



Organization of American States

OBSERVING POLITICAL-ELECTORAL FINANCING SYSTEMS: A MANUAL FOR OAS ELECTORAL OBSERVATION MISSIONS



General Secretariat of the Organization of American States

Canada



Foreign Affairs, Trade and
Development Canada

Affaires étrangères, Commerce
et Développement Canada

ISBN 978-0-8270-6080-7



Organization of American States

Observing Political-Electoral Financing Systems: A Manual for OAS Electoral Observation Missions

General Secretariat of the Organization of American States

José Miguel Insulza
Secretary General

Albert R. Ramdin
Assistant Secretary General

Kevin Casas-Zamora
Secretary for Political Affairs

Betilde Muñoz-Pogossian
Director a.i.
Department of Electoral Cooperation and Observation



Foreign Affairs, Trade and
Development Canada

Affaires étrangères, Commerce
et Développement Canada

This is a publication of the General Secretariat of the Organization of American States (GS/OAS). OAS publications are independent of specific national or political interests. Views expressed in this publication do not necessarily represent the views of the OAS, the OAS General Secretariat, or its member states.

This publication may not be reproduced in whole or in part, stored in an information retrieval system, or transmitted in any form or by any means.

© General Secretariat of the Organization of American States 2012

Project coordination: Betilde Muñoz-Pogossian, Chief, Electoral Studies and Projects Section, OAS/DECO.

Prepared by: Alejandro Urizar, Consultant, OAS/DECO; Rebeca Omaña Peñaloza, Specialist, OAS/DECO; and Betilde Muñoz-Pogossian, Chief, Electoral Studies and Projects Section, OAS/DECO.

Applications for permission to reproduce or translate all or any part of this publication should be made to:

GS/OAS
17th St. & Constitution Ave., N.W.
Washington, D.C. 20006
USA

This publication was prepared with financial support from the Canadian International Development Agency (CIDA) and the Permanent Mission of the United States of America to the OAS. In no way should the analysis and recommendations contained herein be taken to reflect the official views of these entities.

OAS Cataloging-in-Publication Data

Observando los Sistemas de Financiamiento Político-Electoral: Un Manual para las Misiones de Observación Electoral de la OEA = Observing Political-Electoral Financing Systems: A Manual for OAS Electoral Observation Missions
p. ; cm. (OEA documentos oficiales; OEA/Ser.D/XX SG/SAP/III.29) (OAS Official Records Series; OEA/Ser.D/XX SG/SAP/III.29)

ISBN 978-0-8270-6080-7

1. Election monitoring--Handbooks, manuals, etc. 2. Campaign funds. 3. Political campaigns.

I. Title: Observing Political-Electoral Financing Systems: A Manual for OAS Electoral Observation Missions.

II. Organization of American States. Secretariat for Political Affairs. Department of Electoral Cooperation and Observation.

II. Series.

OEA/Ser.D/XX SG/SAP/III.29



Acknowledgments

The Department of Electoral Cooperation and Observation (DECO) expresses its sincere appreciation to everyone who took part in developing this new electoral observation tool of the General Secretariat of the Organization of American States (GS/OAS).

The contributions made by OAS/DECO consultant Alejandro Urizar, a specialist in political-electoral financing, were a key factor, as was the knowledge of electoral observation provided by Pablo Gutierrez, Betilde Muñoz-Pogossian, and Rebeca Omaña, also of OAS/DECO. Moreover, various specialists in the Department enhanced the document with their valuable inputs. Especially deserving of thanks is Delia Ferreira Rubio, whose guidance and know-how at the outset of the preparation of the methodology were fundamental to its successful production.

Suggestions and comments for enriching the text were kindly made by colleagues from the Elections Department of the Office for Democratic Institutions and Human Rights of the Organisation for Security and Cooperation in Europe (OSCE/ODIHR). Valuable input was also provided by a group of experts and politicians in the region, among them Dante Caputo, José Bordón, Raúl Alconada, and Gerardo Munck, from Argentina; Daniel Chasquetti, from Uruguay; Cynthia Barrow-Giles, from Saint Lucia; Alfredo Cristalinas, Beatriz Paredes, and Felipe Solís, from México; Kristen Sample, from the United States; Norma Guevara, from El Salvador; Joaquín Brahm and Marcelo Carvallo, from Chile; Marcela Vega and Jairo Carrillo, from Colombia; and Kevin Casas-Zamora, from Costa Rica, who is now serving as OAS Secretary for Political Affairs.

Thanks also must be given to the electoral authorities and other government institutions in those countries in which pilot exercises on the methodology were conducted (Guatemala, Saint Lucia, and the Dominican Republic), as well as to the political parties that allowed the OAS to access the information required for its proper implementation. We also express appreciation to the social organizations that provided us with information to contextualize and enrich the data obtained and to formulate recommendations consistent with the needs of each country.

Lastly, a special thank you to the countries whose financial support made it possible to execute the project and issue this publication: the United States and Canada.



Contents

	Page
Introduction	7
1. Conceptual framework	
1.1. Rights under the Inter-American system and political-electoral financing	9
1.2. The concept of democratic elections and political-electoral financing systems	11
1.3. An equitable and transparent political-electoral financing system	13
1.3.1. Equity in financing systems	13
1.3.2. Transparency in financing systems	19
2. Methodological framework	
2.1. Criteria for observing political-electoral financing systems	27
2.1.1. What to observe?	27
2.1.2. How to observe?	27
2.1.3. Data and sources of information for observation	28
2.2. OAS/EOM structure and observation of political-electoral financing	30
2.2.1. Functions of OAS/EOM members	31
2.2.2. Functions of the team of financing specialists	31
2.3. Observation of political-electoral financing systems	32
2.3.1. Observation of financing during the initial phase of the OAS/EOM	32



	Page
2.3.2. Observation of financing during the installation phase of the OAS/EOM	37
2.3.3. Observation of financing during the final phase of the OAS/EOM	39
3. Tools for collecting, classifying, and presenting information	
3.1. Model Timetable for OAS/EOM Observation of Financing Systems	41
3.2. General Questionnaire on Political-Electoral Financing Systems	42
3.3. Documents Checklist	50
3.4. Preliminary Study Template	51
3.5. Questionnaire for Meetings during Visits	52
3.6. Template for Report on In Situ Observation	53
3.7. Curriculum for Training OAS/EOM Regional Coordinators	54
3.8. Regional Coordinator Daily Report Template	55
3.9. Preliminary Report Template	57
3.10. Final Report Template	58
4. Glossary	59
5. Appendices	
5.1. Classification of rights pursuant to instruments of the Inter-American system	61
5.2. OAS member states that have fully ratified the United Nations Convention against Corruption (UNCAC)	62
6. Bibliography	63



Introduction

Democratic elections are now a reality in the member states of the Organization of American States (OAS). Nonetheless, electoral processes take place in a context of unequal socioeconomic structures and asymmetrical power relations, which are replicated in the relationship between money and politics. The development of political-electoral financing systems capable of bringing balance to electoral races is one of the major challenges facing democracy today.

The role of money in elections has become a primary concern of the OAS, together with the challenges posed by the consolidation of democracy. The Inter-American Democratic Charter (IDC), adopted in 2001, stipulated that systems for the financing of electoral campaigns should be balanced and transparent. Likewise, the reports of OAS Electoral Observation Missions (OAS/EOMs) have issued recommendations aimed at strengthening equity and transparency in financing systems, so as to enable the people of the Hemisphere to fully enjoy their political rights under equal conditions.

The Department of Electoral Cooperation and Observation (DECO) developed this Manual in order to continue deepening and enhancing OAS efforts to promote more democratic political-electoral financing systems. As part of its ongoing efforts to promote more inclusive and competitive elections, the principal purpose of this Manual is to provide an integrated set of concepts, procedures, and tools for the rigorous, systematic, and reliable assessment, considering a gender perspective, of political-electoral financing systems in the countries observed by the OAS.

The Manual consists of six parts. The first provides the conceptual framework, examining the relationship between the rights embodied in the Inter-American system, the concept of democratic elections, and political-electoral financing systems. This analysis is the basis for establishing equity and transparency as characteristics of the financing systems to be observed, as well as for defining the corresponding indicators and variables. The second part contains the methodological framework and includes parameters and procedures for observation and sources and types of data, as well as functions of the OAS/EOM members and the execution of on-site operations, broken down by phases and steps. The third part provides tools for data collection and systematization, including the General Questionnaire on financing systems, report templates, and other instruments. The fourth, fifth, and sixth parts consist respectively of a glossary of the basic concepts of financing systems, appendices, and the bibliography.



1. Conceptual framework

1.1. Rights under the Inter-American system and political-electoral financing

The instruments of the Inter-American system of human rights have been discussed, accepted, and ratified by OAS member states. The rights they enshrine are inherent to all human beings; however, if they are to be fully and effectively exercised, favorable conditions must be established and strengthened.

A political financing system (PFS) is the set of norms and practices governing the flow of financial resources to political parties and organizations. PFSs are political-electoral when they consist of funds for party campaigns, and they are permanent when they function during periods between elections. As stated previously, the objective of this Manual is to provide concepts, procedures, and tools for observing elections; consequently, it is limited to the discussion of political-electoral financing systems.

The rights embodied in the Inter-American system are treated as principles that frame and define the characteristics of political electoral financing systems. The idea of rights as principles neither implies nor suggests the existence or assumption of single models, but rather promotes the identification of characteristics in the financing system that create conditions favorable to the exercise of political rights in electoral processes.

The following list specifies those rights and illustrates their implicit or explicit characteristics, based on the classification of the legal instruments of the Inter-American system (Appendix 5.1).

- 1) The right to universal and equal suffrage, based on the principle of equality in elections. Each citizen has one vote and each vote has the same weight in expressing the collective will. This principle is undermined when the financing system allows or encourages wealthier citizens to assume greater electoral power through their ability to finance campaigns, compared to citizens who are only able to influence the electoral process with their votes. In theory, the right to universal and equitable suffrage is exercised on election day. In reality, voter equality is undermined well before the day on which votes are cast.
- 2) The right to accede to power, based on the principle of equality in running for public office. All candidates must be able to run for office on an equal footing. This principle is vitiated when financing systems allow those candidates with more resources or greater fundraising capability to increase their chances for election, relative to the other candidates. Access to power is thus hampered by resource shortages or by difficulties in obtaining resources, as well as by



socioeconomic and cultural frameworks that are detrimental to specific groups, such as women. The right to accede to power is theoretically exercised in the electoral process; in reality it often occurs under unequal conditions of competition among candidates.

- 3) The right to freedom of expression, associated with the principle of free circulation of information, also understood as the right to seek and receive information. Freedom of expression becomes the basis for the right to information, which is closely associated with the concept of transparency. Political-electoral financing systems may or may not favor exercise of the right to information during an electoral process. An opaque financing system hinders the right to access information on the income and expenditures of the parties in a campaign. When citizens are unaware of the sources of party financing or of the nature of campaign spending, they lack the necessary information to make informed voting decisions.

On the one hand, it follows from the right to universal suffrage and the right to access power that equity is a desirable characteristic of a political-electoral financing system. On the other hand, it is clear from the right to freedom of expression and the right to information that another characteristic to be encouraged in the system is transparency. The Inter-American Democratic Charter (IADC) reiterates these conclusions, explicitly stating that political financing systems must be balanced and transparent. An equitable and transparent financing system helps develop and strengthen favorable conditions for the exercise of political rights in electoral processes.

Table 1
Characteristics of a Political-Electoral Financing System
Pursuant to International Legal Instruments

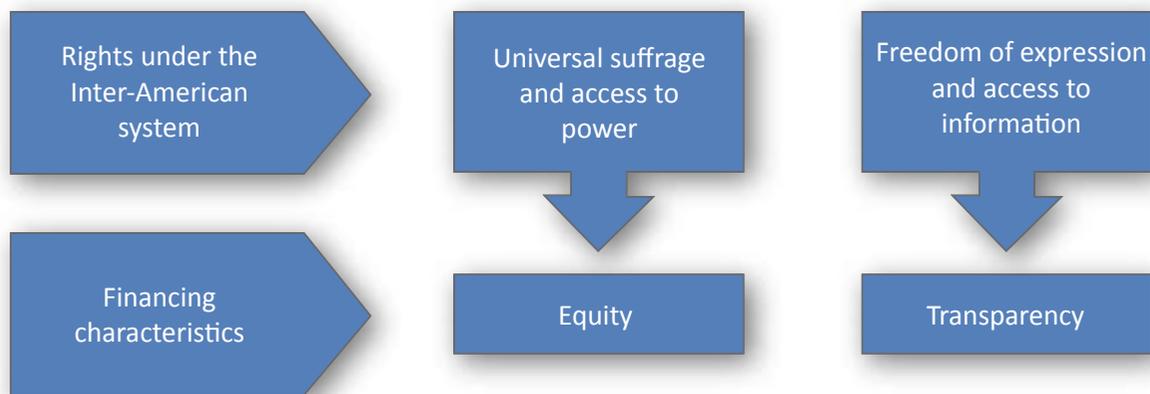
Legal instrument	Article	Text	Substantive elements
Inter-American Democratic Charter (IADC)	Article V	The strengthening of political parties and other political organizations is a priority for democracy. Special attention will be paid to the problems associated with the high cost of election campaigns and the establishment of a balanced and transparent system for their financing.	Balanced and transparent regime
United Nations Convention against Corruption (UNCAC)	Article VII, paragraph 3	Each State Party shall also consider taking appropriate legislative and administrative measures, consistent with the objectives of this Convention and in accordance with the fundamental principles of its domestic law, to enhance transparency in the funding of candidatures for elected public office and, where applicable, the funding of political parties.	Enhancing transparency

¹ Some OAS resolutions adopted after the IADC expand on the importance of the right to information. Suffice it to mention resolution 147 of the Inter-American Juridical Committee, titled “Principles on the Right of Access to Information,” and General Assembly resolution 2607, which contains the “Model Inter-American Law on Access to Information.” The resolutions do not specifically address transparency in the financing system. However, they establish principles of access to information that can serve as a basis for a transparent financing system.

