, a spokesperson at the Office of the Auditor General stated: “We don’t audit them [political parties]. We have nothing to do with political parties.”

Upon gaining independence in 1964, Zambia was a multiparty state. Eight years later, in 1972, one party rule was established which lasted until 1990.

The Office has not answered research team’s requests to access the financial information of the three political parties examined in the study.

After two decades of relative stability the country plunged into a deepening decade-old crisis. In 2008 combined parliamentary, presidential and local government elections resulted in an inconclusive presidential election, necessitating a run-off presidential election in June 2008. The ensuing campaign was one of the most violent campaigns the country had ever witnessed, compelling SADC to negotiate a tri-partite political settlement with three parliamentary parties agreeing to form the coalition government.

