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**Committee on Democracy and Peace**

**Standards governing political party financing and  
electoral spending controls in force in the Americas**

At the meeting of the COPA Executive Committee held in Plata, Argentina in November 2006, the office of the Committee on Democracy and Peace proposed that a work session on the standards governing political party financing and electoral spending controls in force in the different States of the Americas be held during the General Assembly. The session will give COPA parliamentarians the opportunity to gain a broad understanding of how the political parties finance their electoral spending and to share their experiences and views on this important aspect of the democratic process.

**Background**

Democracies could not work without political parties. Political parties relay voters' concerns to the government in power and serve as a direct link between a pluralistic society and its political institutions. They play a vital role and to do it well, they need revenue to finance their election campaigns and cover the costs of their day-to-day activities.

A number of elements may, however, create an unlevelled playing field, especially when it comes to campaign fundraising. The desire to win the election, the need to reach the public and maintain a high profile, constantly rising costs, the ever greater number of election campaigns, declining member support and tempting offers by lobby groups are just a few examples of the factors that can persuade political parties to better their financial situation by bending the principles of equity, transparency and integrity that should prevail in a healthy democracy. The financing of political activities is therefore a fertile ground for undue or illicit influence by private interests on public affairs and an especially good seedbed for corruption.

The consequences of interested or unequal financing are significant. It affects not only the legitimacy of elected representatives but also the government's capacity to legislate and to create a social and public setting geared to the well-being of citizens and not to the minority interests of the rich.

It is nevertheless very difficult, if not impossible, to find a scheme that will guarantee a perfect funding balance among the parties. The fair distribution of public and private resources appears to be the minimum requirement for avoiding funding extremes, namely, too much or too little. And so the role of any democratic parliament consists in providing a framework for political party financing. This may be done by drafting and adopting relevant laws and regulations that are as comprehensive, clear and effective as possible and by putting measures in place to enforce them.

It is a daunting task, one that demands constant review. And yet, despite the obstacles, leading-edge, well-defined legislation is in force in several States, provinces, territories and regions of the Americas. Original initiatives to track electoral spending have been set up by civil society organizations in several Latin American countries, new information technologies have been placed at the service of transparency in a number of laws, and the equity and integrity of the electoral process is monitored by independent organizations in a growing number of States.

It is worth examining the main aspects of election campaign financing in the light of the experiences and ideas of the parliamentarians of the Americas. Acknowledging differences is the necessary first step in sharing democratic experiences. As each State, province, territory or region has distinctive characteristics that are shaped by its history, its institutions and its political, economic and cultural heritage, no one model can be blindly applied, no one structure imposed; hence the desirability of giving parliamentarians the opportunity to share their concerns and solutions with respect to the standards governing financing and electoral spending controls. Together, they can find ways to improve democratic systems in the Americas and strengthen public confidence in democracy.

### **Possible topics for discussion**

The following are possible topics proposed by the Committee on Democracy and Peace for more in-depth discussion at the work session:

**Definitions:** Membership, election expenses, election period, exceptions, secret funding

**Public assistance:** Level of public funding, equity in party financing, tax allowances and credits, reimbursement of campaign expenses

**Private contributions:** Limits, disclosure of information on contributors, contributions versus political activities, authorized fundraisers

**Foreign contributions**

**Control mechanisms and penalties:** Independence of the controlling body, account auditing, more stringent rules, penalties and their application

**The role of the media and the impact of the information technologies:** Balanced access to the media, advertising on the Web, blogs

**Third-party intervention:** Organized groups, lobby groups or other associations that have major advertising budgets

**Public confidence:** Original solutions to enhance public confidence in the election process