Lastly, it bears mentioning that the United Nations Convention Against Corruption (UNCAC) envisages the possibility of adopting measures for enhancing transparency in the funding of candidacies and parties. The UNCAC is not part of the Inter-American system but it is part of the international legal framework that seeks to promote transparency in the financing of electoral campaigns worldwide.²

1.2. The concept of democratic elections and political-electoral financing systems

Figure 1
Rights under the Inter-American system and characteristics of political-electoral financing systems



The publication entitled “Methods for Election Observation: A Manual for OAS Electoral Observation Missions” (OAS, 2007) defines the concept of democratic elections according to attributes derived from rights under the Inter-American system. Elections are democratic when they fulfill four conditions:

- Elections are inclusive when all citizens are effectively enabled to exercise their right to vote in the electoral process.
- Elections are clean when voters’ preferences are respected and accurately recorded.
- Elections are competitive when they impartially offer the electorate alternative choices.
- Elections are democratic when the main public offices are accessed through periodic elections and when the will of citizens expressed through the voting process is irreversible.

The attribute of competitiveness relates directly to political-electoral financing systems. According to the 2007 OAS manual “Methods for Election Observation,” competitive elections are elections in which citizens have the right to run for public office and basic guarantees exist for conducting electoral campaigns. Among the basic guarantees for campaigns is equal opportunity to run for office and the right to information on campaign spending.

² Of the 33 OAS member states, 22 have completed all ratification phases of the UNCAC (See Appendix 5.3).



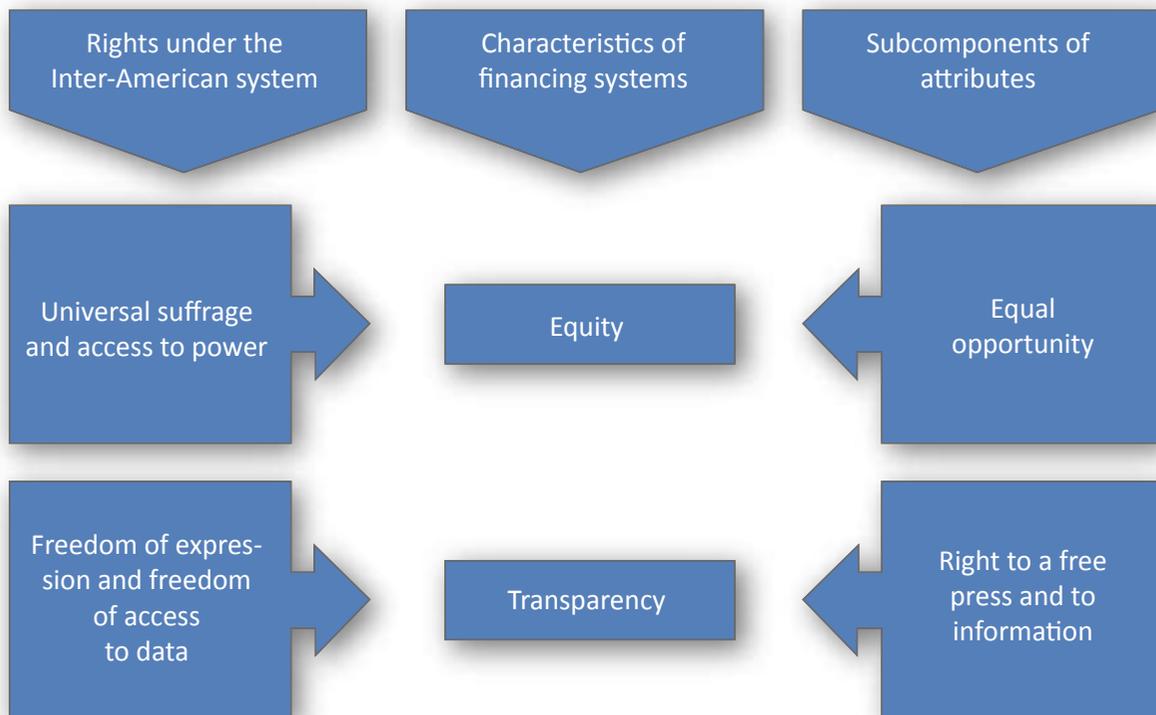
Table 2
Attributes of Competitive Elections and Their Components and Subcomponents³

Attributes	Components of attributes	Subcomponents of attributes	Issues at stake
Competitive elections	Right to run for public office	Right to run	Are there unreasonable legal hurdles to becoming a candidate?
		Equal security	Is the physical security of all candidates and party personnel guaranteed?
	Basic guarantees for an electoral campaign	Equal opportunity	Do candidates compete on a level playing field?
		Right to a free press and to information	Do the voters have access to the information needed to make an informed choice when they cast their votes?
		Freedom of association, assembly, expression, and movement	Are candidates for office and the electorate allowed to organize and interact freely?

Financing systems affect equal opportunity among the candidates in an election since, as explained earlier, asymmetries in access to campaign resources have an impact on equity in exercising the right of access to power. In cases where asymmetrical access is the rule, candidates do not compete on an equal footing. Financing systems are also related to the right to information. In the absence of clarity about campaign resources, citizens are unable to access the information needed to make informed decisions when casting their ballots. An equitable, transparent system is essential to strengthening competitiveness in elections.

³ Table 2 only displays the section on the attribute of competitive elections. The complete chart of the four attributes and their components may be found in the OAS manual “Methods for Election Observation” (2007)..

Figure 2
Characteristics of political-electoral financing systems



1.3. An equitable and transparent political-electoral financing system

1.3.1. Equity in financing systems

An equitable political financing system is a system that, through the regulation of campaign resources, seeks to guarantee equal conditions in terms of the right to elect and to be elected. Regulation entails promoting resources that favor equal conditions, restricting those with adverse effects, and limiting campaign spending.

Government resources are associated with the promotion of the public interest. Equal conditions in election processes serve the public interest since they promote the social inclusion of all citizens and the exercise of their political rights. In principal, government resources are disassociated from the private interests and are therefore impartial. Because of their impartiality, government resources can be used to establish or consolidate equitable conditions in electoral races. Public funding for campaigns may therefore favor a level playing field. An equitable system should consider promoting such funding.

When government resources are misused by citizens or groups in power, they are no longer impartial and lose their capacity to generate conditions of equality. The misuse of government resources is damaging to equity to the extent that beneficiaries are determined according to the positions they hold rather than their capacity as competitors in the electoral race. Candidates who are not in positions of power do not have access to those resources and compete on unequal terms. Consequently, the misuse of public resources in campaigns undermines equality of conditions, and an equitable system should consider prohibiting it.



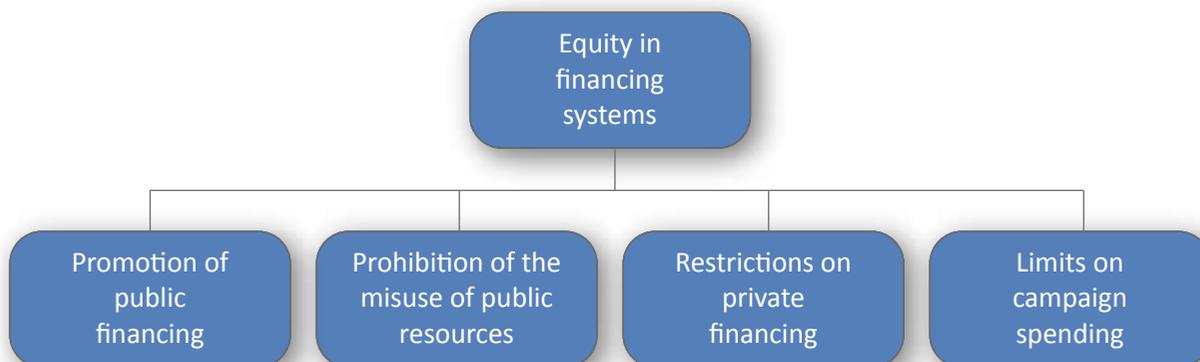
Individual resources and those belonging to legal entities are inherently linked to private interests. In any electoral process private interests, by their very nature, are intended to influence the race in favor of a specific outcome. Bias is inherent in private campaign financing. In societies with significant socioeconomic inequality, in which private resources are concentrated in the hands of a few, private financing options skew electoral competitiveness. For these reasons, private campaign financing can be detrimental to equity. Limits to private financing should therefore be considered.

Nonetheless, the fact that individual or group financing can potentially harm competitiveness does not mean that public funding should replace private funding entirely. Parties financed exclusively from the public coffers would lack political incentives to associate themselves with the individuals, legal entities, and sectors they claim to represent. In addition, low-impact private funding (small contributions from large numbers of citizens) is essential to consolidating representative parties. The financing of a party campaign is an extension of the right to elect. Problems arise in unequal societies when this right is only exercised by a handful of people and becomes a formal justification for shifting structural asymmetries to electoral races.

For these reasons, consideration should be given to promoting public funding while restricting private financing, seeking a balance that generates equity and representation in the specific context. An equitable system should be mixed; in other words, it should have sufficient public resources to guarantee an equal playing field in electoral races as well as sufficient private financing so as to preserve the right to elect and strengthen representativeness.

Lastly, campaign spending limits are a complementary component of mixed financing, ensuring equity in electoral races. Even in systems that follow this formula public funding has been encouraged and the misuse of government funds prohibited, and in which private financing has been restricted, campaign costs could increase and create inequity. The problem is not the increase per se but the fact that the increase in public financing has a supplemental effect in which private resources are added to government resources for campaign spending. In those cases, the increase is reflected in a spending margin that favors the power of private resources over the equitable exercise of voting rights and access to power. For these reasons, spending limits should be viewed as a complement to an equitable political-electoral financing system.

Figure 3
Indicators of equity in financing systems

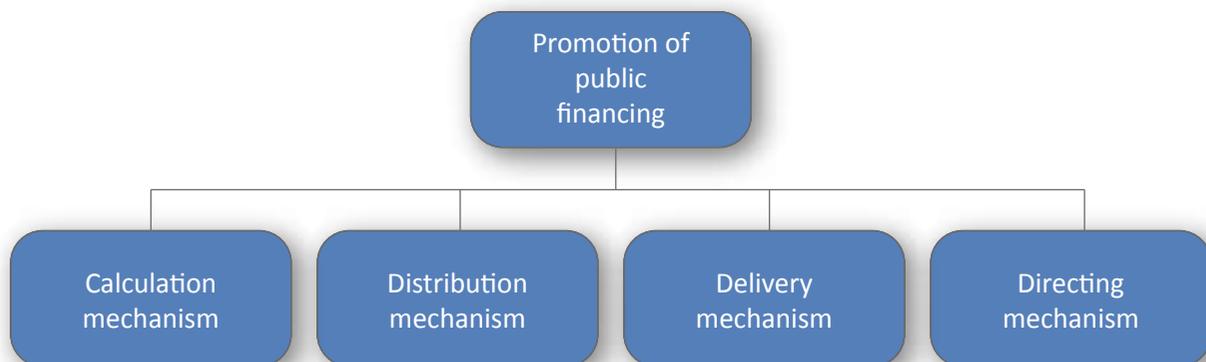


• **INDICATOR NO. 1: PROMOTION OF PUBLIC FINANCING**

The promotion of public financing means increasing direct and indirect resources for party campaigns. Direct financing is in the form of cash or equivalent means of payment. Indirect financing is financing

that is provided in kind, including media time and space. In addition to increasing government resources, mechanisms must be introduced to ensure that any increase effectively and efficiently promotes equity. The mechanisms should consider the establishment of calculation methods, distribution criteria, time periods for delivery, and channeling of direct and indirect public funding.

Figure 3.1.
Variables of the promotion of public financing



The calculation mechanism is the set of procedures (numbers, percentages, formulas, etc.) used to determine amounts of direct or indirect public funding. The mechanism should be accurate, measurable and ensure that the financing is relevant. It is relevant if the direct or indirect resource amounts are greater than, or at least equal to, the total amounts of private financing. It is accurate if it reduces discretionary power and arbitrariness to a minimum in the calculation of government resources. It is measurable if its results (amounts, times, space, etc.) are quantitative and comparable.

The distribution mechanism is the set of criteria used to distribute direct and indirect public funding to candidates. The criteria can consist of the number of votes obtained in an election (strength) and party accreditation of candidates (participation). In systems where distribution is based exclusively on votes obtained in prior elections, parties that obtained fewer votes in the past receive less public funding and new parties receive none at all. Conversely, systems in which funding is distributed solely on the basis of candidate accreditation could encourage an increase in the number of parties and fragment the system. Consequently, the mechanism for distributing direct and indirect public resources should consider both electoral strength and the participation of small and new parties as distribution criteria.

The delivery mechanism refers to the procedure for determining the time at which the parties receive direct or indirect public funding. This may occur either before or after election day. Public funding delivered after elections may have less of an impact on equity in electoral races. In those cases, parties with insufficient resources may turn to private entities for loans. To recover their money, private entities generally expect parties to meet market-based requirements or may grant loans based on electoral projections (polls or perceptions). As a result, parties with limited financial security or unfavorable projections are not on an equal footing when it comes to obtaining resources. That is why systems in which public financing is delivered before elections may have a greater impact on equity in electoral races.

The directing mechanism for direct or indirect public financing involves procedures for channeling resources to favor equity in the electoral races of specific groups or sectors. Public financing for women strengthens gender equality in political participation and in electoral races. The mechanism should consider the establishment of explicit, objective rules concerning the amounts and categories of expenditures

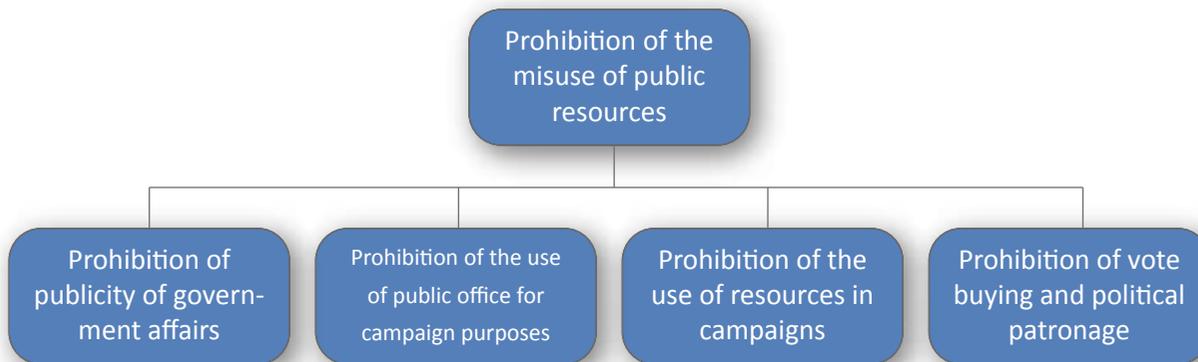


aimed at the promotion of female participation. It should also be consistent with the electoral system in each country and especially with any efforts to promote women’s representation such as gender quotas. In this regard, government resources for campaign financing could generate more equitable conditions for women, on the one hand, and favor the effectiveness of affirmative gender mainstreaming measures, on the other.

