



CENTRAL ELECTIONS COMMISSION  
STATE ELECTION COMMISSIONER

Tirana, on 29.01.2021

**Address of the State Election Commissioner, Mr. Ilirjan Celibashi in the national conference “Costs of Democracy II; Money in politics and electoral integrity” organised by the Coalition for Reforms, Integration and Consolidated Institutions”(KRIIK).**

Greetings to all the participants,

Mr. Gogo, thank you for the invitation to participate in this conference, which addresses an important topic that is directly related to the electoral integrity.

It is evident that the issue of the relationship between money and politics is always in the focus of debate in politics, media and civil society.

The question that naturally arises, is “*Why is it always so important to discuss the role of money in politics and the relationship between them?*”

It is important because there is a huge concern on part of the citizens and the public opinion regarding this aspect, and this huge concern is legitimate.

It is legitimate because the relationship between politics and money can **make politicians more accountable to their contributors and financial supporters than to the voters.**

Not only in the history of Albania, also in the history of countries with democracies consolidated earlier than Albania, we find many cases when politicians, even political leaders have been in the position of representatives of their sponsors rather than of the voters.

In this context, the commitment of all factors, especially the institutional ones, is decisive in the approach to this problem.

Money in politics, or the financing of political parties, is related to and directly influences key aspects of any society.

The way money flows to the politics, its impact on politics- this is an indicator of the standard of democracy and the social development of a country.

If the system of political financing is characterised by legitimacy, transparency, accountability then the government will be more accountable to its own voters and as a result, society will have a greater progress.



In one way or another, the greatest problem of money in politics has to do with the disbalancing of relations and connection of the voters with those who are elected or who wish to elect.

The main characteristics and problems of the illegal and non-transparent relationship of money with politics, consist mainly of:

- Wealth interests of economically powerful groups that can influence politics and political decision-making in ways that undermine democracy.
- Non-transparent business contributions to the campaign can lead to corruption of public finances;
- Abuse of state resources for electoral interests;
- Foreign financing that may threaten the sovereignty of national policy;
- Vote-buying and selling;
- High levels of campaign expenditures, which discourage the emergence of new political forces. All these factors together have their negative impact on the development of free and fair elections and the consolidation of institutions.

***Regarding the legal framework on political parties' financing:***

Perhaps, like in very few models, in the Albanian legislation the rules on political financing are sanctioned in the Constitution. Article 9/3 explicitly provides that: "*The financial resources of the parties, as well as their expenses are always made public*".

Based on the constitutional provisions, the Electoral Code, the law on political parties and the by-laws of the CEC, issued based on the law and for the implementation of the law, also define rules for the financing of political parties.

***As highlighted, the amendments to the Electoral Code have recently aimed to establish clearer rules and more precise procedures regarding the control of political party funding.***

***I am listing a summary of them:***

- The latest changes of the Electoral Code consider as a source of election campaign financing the loans received by political parties or their candidates;
- Political parties running in elections, which have received not less than 1 percent of the votes on national level, in the previous elections of the same type, receive funds from the State Budget, based on the number of votes won by each party in those elections;

- In this case the legislation has increased the threshold of the percentage of votes to needed to obtain budget funds, from 0.5% to 1%. In this way, the political subjects running in elections are put in a fairer competitive position;
- Political parties that benefit funds from the State Budget through the CEC, **sign an agreement** before the allocation of the funds, which stipulates that the fund will be used in accordance with the law and that the party agrees to the monitoring of their expenses;
- The legislation has given a special attention to the treatment of donations, loans and credits, tasking the CEC to determine the modalities for calculating the monetary value of in-kind donations or services provided;
- The legislative changes on the reporting of revenues and expenses focus not only on the political subjects, but also on their candidates. Donations in monetary values, in kind or in the form of services provided to candidates of electoral subjects, and loans and credits received by candidates to finance the campaign, are now considered as contributions to the political party for which they are running. With its decision no.10, dated 24.12.2020, the CEC has regulated this aspect of financing of the election campaign;
- The most evident progress at the moment is the provision on prohibition of the use of public resources to support of electoral subjects and the activities of public institutions in an election campaign.

The CEC has approved the decision no. 9, dated 24.12.2020 for this purpose, which defines prohibited public activities and defines the criteria of public resources not allowed to be used by the public administration during the campaign and 4 months before the election date, making it mandatory for the public institutions to report every public activity to the CEC.

The effects of this decision have started to be visible as we currently have:

- 311 registered institutions;
- 308 reported activities;
- 27 reports on the conduct of prohibited activities;
  - Out of them:
  - 5 were addressed in administrative form;
  - 10 are under administrative investigation

- 12 are under review.

Currently the CEC monitoring the behavior of public institutions and will then come up with recommendations for relevant findings.

- The legal amendments introduced a lowering of the amount of donation of public funds from 100 thousand ALL to 50 thousand ALL, by limiting the transactions only to a special bank account opened in the bank separately from the electoral subject and the candidate, which must be declared at the moment of registration. This provision leads to increased transparency and prevents the tactics of political entities to hide their income and gives the CEC an active role to obtain all account transactions directly from the bank.
- The amendments to the Electoral Code have reduced the amount of expenses of an electoral subject, including its candidates, from 1,000% to 300% of the maximal amount of public funds an electoral subject received for electoral purposes. This leads to increased transparency and spending limitation, forcing electoral subjects to better manage public funds.
- It is provided the electoral subjects' obligation to submit a financial report on the election campaign within 60 days from the announcement of the election results.
- Another new element of the Electoral Code is the monitoring of the election campaign, increasing the role of the monitor during the election campaign, as a new institution, along with the auditors, after the election campaign. The scope of the activity of the monitors is to check if the electoral subjects have met obligations related to the financing of the campaign and use of other sources of financing.
- In addition, a new control mechanism has been introduced regarding financing, such as the reporting by every individual of potential violations of the law regarding the financing of the election campaign by electoral subjects and their candidates. The CEC will very soon approve the criteria and procedures on operation of the portal and the administrative investigation of the cases reported in it.

This whole picture proves the great burden on the CEC, especially due to little time available for drafting the secondary legislation and implementing them.

The numerous amendments to the Electoral Code regarding this aspect of the process are

coherent challenges for the CEC, to draft bylaws in a timely manner and then work for their implementation.

I would like to take this opportunity to thank the CoE and NDI, which through the funding by British Embassy in Tirana, is giving a serious and concrete support to the CEC in this regard. The CEC is faced with great challenges even in this aspect. But the CEC cannot face this challenge alone.

Civil society and the media should also play a very important role in monitoring how money flows in and out of the political system, especially in cases where the money that comes from criminal activities sponsors politics.

Illegal financing of politics by business is an issue. But it becomes more than an issue when money in politics originates from crime.

Civil society and the media (and, of course, the relevant institutions (responsible institutions), must seriously engage in a campaign to make voters aware, especially of the effects of vote-buying.

It is very easy for each actor in this undertaking to judge the other, but at the moment this is not what we need. Instead, everyone, based on his/her institutional role, should give his/her contribution in this undertaking.

Thank you!