• **INDICATOR NO. 2: PROHIBITION OF THE MISUSE OF PUBLIC RESOURCES**

Prohibiting the misuse of public resources means preventing use of the public budget, goods, or services and of granting of public positions for electoral purposes. Actions that should be banned to prevent the misuse of resources in campaigns include: publicity promoting government affairs, the use of public office for campaign purposes, the use of government resources in campaigns, and vote buying or political patronage.

Figure 3.2.
Prohibition of the misuse of public resources: variables



Prohibition of publicity of government affairs means preventing the promotion of government achievements or results for campaign purposes. Whether the objective is explicitly or implicitly campaign-related, such publicity in an electoral context could confer an unfair advantage to one contender over others.

Prohibition of the use of public office for campaign purposes consists of banning the use of time, the position itself, or the power inherent in it for electoral purposes. Use of the position and the power it entails could result in wrongful situations in which incentives or penalties encourage citizens to exchange their votes in the hope of getting job promotions or avoiding dismissals, among other things. The power relations deriving from a post and converted into electoral capital are resources available to only some contenders; this could lead to inequity in a race.

Prohibition of the use of resources in campaigns means preventing the explicit use of public funds, goods, or services for electoral purposes. Said conduct is linked but not limited to the misappropriation of public funds as it extends to intangible goods as well as services. Here again, it is the groups in power who are in a position to misappropriate government funds or directly use public services to benefit candidates, thus placing the rest of the candidates at a disadvantage.

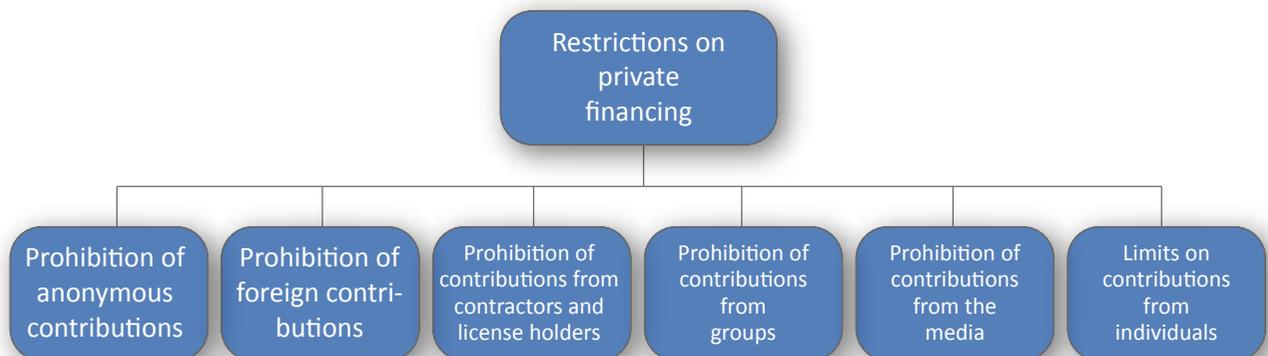
Prohibition of vote buying and political patronage consists of banning the exchange of votes for money or for public goods or services. The prohibition should also include a ban on exchanging votes for an

opportunity to receive any of the resources mentioned. In both cases, the ban should be directed at whoever offers or is willing to hand over public resources, and not on the individual offering or willing to exchange the vote. Here once again, the premise is that those who have access to government resources—or to more resources in general—and illegally use them to buy votes or establish patronage relationships in an electoral process could have an advantage over other contenders.

• INDICATOR NO. 3: RESTRICTIONS ON PRIVATE FINANCING

Restricting direct or indirect private financing means reducing the amount of resources allocated to party campaigns from individual sources, which could affect equity in electoral contests because of their origin or magnitude. Direct financing consists of cash or equivalent means of payment, while indirect financing is provided in kind. Private resources are reduced by prohibiting some sources and limiting others. On the one hand, consideration should be given to prohibiting anonymous contributions, whether direct or indirect foreign contributions, and contributions from contractors and legal entities, including the media. On the other hand, consideration should be given to imposing limits on direct and indirect individual contributions.

Figure 3.3.
Restrictions on private financing: variables



The prohibition of anonymous contributions is intended to prevent hidden resources and the interests they represent from affecting equity and impartiality in electoral races. In principle, illegal or unlawful contributions are made anonymously. Logically, the contributions are not declared either by the private contributor or by the recipient. Moreover, hidden contributions could place contenders who refuse to accept them at a disadvantage, thus creating perverse incentives. The ban on anonymous direct and indirect contributions could prevent disadvantages among candidates and close the conduits through which resources and interests of organized crime make their way into public institutions.

The prohibition of foreign contributions is intended to prevent foreign interests from affecting equity and impartiality in electoral contests. First of all, not all political parties have access to resources from abroad, which creates advantages for those who do. Second, the receipt of foreign contributions assumes that the parties accept, promote, or represent foreign interests, which skews their participation in the race and possibly their conduct in public office. Consideration should therefore be given to banning direct and indirect campaign financing from abroad. The prohibition might well include contributions from government or political institutions but also from any intermediate entity that channels resources from public or private sources representing foreign interests.



The prohibition of contributions from contractors and license holders is intended to prevent business relations between private actors and government representatives from affecting equity in electoral contests and impartiality in public affairs. It is potentially in the private interest of a contractor or license holder who makes a contribution to maintain or expand business or other ties with the public institution—a situation that constitutes a conflict of interest. Driven by private interests, contractors or license holders generally make contributions to the party in power. This places candidates who do not hold key public posts at a disadvantage and is detrimental to the impartiality that should prevail in government transactions. To prevent such disadvantages from undermining equity in electoral races and to avoid conflicts of interest, consideration should be given to prohibiting direct or indirect contributions from contractors and license holders.

The prohibition of contributions from legal entities is intended to cut off flows of resources that, by their volume and nature, could produce inequity and partiality in electoral races. Legal entities are associations of individuals and, as such, have more resources or greater fundraising capacity than average citizens. Moreover, private financing is an extension of the vote—a right that is inherent to citizens but not applicable to legal entities. From the perspective of the right to elect, direct or indirect contributions from legal entities could lead to inequity in electoral contests; for that reason consideration should be given to banning them. Additionally, this prohibition weakens ties between parties and companies interested in investing in areas of public interest, and in the future will help reduce the risk of corruption and influence-peddling.

The prohibition of contributions from the media is intended, first of all, to block resource flows that, by their volume and nature, lead to inequity in elections. The media are groups of individuals with more resources or greater fundraising capacity than average citizens. In addition, they have control over one of the most important and expensive election resources: campaign ads. The purpose of this prohibition is to prevent business relations between private actors and government representatives from affecting equity in the electoral race and impartiality in public affairs. The media, in particular broadcast television and radio, transmit their signals through the publicly owned radioelectric spectrum and are therefore government license holders. They are also contractors since they sell advertising before, during, and after the election period, and public institutions figure among their customers. Consequently, to avoid electoral inequity stemming from a concentration of resources and bias on the part of donors, as well as to prevent conflicts of interest, consideration should be given to prohibiting direct or indirect contributions from the media.

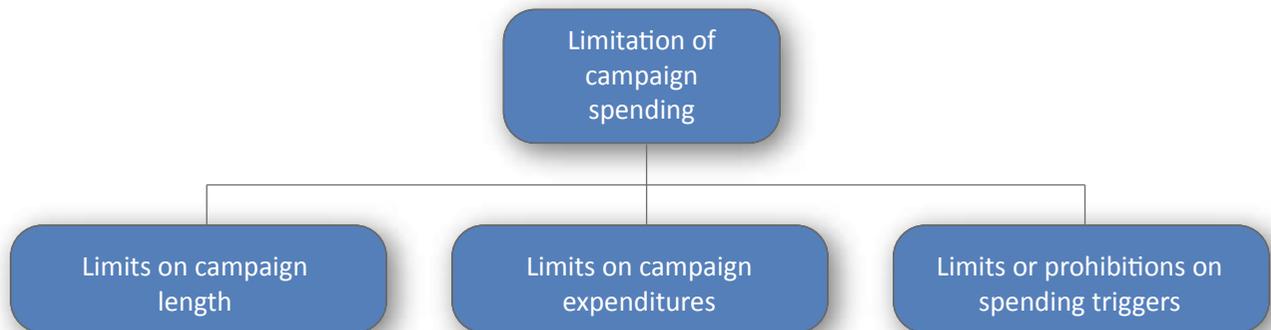
Limits on contributions from individuals are intended to restrict flows of resources which produce inequity in elections, because of their magnitude. Though individuals are entitled to contribute resources to the campaigns of their parties of choice, they do not all have the same economic capacity. These limits are ceilings on contributions by individuals in cash or in kind, the purpose of which is to prevent one citizen from having disproportionate financial power over another. Such a measure could oblige parties to diversify their private sources of financing, thereby increasing citizen participation and representation. The limits should be explicit, objective, and measurable so as to prevent discretionary power from detracting from the objective of such a measure.

• INDICATOR NO. 4: LIMITATION OF CAMPAIGN SPENDING

Limiting campaign spending means restricting costs to balance the relationship between private and public funding, thus preventing the former from being added to the latter and creating spending advantages that favor inequity in electoral races. Limiting spending means restricting the length and total costs of party campaigns. It also entails limiting or prohibiting items of expenditure that trigger higher total campaign costs.

Limits on campaign length involve establishing precise time periods for campaigning. These limits mean

Figure 3.4.
Limitation of campaign spending: variables



that parties have less time to spend, thereby lowering costs. However, limits on campaign length could lead to a concentration of expenditures during the legally allowed time periods or outside of them. It is therefore important to consider complementing time limits with other mechanisms directed toward the same end.

Limits on campaign expenditures are measures that set ceilings on political party costs. The direct limitation of costs seeks to reduce campaign spending and thus to prevent any resulting inequity. In cases where time limits exist, cost limits avoid the concentration of spending over reduced periods of time. Limits on campaign costs should be explicit, objective, and measurable so as to prevent different levels of discretionary power from hindering the objective of the mechanism.

Limits on or prohibitions of spending triggers are measures to restrict spending on those items that are most costly for campaigns. The purpose of these limits or prohibitions is to inhibit or moderate spending for trigger items and avoid increases in campaign total costs and any resulting potential inequity. The triggering categories are generally media-related, although they vary according to the context. The limits should be consistent with the objective need or demand for the item that triggers the expense; when limits are overly restrictive, there are incentives to avoid them. Limits on spending triggers should also be explicit, objective, and measurable so as to prevent different levels of discretionary power from hindering the objective of the mechanism.

1.3.2. Transparency in financing systems

A transparent political financing system is a system that guarantees the necessary conditions for exercising the right to information on the flow of economic resources for party campaigns. The requirements for a transparent system are: party reporting, government oversight, a penalty system, and access to information.

Party reporting is a necessary condition for a transparent financing system to the extent that the practice records, systematizes, and provides basic information on the flow of campaign resources. The financial information obtained from reports may be submitted to the general public or to appropriate government entities. In fact, reporting contributes to transparency in financing in both cases. However, government oversight that is exercised by a specialized entity helps improve the quality and quantity of information on the flow of campaign resources.

Government oversight consists of reviewing, verifying, and auditing the data that parties provide on the flow of campaign resources; accordingly oversight is a necessary condition for a transparent system. Government

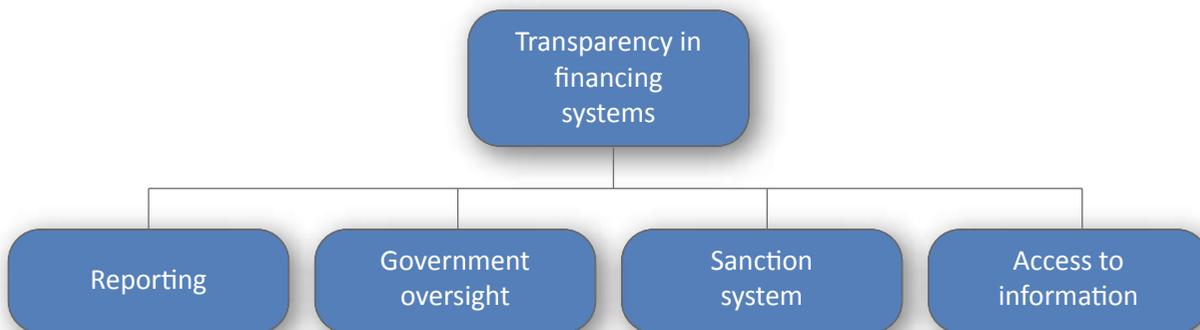


oversight is the counterpart of reporting; a balance between the two practices produces a system of checks and balances favorable to transparency. The entity responsible for oversight has the obligation to be familiar with as much information as possible, whereas the reporting entity has the obligation to supply all necessary data. If the oversight entity performs its function effectively and efficiently, the parties are compelled to improve their reporting. As a result the amount and quality of available information increases.

A system of sanctions is a necessary condition of a transparent system. Sanctions encourage parties to fulfill the obligation to report and encourage governments to provide oversight, through the institution of penalties for possible violations of limits, prohibitions, and responsibilities established in campaign financing rules. When a system of sanctions is effective and efficient, parties and oversight entities are required to fulfill their obligations regarding transparency, which helps increase the availability of accurate and timely information. In addition to being a condition for transparency, sanctions facilitate compliance with the norms governing the political-electoral financing system as a whole.

Lastly, availability of information does not necessarily guarantee the full and effective exercise of the right of citizens to request and receive information. Access to information stems from the relationship between the right of citizens to request and the obligation of those possessing information to submit and publish it. The right to access is rooted in the public nature of the information; whether the data are in the hands of public or private institutions, including political parties, is of secondary importance. Moreover, the relationship between the right and the obligation is complementary. Exercise of the right to information is converted into a demand in an effort to promote the obligation to publish; in other words, the exercise increases the availability of data. In short, whereas reporting, government oversight, and the sanctions help increase the quality and quantity of information, the right to request and the obligation to publish promote access to said information.

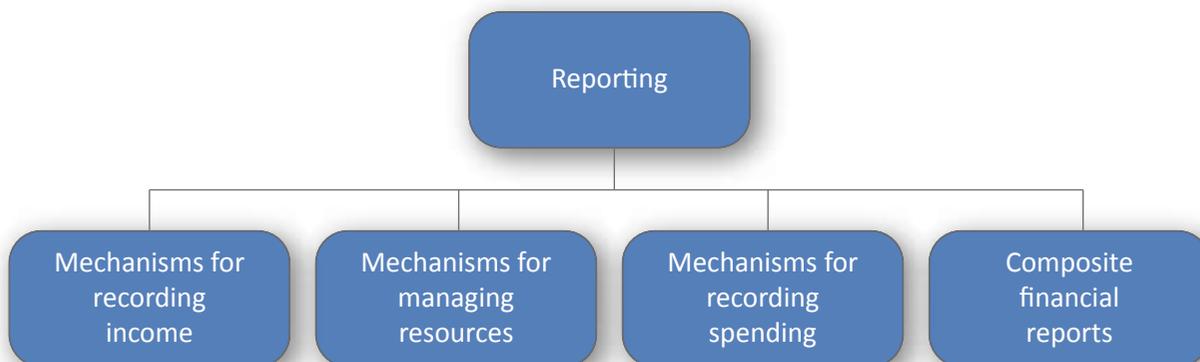
Figure 4
Indicators of transparency in financing systems



• **INDICATOR NO. 1: REPORTING**

Reporting in financing systems is the obligation of parties to submit reports to the general public or to appropriate government entities on the flow of campaign resources. This obligation involves access to mechanisms for recording income, managing resources, and recording spending, and composite financial reports.

Figure 4.1.
Variables of reporting



Mechanisms for recording income are tools for channeling and certifying resources from sources of financing to the parties, viewed objectively and verifiably. Mechanisms for recording income consist of:

- Receipts or equivalent documentation indicating the names of contributors and contribution amounts, in cash or in kind (the value of the latter should be calculated at the market price);
- Standardized accounting systems recording cash or in-kind contributions;
- Single bank accounts used exclusively for depositing campaign contributions;
- Sworn statements concerning the origin of contributions greater than a set amount (it should be the obligation of the party to request the statement and not that of the contributor to provide it).

Mechanisms for managing resources are tools and procedures used to manage party campaign resources. Management mechanisms consist of:

- The unit, office, or department responsible for managing party resources (it should be headed up by individuals assigned responsibility for the task);
- Party campaign budgets, which serve as financial planning, evaluation, and verification instruments;
- Standardized accounting systems for managing and balancing resources.

Mechanisms for recording spending are tools for certifying party expenditures in election campaigns. Mechanisms for recording spending include:

- Purchase orders or equivalent proof of spending to record the goods or services acquired;
- Receipts or invoices issued by suppliers for the acquired goods or services (it should be the obligation of the party to request them);
- Standardized accounting systems for recording campaign expenditures (when a supplier makes a contribution, the position of the supplier as a contributor must be clear and the contribution must be recorded as an in-kind contribution and appear as a campaign expenditure).

Composite financial reports are documents that present in an orderly, understandable fashion the income, management, and spending of party campaign resources. The reports may be periodic or issued at set times and may be submitted before or after election day. It is important for the reports to be submitted at regular intervals prior to elections since this helps detect illegal acts and provides data for disseminating and guaranteeing the right to vote in an informed manner. A report published at a set time after elections provides access to a financial balance sheet and makes it possible to verify whether the accounts are

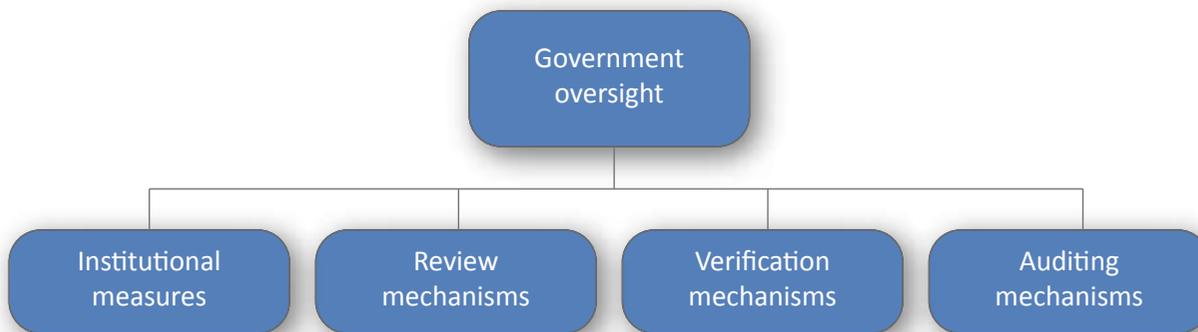


consistent. Accordingly, consideration should be given to having parties submit both periodic reports before elections and a report at a set time after them.

• **INDICATOR NO. 2: GOVERNMENT OVERSIGHT**

Government oversight in financing systems is the obligation of public institutions to monitor the flow of resources in party campaigns, in accordance with the legal framework in place. Government oversight presupposes the establishment of necessary institutional measures as well as mechanisms for reviewing, verifying, and auditing resources.

Figure 4.2.
Variables of government oversight



Institutional measures are the set of elements at the basis of the implementation of government oversight. Institutional mechanisms comprise:

- Explicit delegation of the oversight function to at least one government institution;
- The existence of a specific, specialized unit, office, or department entrusted with oversight;
- Provision of the resources needed for the assigned institution to perform the oversight function.

Review mechanisms are the procedures for certifying formal compliance with party reporting obligations by the oversight entity, specifically with regard to the submission of documents and information. The review mechanisms include:

- The mechanism for recording information, which covers the receipt and filing of documents submitted by parties;
- The mechanism for checking compliance with formal requirements (submission, compliance with deadlines, forms, support documentation, etc.)

Verification mechanisms are the means through which the oversight entity certifies the implementation of financial reporting mechanisms by parties during campaigns. The verification mechanisms are:

- A guarantee of access to any information required for verification, which includes exceptions to bank and trust secrecy, as appropriate;

- Visits to parties by officials of the oversight entity to verify implementation of reporting mechanisms.

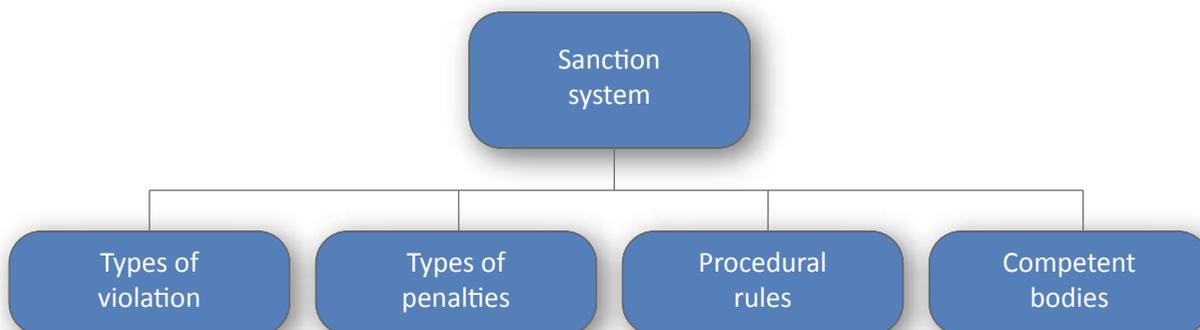
Auditing mechanisms comprise all tools and procedures for verifying party finances in electoral campaigns. Unlike the other mechanisms, which are formal in nature, auditing focuses on report content. Auditing mechanisms include:

- An accounting and financial audit of income, resource management, and expenditures of party campaigns;
- The collection, systematization, and production of independent, objective information in order to compare it with party-supplied data.

• INDICATOR NO. 3: SANCTION SYSTEM

The sanction system is the final oversight mechanism. Through the provision of penalties for violations of restrictions or prohibitions, sanctions encourage compliance with reporting and government oversight obligations and with norms governing the financing system in general. Sanction systems may include various types of violations and penalties, as well as procedural rules and competent bodies.

Figure 4.3.
Variables of the sanction system



Types of violations refer to the definition of behaviors (actions and omissions) that represent violations of political financing system rules. The types of violations may include:

- Noncompliance with reporting and government oversight obligations;
- Violation of limits or prohibitions of the financing system in general.

Types of penalties refer to definitions of the penalties applied in the event of violations of political financing system rules. Penalties may be criminal or administrative, and are directed at individuals or legal entities. The types of penalties include:

- Administrative or criminal penalties against legal entities (parties, public institutions, etc.);
- Administrative or criminal penalties against individuals (party supporters, public officials, etc.)

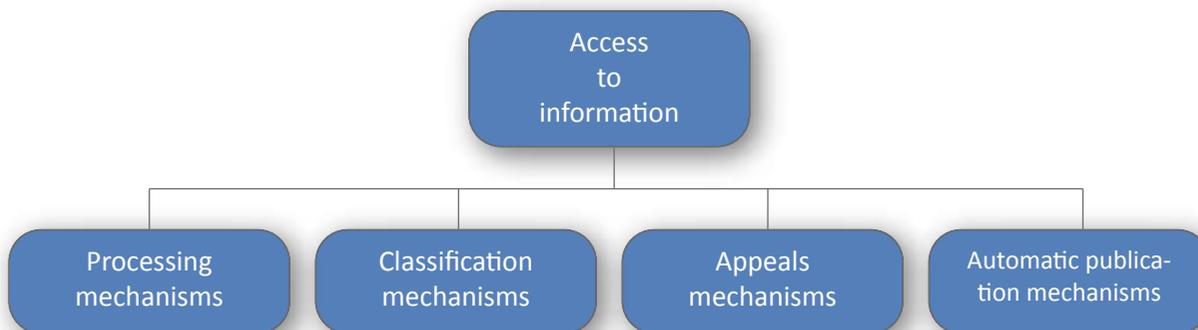
Procedural rules are the set of procedures whereby penalties are imposed on individuals or legal entities that have violated financing system rules. The procedural rules must be established for both criminal and administrative penalties.

Competent bodies are institutions vested with the necessary legal powers to judge and impose penalties in cases of violations of financing system rules. Competent bodies must have sufficient political and financial autonomy to perform their functions effectively.

• **INDICATOR NO. 4: ACCESS TO INFORMATION**

Access to information about financing systems is the guarantee that anyone may request and obtain information on party campaign finances; it also includes the obligation of institutions possessing this information to publish it automatically, that is, without any request being made. Access to information requires mechanisms for processing requests and for classification, appeals, and automatic publication of the data.

Figure 4.4.
Variables of access to information



Processing mechanisms are procedures whereby institutions that possess information receive and respond to requests. The processing mechanisms are:

- The receipt of oral or written requests, provided only that the requestor identifies himself or herself, specifies the information requested, and provides contact information for notification or response;
- A reply to the request and delivery of the information immediately or within a brief pre-established period of time (charges for submitting the information should not exceed document-reproduction costs).

Classification mechanisms are the means whereby institutions that possess information determine that certain data are restricted. Classification mechanisms include:

- Pre-established, explicit procedures for classifying information as restricted;
- The classification per se, whereby the institution possessing the data attests that publication of the information would be more harmful to the common good than its restriction (this classification document must be in the public domain).

Appeals mechanisms are procedures whereby persons call for the review of total or partial denials of requests for access to information. Appeals mechanisms include:

- Pre-established, explicit procedures whereby requesters may call for the review of total or partial denials;



-
- The appeal itself, whereby an institution independent of whoever denied the information substantiates whether the data belongs to the public domain or not (the appeals document must be publicly accessible).

Automatic publication mechanisms are procedures whereby information on political public financing is made available to the public without any request being made. The intention here is to be proactive in meeting citizen demand for information, thus reducing the number of direct requests. All published information must be current and understandable.



Table 3
Chart of Indicators of Political-Electoral Financing Systems

Attribute	Component of attribute	Subcomponents / characteristics	Indicator	Variables
Competitive elections	Basic guarantees for a campaign	Equity	Promotion of public financing	<ul style="list-style-type: none"> • Calculation mechanism • Distribution mechanism • Delivery mechanism • Directing mechanism
			Prohibition of the misuse of public resources	<ul style="list-style-type: none"> • Prohibition of publicity of government affairs • Prohibition of the use of public office for campaign purposes • Prohibition of the use of government resources in campaigns • Prohibition of vote buying and political patronage
			Restrictions on private financing	<ul style="list-style-type: none"> • Prohibition of anonymous contributions • Prohibition of foreign contributions • Prohibition of contributions from contractors and license holders • Prohibition of contributions from legal entities • Prohibition of contributions from the media • Limits on contributions from individuals
			Limitations of campaign spending	<ul style="list-style-type: none"> • Limits on campaign length • Limits on campaign expenditures • Limits or prohibitions on spending triggers
			Reporting	<ul style="list-style-type: none"> • Mechanisms for recording income • Mechanisms for managing resources • Mechanisms for recording spending • Composite financial reports
		Transparency	Government oversight	<ul style="list-style-type: none"> • Institutional measures • Review mechanisms • Verification mechanisms • Auditing mechanisms
			Sanction system	<ul style="list-style-type: none"> • Types of violations • Types of penalties • Procedural rules • Competent bodies
			Access to information	<ul style="list-style-type: none"> • Processing mechanisms • Classification mechanisms • Appeals mechanisms • Automatic publication mechanisms



2. Methodological framework

2.1. Criteria for observing political-electoral financing systems

2.1.1. What to observe?

This Manual sets forth the methodology for observing political-electoral financing systems in the context of the Electoral Observation Missions of the Organization of American States (OAS/EOMs). Accordingly, it provides a set of concepts, procedures, and tools for observing the flow of party campaign resources in electoral processes, in all its aspects.

In general, political-electoral financing systems comprise several key components which an OAS/EOM has the capacity to observe. This Manual may therefore be used to observe financing systems in presidential, parliamentary, municipal, or any other type of election in OAS member countries.

This manual focuses on the observation of conditions of equity and transparency in political-electoral financing systems, assessing the rules in place as well as their functioning in practice. At times, laws exist but are not implemented. In such cases, a system cannot be said to be equitable and transparent solely on the basis of the law. In other cases, practices carry greater weight than formal norms and are sufficient to foster both characteristics.

Consequently, this Manual will facilitate the observation of norms and practices as well as any gaps between the two in order to assess equity and transparency in political-electoral financing systems in those OAS member countries whose elections the General Secretariat has been invited to observe.

2.1.2. How to observe?

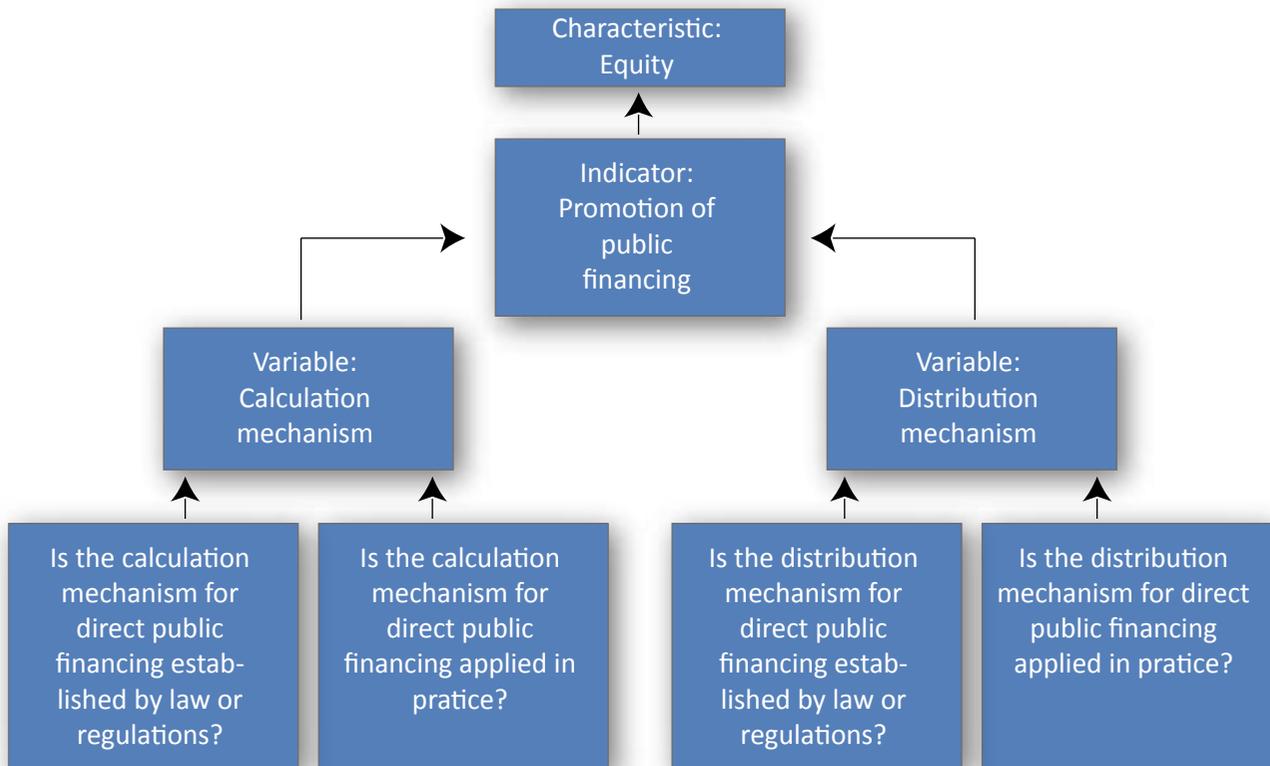
The initial phase of observation consists of collecting all the information needed to learn about the norms and practices that correspond to the variables for each indicator in the political-electoral financing system. The data collected must be based on direct observations made within the framework of the OAS/EOM. To this end, both quantitative and qualitative data should be taken into account.

Subsequently, the data collected is systematized and analyzed in order to assess whether the financing system in question promotes equity and transparency in the observed electoral process. The analysis consists of three stages. First, information on existing norms, or the lack thereof, and on practices implemented represents the degree of compliance of each variable. Second, integrated analysis of the corresponding variables allows for an assessment of the degree of conformity with each indicator. Lastly,



the indicators permit an assessment of the degree to which the financing system promotes equity and transparency in the observed election.

Figure 5
Observation of some of the variables of
equity in financing systems



2.1.3. Data and sources of information for observation

The questions on the questionnaire should preferably be answered with objective data and supplemented with subjective information. Subjective information will be used when objective data do not exist or when access is not available. However, in some cases the absence or inadequacy of objective data, or the lack of access, constitutes useful information for the observation of a political-electoral financing system.

For example, if parties do not have composite financial reports (in cases in which they are legally obliged to produce them), the inadequacy of the data reflects weaknesses in reporting practices.

Table 4
Data in the Observation of Political-Electoral Financing Systems

Objective data	Subjective data
<p>An example of an objective piece of data would be that five of the ten parties required by law to present composite financial reports complied with this requirement. This information exists whether or not a party accountant considers the system adequate or inadequate. The number five is precise and measurable. The information is verifiable since anyone would be able to verify the fact at the source and/or correct it in the event that the information changes.</p>	<p>An accountant might think that the same reporting system is adequate even though only half of the parties have submitted reports. This piece of data reflects an individual opinion about the situation, which is determined by the quality of the information at that person's disposal and by his or her position in the institutional structure or by his or her ideological vision. The nature of the information does not imply, however, that said individual's answer is of no use for understanding this or other phenomena.</p>

It is also important to classify and prioritize sources of information according to the objectives of electoral observation. The sources may be classified as follows:

- Official or public sources: laws, regulations, or provisions of existing norms and documents produced by government institutions in the host country (in particular, by the electoral body), by political parties, and by other similar entities. This category also includes information produced by the OAS, specifically the results of implementation of the “Methodology for Media Observation during Elections: A Manual for OAS Electoral Observation Missions”⁴ and the “Manual for Incorporating the Gender Perspective into OAS Electoral Observation Missions (OAS/EOMs).”⁵
- Unofficial or private sources: (studies, reports, etc.) produced by private entities (universities, academic institutions, civil society organizations, etc.), press accounts of all types (news, editorials, investigative reporting) or reports from international organizations, to name a few.

Official sources are primary and have priority over unofficial secondary sources. Secondary sources are to be used in the absence of primary sources or when access to primary sources is impossible. However, in some cases the absence or inadequacy of objective data or lack of access constitutes useful information for the observation of a financial system.

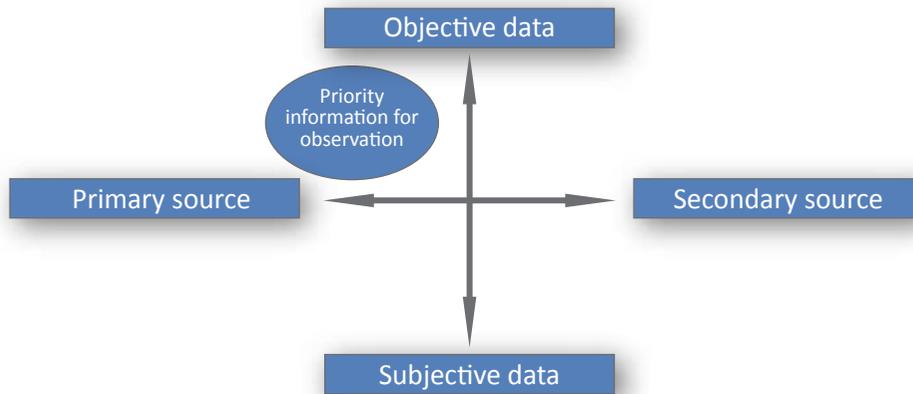
For example, if an electoral body does not have the official document in which public financing was calculated and distributed or does not allow access to the document, that situation could indicate different levels of discretionary power in the system that affect equity in the electoral contest.

⁴ http://www.oas.org/es/sap/docs/deco/ManualMedia_WEB.pdf

⁵ http://www.oas.org/es/sap/deco/pubs/manuales/Manual_gender_e.pdf



Figure 6
Types and sources of information



2.2. OAS/EOM structure and the observation of political-electoral financing

Responsibility for implementation of this Manual lies with a team of political-electoral financing specialists who are part of the Core Group. Figure 7 shows the structure of the OAS/EOMs, including the team of financing specialists:

Figure 7
OAS/EOM structure and the team of financing specialists



2.2.1. Functions of OAS/EOM members

The terms of reference of each of the OAS/EOM members remain the same as in the “Manual for OAS Electoral Observation Missions” (OAS, 2007), except for the addition of the following functions:

Table 5
New Functions of OAS/EOM members

EOM member	New functions
DECO Director	<ul style="list-style-type: none">• Appoint the team of financing specialists.• Approve the preliminary visit to the host country.
Deputy Chief of Mission	<ul style="list-style-type: none">• Approve the work plan for the financing specialist team.• Consider the content of the financing observation final report when drafting the OAS/EOM oral and final reports.
General Coordinator	<ul style="list-style-type: none">• Support the team of financing specialists in organizing training for regional coordinators.
Core Group specialists	<ul style="list-style-type: none">• Meet with the team of financing specialists.• Share information on the financing system gleaned whilst carrying out their functions.
Press specialists	<ul style="list-style-type: none">• Share the daily host country news summary (press review) with the team of financing specialists.• Take into account the preliminary reports on financing observation when drafting OAS/EOM press releases.
Gender and media specialists	<ul style="list-style-type: none">• Meet with the team of financing specialists.• Share information on their areas of specialization related to financing systems.
Regional coordinators	<ul style="list-style-type: none">• Participate in the training offered by the team of financing specialists.• Collect information on the financing system.• Transmit the information collected to the General Coordinator.

2.2.2. Functions of the political-electoral financing specialist team

Political financing is a complex area that demands specific knowledge. It is therefore necessary for the OAS/EOM to operate with a team of specialists familiar with the subject. The team of financing specialists will have to work closely with the following members of the Core Group:

- The legal specialist.
- The electoral analysis specialist.
- The specialists in other OAS observation methodologies.



The functions of the political-electoral financing specialists include:

- Draw up a work plan and present it to the Deputy Chief of Mission.
- Coordinate and carry out all necessary actions for implementation of the financing methodology.
- Collect and systematize necessary information on the norms and practices of the financing system.
- Conduct a preliminary study on the financing system of the country observed.
- Monitor news on the financing system of the country observed.
- Justify and request a preliminary visit to the country when necessary and organize and conduct it once it has been approved.
- Prepare and conduct the observation visit to the country.
- Coordinate and hold meetings with the other Core Group specialists.
- Coordinate and hold meetings with key actors in the country.
- Participate in any other meetings indicated by the OAS/EOM Chief or Deputy Chief.
- Inform the OAS/EOM Chief or Deputy Chief about all aspects of the financing system as requested.
- Complete the corresponding forms according to the criteria and steps set out in this Manual.
- Organize and conduct training on financing for regional coordinators.
- Systematize the information collected by the regional coordinators.
- Prior to leaving the country, prepare the preliminary report on observation of the political-electoral financing system.
- Prepare the final report on observation of the political-electoral financing system.
- Become familiar with the Manual for the OAS/EOMs.
- Become familiar with this Manual.
- Sign and comply with the Code of Conduct for International Election Observers.
- Perform any other functions assigned by the DECO Director.

2.3. Observation of political-electoral financing systems

2.3.1. Observation of financing during the initial OAS/EOM phase

The initial phase begins when a member state asks the OAS General Secretariat to deploy an Electoral Observation Mission and ends with the installation of the Mission in the host country. During that period, the process of observation of political-electoral financing comprises the following steps.

• STEP 1: DESIGN AND APPROVAL OF THE WORK PLAN

The first task of the OAS/EOM financing specialist team, once appointed by the DECO Director, is to design a work plan. The plan is drawn up by the team of specialists and approved by the Deputy Chief of Mission. The basis for developing the work plan are the steps described below and the attached *Model Timetable for OAS/EOM Observation of Financing Systems* (Tool 3.1.), although this does not preclude the team of specialists from including any other sections that are deemed necessary.

• STEP 2: NEWS MONITORING

The press specialist draws up a daily news summary, which is shared with the team of financing specialists. Monitoring consists of reading the daily summary, selecting and classifying news related to the financing system of the observed country, on the basis of the characteristics and indicators established in this Manual. Monitoring begins from the moment the team of financing specialists is assigned and ends with preparation of the final observation report of the financing system in the host country. The information collected through monitoring must be used for drawing up the preliminary study, visits, and completion of the General Questionnaire.

• STEP 3: PREPARATION OF THE PRELIMINARY STUDY

The preliminary study is intended to provide a preliminary but comprehensive assessment of the existing financing system in the observed country. The preliminary study is the starting point for the observation of political financing. Accordingly, the document should:

- a) Provide information on the norms and practices of the previous electoral process;
- b) Contain data on current norms (including any legal reforms approved since the previous election);
- c) Include information on the practices of the previously observed election (as appropriate);
- d) Be based on the *General Questionnaire on Political-Electoral Financing Systems* (Tool 3.2).

Preparation of the preliminary study consists of compilation of documents, systematization of data, and drafting of the text.

- a) Compilation of documents involves compiling norms and documents on financing practices according to the *Documents Checklist* (Tool 3.3.)

It should not be forgotten that the preliminary study not only focuses on the prior but also considers the current electoral process; consequently, the documents compiled must include past and present norms (including reforms, if any) as well as available documents on practices during both periods of time.

- b) Systematization comprises reading all the texts compiled and selecting information to be used in the drafting process, the guide for which will be the *General Questionnaire on Political-Electoral Financing Systems* (Tool 3.2.)

The General Questionnaire serves as a guide for the first step of the process. Thus the questions on variables are simply a basis for organizing the systematization and selection of information. The team of specialists can take advantage of this opportunity to begin to answer questions or can wait until the next step.

- c) The draft is prepared on the basis of the criteria, contents, and space allotments indicated on the *Preliminary Study Template* (Tool 3.4.).



• STEP 4: INITIAL COMPLETION OF THE GENERAL QUESTIONNAIRE ON POLITICAL-ELECTORAL FINANCING SYSTEMS (TOOL 3.2.)

The General Questionnaire is the tool for collecting the most important information for observing financing systems. Completion of the form should be viewed as an ongoing process, given the dynamics of an OAS/EOM and the rationale behind data collection. The information collected up to that point will make it possible to answer most questions on norms and some on practices. Consequently, the initial phase of completion of the form focuses on norms.

The form is completed according to the instructions provided in the *General Questionnaire on Political-Electoral Financing Systems* (Tool 3.2.). Initial completion begins immediately after submission of the preliminary study and should end before the preliminary visit. This step includes the following activities:

- a) Study and classification of the information collected up to that point, essentially in the preliminary study (including a review of the documents used in preparation) and the results of news monitoring.
- b) Selection of data useful for answering questions.
- c) Entry data into the questionnaire.

• STEP 5: PREPARATION AND EXECUTION OF A PRELIMINARY VISIT

When the financing specialist team deems it necessary, it must ask the Deputy Chief of the OAS/EOM and the DECO Director for authorization to conduct the preliminary visit. The request must be based on the findings of the preliminary study and on the first phase of completion of the General Questionnaire. The visit takes place as part of the preliminary missions headed up by the Chief of Mission of the OAS/EOM and the DECO Director, or at another time.

Once the visit has been approved, it must be prepared for and conducted. Preparations for the preliminary visit include coordination of the agenda and organization of technical aspects.

- a) Coordination of the agenda for the visit involves:
 - Preparing a proposed list of possible actors and institutions to participate in meetings, as shown in the next table.
 - Submitting the proposed list to the DECO Director and the Deputy Chief of the EOM for approval.
 - Developing a directory containing the contact data (names, e-mail addresses, telephone numbers, etc.) of approved actors and institutions.
 - Agreeing on meeting guidelines with the General Coordinator.
 - Agreeing on the time, date, and place of meetings in the host country with the approved actors and institutions.
- b) Organizing the technical aspects of the visit involves:
 - Preparing profiles of the institutions with which meetings will be held, namely, institutional and functional descriptions, as well as work areas or activities related to political financing.
 - Designing questionnaires for meetings, based on the *Questionnaire for Meetings during Visits* (Tool 3.5).
 - Drawing up a list of texts that have not been accessible up to that point and that must be requested during the visit. Use to that end the *Documents Checklist* (Tool 3.3.).

Table 6
Priority and Type of Actors or Institutions for the Preliminary Visit

Priority	Type of stakeholder/institution
Group 1	Public institutions with functions associated with the financing system in the country, in particular electoral bodies and their departments responsible for the matter.
Group 2	Civil society organizations or research centers in the country that have conducted activities related to political-electoral financing.
Group 3	The media, editors, and investigative journalists who have been involved in activities related to the financing system (use as a basis the media monitoring results). The group also includes columnists and independent analysts.
Group 4	International organizations or institutions headquartered in the country that have funded or implemented projects or initiatives related to the subject.

The preliminary visit itself involves:

- a) Confirming meetings and coordinating development of the agenda.
- b) Holding meetings with key actors.
- c) Drawing up the visit report on the basis of the *Visit Report Template* (Tool 3.6.).

• **STEP 6: FURTHER COMPLETION OF THE GENERAL QUESTIONNAIRE ON POLITICAL-ELECTORAL FINANCING SYSTEMS (TOOL 3.2.)**

Further completion of the form begins immediately after the preliminary visit and concludes before deployment of the financing specialist team. In cases where no preliminary visit has been made, completion of the form will continue and end after deployment, during the final phase of the EOM (point 2.3.3, step 1). The information collected up to that point is sufficient to answer the pending questions on norms, but especially to answer the questions related to practices. Accordingly, this stage of form completion will focus on practices. The step includes the following activities:

- a) Study and classification of the information collected thus far, essentially in the preliminary study, the results of news monitoring, and reports of the preliminary visit (as well as documents attached to those reports).
- b) Reading and selection of data useful for answering questions.
- c) Entry of data on the form.

• **STEP 7: PREPARATIONS FOR DEPLOYMENT OF THE TEAM OF FINANCING SPECIALISTS**

Deployment is the visit of the team of specialists in the framework of the installation phase of the OAS/EOM in the host country. It is a continuation of the preliminary visit. In cases where no preliminary visit has been made, all necessary activities must be covered during deployment. Preparations for deployment are made before arrival in the host country and include coordination of the agenda and organization of technical aspects.



a) Coordination of the deployment agenda involves:

- Preparing a proposed list of possible actors and institutions to participate in meetings, as shown in the next table.
- Submitting the proposed list to the DECO Director and the Deputy Chief of the EOM for approval.
- Developing a directory containing contact information (names, e-mail addresses, telephone numbers, etc.) of approved actors and institutions.
- Agreeing on meeting guidelines with the OAS/EOM General Coordinator.
- Agreeing on the time, date, and place of meetings in the host country with the approved actors and institutions.

Table 7
Priority and Type of Actors or Institutions for the Deployment

Priority	Type of actor/institution
Group 1	Political parties and electoral bodies, in particular offices responsible for areas involving political-electoral financing.
Group 2	Other public institutions and civil society organizations or national research centers that conduct activities related to political-electoral financing.
Group 3	The media, editors, and investigative journalists who have been involved in activities related to the financing system.
Group 4	International organizations or institutions headquartered in the country that have funded or implemented projects or initiatives related to the subject.

b) Organizing the technical aspects involves:

- Drawing up institutional profiles; descriptions of institutional structure, functions, work areas, or activities related to political financing. In the case of political parties, the profiles will include a brief historical background and relevant information on the financing policies applied in past elections.
- Designing questionnaires for meetings, based on the *Questionnaire for Meetings during Visits* (Tool 3.5.).
- Drawing up a list of documents that have not been accessible up to that point and that must be requested during the visit. The *Documents Checklist* (Tool 3.3.) will be used for that purpose.
- Drawing up the presentation for training regional coordinators, on the basis of the *Curriculum for Training OAS/EOM Regional Coordinators* (Tool 3.7.).
- Updating the *Regional Coordinators' Daily Report Template* (Tool 3.8.) and adapting it to the specific needs of the financing system in the host country.



2.3.2. Observation of financing during the OAS/EOM installation phase

The installation phase begins when the members of the Core Group and the Mobile Group arrive in the host country and ends with the deployment of international observers to the assigned regions. The deployment of the financing specialist team, prepared earlier, takes place during this phase, which includes the following steps:

• STEP 1: MEETING WITH CORE GROUP SPECIALISTS

Once in the host country, the team of financing specialists must request and hold a meeting with members of the Core Group. The purpose of the meeting is to share information to complete the observation of the political-electoral financing system in the country and the electoral process in general. The meeting will focus on matters of interest to the financing specialist team, identified on the basis of gaps in existing data.

In the case of OAS/EOMs in which the “Methodology for Media Observation during Elections: A Manual for OAS Electoral Observation Missions” and the “Manual for Incorporating the Gender Perspective into OAS Electoral Observation Missions (OAS/EOMs)” are implemented the respective specialists will coordinate necessary actions to ensure that the information produced is used in the most efficient way possible.

This Manual provides variables that observe how the financing system affects equity in the political rights of women. It also includes variables that observe how candidates’ access to the media affects equity in electoral contests. The specialists will then identify and share any information useful for completing observation of the financing system in particular or other components of the electoral cycle.

Included under the indicator “promotion of public financing” is the variable “directing mechanism”, which observes the existence and impact of government resources allocated to women candidates to foster equity in electoral races. The data collected by the team of gender specialists is very useful for observing this variable, among others.

On the one hand, the indicator “prohibition of the misuse of public resources” comprises the variable “publicity of government affairs.” On the other hand, the indicator “restrictions on private financing” comprises the variable “prohibition of contributions from the media.” In addition, the indicator “limitation of campaign spending” includes the variable “limits or prohibitions on spending triggers” (the triggers are generally media expenditures). The data produced and classified by the team of media specialists are essential for observing compliance with these variables, as well as their impact.



• STEP 2. MEETINGS WITH KEY ACTORS

Meetings with key actors are the most important aspect of the deployment phase and will consist of three activities:

- a) Confirming meetings and coordinating the agenda;
- b) Holding meetings;
- c) Drawing up a report based on the *Template for Report on In Situ Observation* (Tool 3.6.).

The criteria of the methodological framework attach priority to objective data and primary sources. In meetings, every effort must therefore be made to request this type of information and the respective supporting documents.

• STEP 3: DATA COLLECTION THROUGH REGIONAL COORDINATORS

Regional coordinators play an important role in collecting information on the political financing system, which involves several steps:

- a) The coordinators will be trained by the financing specialist team when they arrive in the host country, according to the *Curriculum for Training OAS/EOM Regional Coordinators* (Tool 3.7.). Training is given in close association and collaboration with the General Coordinator of the OAS/EOM.
- b) Regional coordinators will have to obtain the indicated information and transmit it to the General Coordinator through the *Regional Coordinators' Daily Report Template* (Tool 3.8.).
- c) The financing specialist team will review the data collected and select the most relevant findings.

• STEP 4. PREPARATION OF THE PRELIMINARY REPORT

The objective of the preliminary report is to provide a brief yet specific overview of the most relevant findings of the observation of financing. The report will serve as an input for OAS/EOM press releases.

The report should examine how the variables in the Chart of Indicators of Political-Electoral Financing Systems (Table 3) favor or impede equity and transparency in the electoral process. The inputs of the report on financing observation to be included in the press release should focus on rigorous and brief findings, conclusions, and recommendations on the financing system.

The text is to be drafted by the team of financing specialists and must follow the space allotted and the order established by the *Preliminary Report Template* (Tool 3.9.). The preliminary report must be delivered to the OAS/EOM Coordinator and Deputy Chief on the day before elections are held in the host country.



2.3.3. Observation of financing during the final OAS/EOM phase

The post-election period begins at the end of election day and lasts until the official proclamation of results. This phase consists of the following steps:

• STEP 1: FINAL COMPLETION OF THE GENERAL QUESTIONNAIRE ON POLITICAL-ELECTORAL FINANCING SYSTEMS (TOOL 3.2.)

Final completion of the questionnaire begins once the deployment phase has ended, immediately after submission of the preliminary report. The information acquired throughout the observation process should be sufficient to answer all questions on norms and practices contained in the form. It is essential for the team of specialists to complete every answer, since these are the basis for drafting the final report. Final completion includes the following activities:

- a) Study and classification of the information collected up to that point, essentially in the preliminary study, the results of news monitoring, and visit reports (as well as the documents collected and attached to those reports), the data produced through the OAS/EOM methodologies, and the reports of regional coordinators.
- b) Selection of data useful for answering questions.
- c) Entering data into the form.

The form on which the questions have been answered should be sent to GS/OAS headquarters by the team of financing specialists, for filing and reference purposes, if needed.

• STEP 2: DRAFTING AND APPROVAL OF THE FINAL REPORT

The final report should intend to provide a comprehensive overview of the financing system of the country observed. The document serves as input for the Verbal Report that the Chief of Mission presents to the OAS Permanent Council and for the Final Narrative Report of the OAS/EOM. The resulting document must therefore:

- a) Be analytical and explain how the variables and indicators considered affect equity and transparency in the observed electoral process observed.
- b) Focus on the observed electoral process including background information only when it sheds light on current reality.
- c) Be consistent with the approach and subject matter dictated by the methodology.

The text should be drafted in accordance with the criteria, contents, and space allotted by the *Final Report Template* (Tool 3.10.). The OAS/EOM Verbal Report⁶ is presented within four to six weeks after the elections have ended, while the Final Narrative Report⁷ is published within three months. Accordingly, the first draft of the final report on financing observation must be presented by the team of specialists no later than two weeks after the elections. The OAS/EOM Deputy Chief will review the report and submit comments on it within a week. The team of specialists will return the definitive version of the final report one week later, for approval and use as input for the Verbal Report and the Final Narrative Report of the OAS/EOM.

⁶ The Verbal Report compiles information on OAS/EOM activities, observation findings, and some key recommendations for improving the observed electoral system/process. It is presented by the Chief of Mission to the OAS Permanent Council between four and six weeks after election day.

⁷ The Final Narrative Report of the OAS/EOM consists of all of the Mission's observations and is drawn up by the Deputy Chief of Mission. It is published within three months after presentation of the Verbal Report.



3. Tools for collecting, classifying, and presenting information

3.1. Model timetable for OAS/EOM observation of financing systems

Phases and steps of OAS/EOM	W1	W2	W3	W4	W5	W6	E Day	W1	W2	W3	W4
Initial Phase											
Step 1: Design and approval of the work plan	■										
Step 2: News monitoring	■	■	■	■	■	■	■	■	■		
Step 3: Preparation of the preliminary study	■	■									
Step 4: Initial completion of the General Questionnaire	■	■									
Step 5: Preparations for and execution of the preliminary visit		■	■								
Step 6: Further completion of the General Questionnaire				■							
Step 7: Preparations for the deployment visit				■							
Installation phase											
Step 1: Meeting with Core Group specialists					■	■					
Step 2: Meetings with key actors					■	■					
Step 3: Data collection by regional coordinators						■					
Step 4: Drafting of the preliminary report						■					
Final phase											
Step 1. Final completion of the General Questionnaire								■	■		
Step 2: Drafting and adoption of the final report										■	■



3.2. General Questionnaire on Political-Electoral Financing Systems

Instructions for completing the form:

- In the binary (yes/no) columns, indicate the answer that best represents the situation being evaluated. In the event a yes or no does not offer a precise response, select the most appropriate choice and explain under “Comments.”
- For questions referring to compliance with a norm by more than one actor (for example, the submission of reports by various parties), the binary answer given should be based on the proportion of compliance (more than half or more than 50%), with the information provided in the corresponding column.
- Use the “Reference” column to indicate the source of information (laws, reports, etc.) and the article, page, or any other reference that will make it possible to identify the supporting documentation.
- In the “Comments” column, provide brief explanations that supplement the binary answers and facilitate understanding.

Characteristic 1: Equity in the political-electoral financing system					
Indicator 1.1: Promotion of public financing			Answers		
Variables	Questions	Yes	No	Reference	Comments
Calculation mechanism	Is direct public financing established by law or regulations?				
	Does direct public financing exist in practice?				
	Is indirect public financing established by law or regulations?				
	Does indirect public financing exist in practice?				
	Is the calculation mechanism for direct public financing established by law or regulations?				
	Is the mechanism for calculating direct public financing applied in practice?				
	Is the mechanism for calculating indirect public financing established by law or regulations?				
	Is the mechanism for calculating indirect public financing applied in practice?				



Distribution mechanism	Is the mechanism for distributing direct public financing established by law or regulations?				
	Is the mechanism for distributing direct public financing applied in practice?				
	Is the mechanism for distributing indirect public financing established by law or regulations?				
	Is the mechanism for distributing indirect public financing applied in practice?				
Delivery mechanism	Is the time period for providing direct public financing established by law or regulations?				
	Is the time period for providing direct public financing applied in practice?				
	Is the time period for providing indirect public financing established by law or regulations?				
	Is the time period for providing indirect public financing applied in practice?				
Directing mechanism	Is a set percentage of direct public financing allocated to women candidates by law or regulations?				
	Is the set percentage of direct public financing allocated to women implemented in practice?				
	Is part of indirect public financing allocated to women candidates by law or regulations?				
	Is the part of indirect public financing allocated to women candidates implemented in practice?				
Indicator 1.2: Prohibition of the misuse of public resources		Answers			
Variables	Questions	Yes	No	Basis	Comments
Prohibition of publicity of government affairs	Is publicity about electoral matters for campaign purposes or in a context conducive to those ends prohibited by law or regulations?				
	Is the prohibition of publicity about electoral matters for campaign purposes or in a context conducive to those ends implemented in practice?				
Prohibition of the use of public office for campaign purposes	Is the use of time, public office, or the power of a post for electoral purposes prohibited by law or regulations?				
	Is the prohibition of the use of time, public office, or the power of a post for electoral purposes implemented in practice?				
Prohibition of the use of public resources	Is the use of public money, goods, or services in the campaign prohibited by law or regulations?				
	Is the prohibition of the use of public money, goods, or services in the campaign implemented in practice?				



Prohibition of vote buying and political patronage	Is vote buying prohibited by law or regulations?				
	Is the prohibition of vote buying implemented in practice?				
	Is political patronage prohibited by law or regulations?				
	Is the prohibition of political patronage implemented in practice?				
Indicator 1.3: Restrictions on private financing			Answers		
Variables	Questions	Yes	No	Basis	Comments
Prohibition of anonymous contributions	Are anonymous contributions prohibited by law or regulations?				
	Is the prohibition of anonymous contributions implemented in practice?				
Prohibition of foreign contributions	Are foreign contributions prohibited by law or regulations?				
	In the prohibition of foreign contributions implemented in practice?				
Prohibition of contributions from contractors and license holders	Are contributions from government contractors prohibited by law or regulations?				
	Is the prohibition on government contractors implemented in practice?				
	Are contributions from government license holders prohibited by law or regulations?				
	Is the prohibition on license holders applied in practice?				
Prohibition on contributions from legal entities	Are contributions from legal entities prohibited by law or regulations?				
	Is the prohibition of contributions from legal entities implemented in practice?				
Prohibition of contributions from the media	Are contributions from the media prohibited by law or regulations?				
	Is the prohibition of contributions from the media implemented in practice?				
Limits on contributions from individuals	Is a limit on contributions from individuals established by law or regulations?				
	Is the limit on private contributions from individuals implemented in practice?				
Indicator 1.4: Limitation of campaign spending			Answers		
Variables	Questions	Yes	No	Basis	Comments
Limits on campaign length	Are limits on campaign length established by law or regulations?				
	Are the limits on campaign length implemented in practice?				
Limits on campaign spending	Are overall campaign spending limits established by law or regulations?				
	Are the overall campaign spending limits implemented in practice?				



Limits or prohibitions on triggers	Are limits established by law or regulations on items that trigger campaign spending?				
	Are the limits on items that trigger campaign spending implemented in practice?				
	Are prohibitions established by law or regulations on items that trigger campaign spending?				
	Are the prohibitions on items that trigger campaign spending applied in practice?				

Characteristic 2: Transparency in the political-electoral financing system					
Indicator 2.1: Reporting		Answers			
Variables	Questions	Yes	No	Basis	Comments
Mechanisms for recording income	Are parties legally required to keep receipts or other records for all direct or indirect contributions?				
	In practice, do parties keep receipts or other records for all direct or indirect contributions?				
	Are parties legally required to record all direct or indirect contributions according to a standardized accounting system?				
	In practice, do parties record all direct or indirect contributions according to a standardized accounting system?				
	Are parties legally required to deposit all cash contributions into a single bank account?				
	In practice, do parties deposit all cash contributions into a single bank account?				
	Are parties legally required to request a sworn statement from contributors who have given more than a set percentage?				
	In practice, do parties request sworn statements from contributors who have given more than a set percentage?				
Mechanisms for managing resources	Are parties legally required to draw up standardized campaign budgets?				
	In practice, do parties draw up standardized campaign budgets?				
	Are parties legally required to establish a unit, office, or department that is responsible for managing resources?				
	In practice, do parties establish a unit, office, or department that is responsible for managing resources?				
	Are parties legally required to use a standardized accounting system?				
	In practice, do parties use a standardized accounting system?				



Mechanisms for recording spending	Are parties legally required to issue purchase orders or equivalent documents for the expenditures they make?				
	In practice, do parties issue purchase orders or equivalent documents for the expenditures they make?				
	Are parties legally required to request receipts or vouchers from suppliers for the expenditures they make?				
	In practice, do parties obtain receipts or vouchers for the expenditures they make?				
	Are parties legally required to record all expenditures according to a standardized accounting system?				
	In practice, do parties record all expenditures according to a standardized accounting system?				
Composite financial reports	Are parties legally required to periodically submit composite financial reports prior to elections?				
	In practice, do the parties periodically submit composite financial reports prior to elections?				
	Are the parties legally required to submit composite financial reports at a set time following elections?				
	In practice, do the parties submit composite financial reports at a set time following elections?				
Indicator 2.2: Government oversight			Answers		
Variables	Questions	Yes	No	Basis	Comments
Institutional measures	Does the law assign oversight functions to a government institution?				
	In practice, are oversight functions performed by the appointed government institution?				
	Does the law establish a specific unit, office, or department within a government institution that is responsible for oversight?				
	In practice, is there a specific unit, office, or department responsible for oversight within a government institution?				
	Do the norms provide for the resources needed for the appointed institution to perform the oversight function?				
	In practice, does the appointed institution have the resources necessary to perform the oversight function?				
Review mechanisms	Is the oversight institution legally required to record the information provided by parties?				
	In practice, does the oversight institution record the information provided by the parties?				
	Is the oversight institution legally required to verify compliance with the formal requirements for the information provided by parties?				
	Does the oversight institution verify compliance with the formal requirements for the information provided by parties?				



Verification mechanisms	Does the law provide the oversight institution with guaranteed access to information to verify the existence and functioning of party reporting mechanisms?				
	Is the law guaranteeing the oversight institution access to information implemented in practice?				
	Is the oversight institution legally required to conduct on-site verification of party reporting mechanisms?				
	Does the oversight institution conduct on-site verification of the existence and functioning of party reporting mechanisms?				
Auditing mechanisms	Is the oversight institution legally required to conduct audits of party finances?				
	Does the oversight institution conduct audits of party finances?				
	Is the oversight institution legally required to obtain, classify, or produce information to compare with the data provided by the parties?				
	In practice, does the oversight institution obtain, classify, or produce information to compare with the data provided by the parties?				
Indicator 2.3: Penalty system		Answers			
Variables	Questions	Yes	No	Basis	Comments
Types of violations	Are transgressions of the financing system expressly defined as violations by law or regulations?				
	Are the financing system prohibitions violated in practice?				
	Is noncompliance with financing system obligations expressly defined as a violation by law or regulations?				
	Are the financing system obligations violated in practice?				
Types of penalties	Are administrative or criminal penalties for legal entities responsible for violations established by law or regulations?				
	Are the administrative or criminal penalties for legal entities responsible for violations applied in practice?				
	Are administrative or criminal penalties for individuals responsible for violations established by law or regulations?				
	Are the administrative or criminal penalties for individuals responsible for violations applied in practice?				
Procedural rules	Are procedural rules for imposing administrative penalties established by law or regulations?				
	Are the procedural rules for imposing administrative penalties applied in practice?				
	Are procedural rules for imposing criminal penalties established by law?				
	Are the procedural rules for imposing criminal penalties applied in practice?				



Competent bodies	Are entities entrusted by law with legal powers to enforce the penalties?				
	In practice, is use made of the legal powers to enforce the penalties?				
	Is political and financial autonomy of the competent bodies established by law or regulations?				
	In practice, do the competent bodies have political and financial autonomy?				
Indicator 2.4: Access to information		Answers			
Variables	Questions	Yes	No	Basis	Comments
Processing mechanisms	Does the law require the institution possessing information to operate with mechanisms for receiving requests?				
	Do the receiving mechanisms exist in practice?				
	Does the law establish that the only requirements for processing requests are a name, address, and a description of the requested information?				
	In practice, is a name, address, and a description of the information sufficient for processing an information request?				
	Are there legally established procedures for answering requests?				
	In practice are the requests answered according to the established procedures?				
	Are there legally established time limits for providing requested information?				
	Are the time limits for providing requested information implemented in practice?				
Classification mechanisms	Are there legally established procedures for classifying information as restricted?				
	Are the established procedures for classifying information as restricted implemented in practice?				
	Is there a legally established obligation to justify the classification of information as restricted?				
	In practice, is a justification given for classifying the information as restricted?				
	Is there a legally established obligation to publish justifications for classifying information as restricted?				
	In practice, are justifications for classifying information as restricted published?				
Appeal mechanisms	Are there legally established appeal mechanisms?				
	Are the established appeal mechanisms applied in practice?				
	Is it established by law that appeals must be heard by competent bodies?				
	In practice, are appeals heard by competent bodies?				



Automatic publication	Is there a legal obligation for institutions that possess information to publish it without any request being made?				
	In practice, do institutions that possess information publish it without any request being made?				



3.3. Documents Checklist

Documents on norms				
N°	Type of document	Yes	No	Comments
1	Constitution			
2	Laws on elections, political parties, transparency, access to information, and financing, issued by the legislative branch or other related powers			
3	Regulations issued by the executive branch, such as rules, agreements, etc.			
4	Regulations issued by electoral bodies			
5	Other regulations, such as circulars, notes, etc.			

Documents on practices				
N°	Type of document	Yes	No	Comments
1	Reports of electoral bodies			
2	Documents or reports of political organizations			
3	OAS/EOM reports from the previous election			
4	Reports of other international observation missions			
5	Documents produced by civil society organizations in the host country			
6	Academic papers published by universities, research centers, and other entities			
7	Any other documents containing information on the financing system in the country			



3.4. Preliminary Study Template

Observation of the political-electoral financing system
OAS/EOM (host country / date)
Preliminary study

1. Introduction (1 page maximum)

- Description of the components of the political and electoral system related to financing: presidential or parliamentary system, political structure of government, norms governing elections, type of election observed, bodies responsible for elections and financing, and the number of parties, among other relevant information.

2. Political financing in past elections, reforms, and present situation (title)

2.1. Equity in financing (2 pages maximum)

- Description of the norms and practices of past elections and current norms and practices that promote public financing, prohibit the misuse of public resources, restrict private financing, and limit campaign spending, among other relevant information.
- Description of post-election reforms related to the same subject areas, as well as potential effects on practices in the elections observed (as appropriate).

2.2. Transparency in financing (2 pages maximum)

- Description of the norms and practices of past elections and current norms and practices on reporting, government oversight, sanctions, and access to information, among other relevant points.
- Description of post-election reforms related to the same subject areas, as well as potential effects on practices in the elections observed (as appropriate).

3. Conclusions (1 page maximum)



3.5. Questionnaire for Meetings during Visits⁸

Questionnaire for meetings with key actors / institutions OAS/EOM (country / election) (place, time, and date)	
Meeting participants representing the OAS/EOM / Name, position	Meeting participants from other institutions, parties, etc. / Name, position
<ul style="list-style-type: none"> • Topic: Equity in the financing system • Subtopics: <ul style="list-style-type: none"> o Promotion of public financing; o Prohibition of the misuse of public resources; o Restrictions on private financing; and o Spending limits. • Questions: Under each topic of the corresponding sections of the General Questionnaire on Political-Electoral Financing Systems (Tool 3.2.) select those questions for which there is either inadequate or no information. • Sources of information: Attach supporting documents when possible. 	
<ul style="list-style-type: none"> • Topic: Transparency in the financing system <ul style="list-style-type: none"> o Reporting; o Government oversight; o Sanction system; and o Access to information. • Questions: Under each topic of the corresponding sections of the General Questionnaire on Political-Electoral Financing Systems (Tool 3.2.) select those questions for which there is either inadequate or no information. • Sources of information: Attach supporting documents when possible. 	

⁸ The questionnaire is appropriate and useful for both the preliminary visit and for the deployment of the financing specialist team.



3.6. Template for Report on In Situ Observation⁹

Observation of the political-electoral financing system OAS/EOM (<u>host country / date</u>) (Preliminary or Deployment) Visit Report	
1. Introduction	
2. General description of equity and transparency in the observed financing system based on information collected throughout the visit (1 page maximum) <ul style="list-style-type: none"> • General analysis of features that favor or impede equity and transparency in the financing system based on the information collected throughout the visit (1 page maximum)) 	
3. Aide-mémoire on the meetings	
Meeting 1	
a. Meeting participants	
Participants representing the OAS/EOM / Name, position	Participants from other institutions, parties, etc./ Name, position
b. Summary of relevant information collected <ul style="list-style-type: none"> • Findings on equity • Findings on transparency 	
c. List of documents requested (classify according to degree of access: obtained, requiring follow-up, or denied)	
d. Attach the documents obtained in all the meetings held during the in situ visits	

⁹ The report template is appropriate and useful for both the preliminary visit and for the deployment of the team of financing specialists.



3.7. Curriculum for Training OAS/EOM Regional Coordinators

- Inter-American human rights system, concept of democratic elections, and financing systems.
- Equity in financing systems:
 - a. Direct or indirect public financing
 - i. Calculation, distribution, delivery, and gender quota mechanisms
 - b. Misuse of public resources
 - i. Publicity about government affairs, use of public office for campaign purposes, use of resources, and vote buying or political patronage
 - c. Private financing
 - i. Anonymous contributions, foreign contributions, contributions from contractors or license holders, contributions from legal entities, indirect media contributions, and limits on individual contributions
 - d. Campaign spending limits
 - i. Limits on campaign length, limits on overall campaign spending, limits or prohibitions on triggers
- Transparency in financing systems:
 - a. Reporting
 - i. Income and expenditure records, standardized management systems, income and expenditure reports
 - b. Government oversight
 - i. Registration, verification and auditing, and sanction systems
 - c. Sanction system
 - i. Types of violations, types of penalties, procedural rules, competent bodies
 - d. Access to information
 - i. Automatic publication, information to the public.
- Brief review of the financing system of elections previously observed in the host country, using the *Preliminary Study Template* (Tool 3.4.) as a reference.
- Presentation of the questions that will be posed during meetings with local actors, using the *Regional Coordinators' Daily Report Template* (Tool 3.8.) as a reference.



3.8. Regional Coordinator Daily Report Template

 <p>Organization of American States</p>	<p align="right">Department of Electoral Cooperation and Observation Electoral Observation Mission (country) (election) (date)</p>
Coordinator's name:	
Department / province:	
Date of the report:	
1. Analysis of the political-electoral situation in the region	
1.1. Problems encountered by women in the exercise of their political rights	
1.2. Measures taken by electoral authorities to promote gender equality in the exercise of political rights	
<p>1.3. Observation of the political-electoral financing system¹⁰</p> <p>Equity in financing¹¹</p> <ul style="list-style-type: none"> • Do local party headquarters receive direct public financing for campaigns? (<i>request copies of records</i>) • Do local party headquarters receive indirect public financing for campaigns? (<i>request copies of records</i>) • Are there cases of the misuse of public resources for local campaigns? (<i>attach documentation or complaints</i>) • Do local party headquarters receive private financing from national entities? (<i>request copies of records</i>) • How do local party headquarters collect private resources for campaigns? 	

¹⁰ The questions below are illustrative but not exhaustive. They should therefore be revised to bring them into line with the specific election observed and be supplemented with the General Questionnaire (Tool 3.2.) used as a basis.

¹¹ The questions are targeted essentially at political parties or equivalent organizations but, where appropriate and necessary, could be directed at offices of government institutions or civil society organizations at the local level.



Transparency in financing

- **Do local party headquarters prepare composite reports on their campaign finances? (*request copies of reports*)**
- **Are the composite reports transmitted to national party entities and to the local office of the government oversight institution? (*request copies of records*)**
- **Does the local office of the government oversight institution make on-site visits to party headquarters and conduct audits? (*request copies of visit reports and audits*)**
- **Are the reports of local party headquarters and the audit reports of the government oversight institution public? (*request copies or electronic links*)**

2. Official activities over the course of a day (include trips, visits, evidence of communications, etc.):

3. Election matters that the Mission has to monitor in the region and possible lines of action:

3.1. Do you consider that there are any problems regarding men’s and women’s equal exercise of political rights, in which case special attention should be paid to the assigned zone (mention specific matters that the OAS/EOM should address)?

3.2. Which aspects of financing do you consider affect equity in the electoral race and transparency at the local level? (*use the points in the training curriculum as a basis*)

4. Regional election news (indicate the specific media outlet and include links if possible):

4.1. Election news containing sexist language and/or gender stereotypes (include the name of the media outlet and the date concerned and send a link or photocopy of the news item to the General Coordinator)

4.2. Local election news containing information of any kind on campaign financing (indicate the media outlet concerned and include links if possible):

5. Minutes of meetings and hearings (include the minutes of each meeting held)



3.9. Preliminary Report Template

Observation of the political and electoral financing system
OAS/EOM (host country / date)
Preliminary Report

1. Findings (1 page maximum)

1.1. Equity in the financing system

- Analysis of the norms and practices that promote public financing, prohibit the misuse of public resources, restrict private financing, and limit campaign spending in the elections observed, according to information collected.

1.2. Transparency in the financing system

- Analysis of norms and practices on reporting, government oversight, the penalty system, and access to information in elections observed, according to the data collected.

2. Conclusions and recommendations (1 page maximum)

2.1. Equity in the financing system

- Conclusions on the most relevant ways in which the financing system indicators favorably or unfavorably affect equity in electoral contests. Likewise recommendations to strengthen the favorable effects and lessen the unfavorable ones in order to enhance equity in electoral races.

2.2. Transparency in the financing system

- Conclusions on the most relevant ways in which the financing system indicators favorably or unfavorably affect transparency in electoral contests. Likewise recommendations to strengthen the favorable effects and lessen the unfavorable ones in order to enhance transparency in electoral races.



3.10. Final Report Template

Observation of the political and electoral financing system
OAS/EOM (host country / date)
Final Report

1. Executive Summary (6 pages maximum)
2. Introduction (1 page maximum)
3. Political system and electoral organization (1 page maximum)
 - Description of the components of the political and electoral system related to financing: presidential or parliamentary system, political structure of government, rules governing elections, type of elections observed, bodies responsible for elections and financing, and number of parties, among other relevant information.
4. Political financing (title)
 - 4.1. Equity in the financing system (4 pages maximum)
 - Each indicator will be a subtitle of the present section as set out in the Chart of Indicators (Table 3) and at the very least will consist of:
 - A description of the norms and practices of each of the indicator's variables, based on the General Questionnaire (Tool 3.2.).
 - An analysis of the interrelationship, effects, and results of the variables depending on whether or not each indicator has been achieved.
 - 4.2. Transparency in the financing system (4 pages maximum)
 - Each indicator will be a subtitle of the present section as set out in the Chart of Indicators (Table 3) and at the very least will consist of:
 - A description of the norms and practices of each of the indicator's variables, based on the General Questionnaire (Tool 3.2.).
 - An analysis of the interrelationship, effects, and results of the variables depending on whether or not each indicator has been achieved.
5. Conclusions (1 page maximum)
6. Recommendations (1 page maximum)
7. Bibliography
8. Appendices



4. Glossary

- *Direct electoral financing*: All resources in cash or equivalent assets to fund campaigns.
- *Equity*: The characteristic that seeks to guarantee, through the regulation of campaign resources, equal conditions in terms of the right to elect and to be elected.
- *Limits on private financing*: Measures intended to prevent certain resources from financing party campaigns to a disproportionate degree, based on the supposition that such resources are deemed to create dependency and inequity.
- *Obligation to report*: The guarantee whereby any institution possessing public data must automatically provide access to it, without any request being made.
- *Offer of information*: The action resulting from exercise of the obligation to report.
- *Overall limits*: Measures that establish maximum overall campaign spending amounts.
- *Oversight*: The obligation of an actor to request reports or monitor performance and results in the process of another actor's pursuit of objectives and discharge of functions.
- *Political financing*: All resources intended to fund the permanent and electoral activities of political parties and candidates.
- *Private electoral financing*: Resources from individuals or legal entities to fund campaigns.
- *Prohibitions on private financing*: Measures intended to prevent certain resources from financing party campaigns, based on the supposition that such resources are deemed to create dependency and inequity.
- *Public electoral financing*: The provision of government resources to fund campaigns.
- *Public financing delivery time*: The time or times at which public resources are provided to parties; may take place before or after elections.



- *Reporting*: The obligation to provide an account of decisions, actions, performance, and results carried out within the framework of the discharge of functions of the reporting actor.
- *Request for information*: The action resulting from exercise of the right to information.
- *Right to information*: The guarantee whereby any citizen may request and have effective access to data on political party campaign financing.
- *Specific campaign limits*: Measures that establish maximum amounts for spending triggers.
- *Spending triggers*: Campaign spending categories that represent the largest expenditures and therefore significantly increase campaign costs.
- *Time limits*: Measures to reduce the amount of time parties may campaign and engage in campaign spending.
- *Transparency*: The characteristic that allows for the exposure and understanding of the resources received and disbursed by parties, founded on the right to request and access information, as well as the obligation to publish such information.



5. Appendices

5.1. Classification of rights pursuant to instruments of the Inter-American system

Rights	Instruments		
	American Declaration of the Rights and Duties of Man (1948)	American Convention on Human Rights (1969)	Inter-American Democratic Charter (2001)
Right to democracy Right to participate in government Periodic elections Free elections Fair elections Universal and equal suffrage Secret ballot Honest elections	Art. XX Art. XX Art. XX Art. XX Art. XX Art. XX	Art. XXIII Art. XXIII Art. XXIII Art. XXIII	Art. I Art. III Arts. III y XXIII Arts. III y XXIII Art. III Art. III
Right to participate directly in government Right of access to power Full and equal participation of women A pluralistic system of parties and organizations Right to security A balanced and transparent system of financing election campaigns	Art. XX Art. I	Art. XXIII Art. VII	Art. III Art. XXVIII Art. III Art. V
A free press Transparency in government activities Right to petition Freedom of association Freedom of assembly Freedom of expression Freedom of movement Right to basic civil rights Right to equality Elimination of all forms of discrimination Human rights Rule of law Fundamental freedoms	Art. XXIV Art. XXII Art. XXI Art. IV Art. VIII Art. XVII Art. II	Art. XVI Art. XV Art. XIII Art. XXII Art. I	Art. IV Art. IV Art. VIII Art. III Art. IV Art. IX Art. III Art. III & IV Art. III

Source: OAS, 2007



5.2. OAS member states that have fully ratified the United Nations Convention against Corruption (UNCAC)

OAS member states	Signature	Ratification, Acceptance (A), Approval (AA), Accession (a), Succession (d)
Antigua and Barbuda	No	June 21, 2006 a
Argentina	Dec. 10, 2003	Aug. 28, 2006
Bahamas	No	Jan. 10, 2008 a
Barbados	Dec. 10, 2003	No
Belize	No	No
Bolivia	Dec. 9, 2003	Dec. 5, 2005
Brazil	Dec. 9, 2003	June 15, 2005
Canada	May 21, 2004	Oct. 2, 2007
Chile	Dec. 11, 2003	Sept. 13, 2006
Colombia	Dec. 10, 2003	Oct. 27, 2006
Costa Rica	Dec. 10, 2003	Mar. 21, 2007
Dominica	No	May 28, 2010 a
Dominican Republic	Dec. 10, 2003	Oct. 26, 2006
Ecuador	Dec. 10, 2003	Sept. 15, 2005
El Salvador	Dec. 10, 2003	July 1, 2004
Grenada	No	No
Guatemala	Dec. 9, 2003	Nov. 3, 2006
Guyana	No	Apr. 16, 2008 a
Haiti	Dec. 10, 2003	Sept. 14, 2009
Honduras	May 17, 2004	May 23, 2005
Jamaica	Sept. 16, 2005	Mar. 5, 2008
Mexico	Dec. 9, 2003	July 20, 2004
Nicaragua	Dec. 10, 2003	Feb. 15, 2006
Panama	Dec. 10, 2003	Sept. 23, 2005
Paraguay	Dec. 9, 2003	June 1, 2005
Peru	Dec. 10, 2003	Nov. 16, 2004
Saint Kitts and Nevis	No	No
Saint Lucia	No	Nov. 25, 2011
Saint Vincent and the Grenadines	No	No
Suriname	No	No
Trinidad and Tobago	Dec. 11, 2003	May 31, 2006
United States of America	Dec. 9, 2003	Oct. 30, 2006
Uruguay	Dec. 9, 2003	Jan. 10, 2007
Venezuela	Dec. 10, 2003	Feb. 2, 2009



6. Bibliography

- Alcantará, M. and E. Barahona, (2003). **“Política, dinero e institucionalización partidista en América Latina”**. First edition. Mexico City: Universidad Iberoamericana, Instituto Federal Electoral (IFE), and Facultad Latinoamericana de Ciencias Sociales (FLACSO).
- Carillo, M., A. Lujambio, C. Navarro, and D. Zovatto (coordinators), (2003). **“Dinero y contienda político-electoral. Reto de la democracia”**. First edition. Mexico City: Fondo de Cultura Económica (FCE).
- Casas, K. and D. Zovatto, (2012) **“El financiamiento político en América Latina. Entre la leche materna y el veneno”**. In: Revista Mexicana de Derecho Electoral. No. 2, pp. 3-58. First edition. Mexico City: Instituto de Investigaciones Jurídicas of the Universidad Nacional Autónoma de México (UNAM).
- Giroux, S. and Tremblay, G. (2004). **“Metodología de las ciencias sociales”**. First edition in Spanish. Mexico City: Fondo de Cultura Económica (FCE).
- Inter-American Institute of Human Rights (IHR), (1998). **“La financiación de la política en Iberoamérica.”** D. Zovatto and P. Del Castillo, P (eds.). San José, Costa Rica. IHR.
- Navarro, C. (2005) **“Regímenes de financiamiento y fiscalización y garantía de equidad en la contienda electoral”**. First edition. Mexico City: Organization of American States (OAS) and Instituto Federal Electoral de México (IFE).
- Organization of American States (OAS), (2001). **“Inter-American Democratic Charter (IADC).”** Unit for the Promotion of Democracy. Washington, D.C., U.S.A.: Organization of American States.
- Organization of American States (OAS), (2007). **“Methods for Election Observation: A Manual for OAS Electoral Observation Missions.”** Washington, D.C., U.S.A.: Organization of American States.
- Organization of American States (OAS), (2008). **“Manual for OAS Electoral Observation Missions.”** Washington, D.C., U.S.A.: Organization of American States.
- Organization of American States (OAS), (2011). **“Methodology for Media Observation during Elections: A Manual for OAS Electoral Observation Missions.”** Washington, D.C., U.S.A.: Organization of American States.



- Organization of American States (OAS), (2011). ***“Manual for Incorporating a Gender Perspective into OAS Electoral Observation Missions (OAS/EOMs).”*** Washington, D.C., U.S.A.: Organization of American States.
- Organization of American States (OAS) and the United States Agency for International Development (USAID), (2003). ***“Manual de financiamiento de la actividad política: una guía para fomentar la transparencia en las democracias emergentes.”*** Washington. D.C., U.S.A.: Democracy and Governance Office.
- Organization of American States (OAS), and International Institute for Democracy and Electoral Assistance (IDEA), (2004). ***“De las normas a la buenas prácticas. El desafío del financiamiento político en América Latina.”*** S. Griner and D. Zovatto (eds.). First edition. San José, Costa Rica: OAS/IDEA.
- Organization of American States (OAS), International Institute for Democracy and Electoral Assistance (IDEA), and Instituto Federal Electoral de México (IFE), (2011). ***“Política, dinero y poder. Un dilema para las democracias de las Américas.”*** Dante Caputo (coordinator). First edition. Mexico City: Fondo de Cultura Económica (FCE).
- Organization of American States (OAS), International Institute for Democracy, and Universidad Nacional Autónoma de México (UNAM), (2011). ***“Financiamiento de los partidos políticos en América Latina.”*** P. Gutiérrez, P. and D. Zovatto. (coordinators). Second edition. Mexico City: Instituto de Investigaciones Jurídicas of UNAM.
- Sautu, R., P. Boniolo, P. Dalle, and R. Elbert (2005). ***“Manual de metodología”***. Buenos Aires, Argentina: Consejo Latinoamericano de Ciencias Sociales (CLACSO).