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POLICY BIREF

«Campaign financing for the regional elections in
ATU Gagauzia»



International Foundation
for Electoral Systems



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POLICY BRIEF

«Campaign financing for the regional elections in ATU Gagauzia»

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Policy Brief was drafted upon request of the International Foundation for Electoral Systems (IFES) via its office in Moldova

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This policy brief is made possible by the support of the American People through the United States Agency for International Development (USAID.). Opinions, statements and conclusions in this material are those of the authors and do not necessarily reflect the official position of USAID or the United States of America.

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INTRODUCTION

The study “Campaign financing for the regional elections in ATU Gagauzia” is a first attempt to carry out a comprehensive analysis of campaign financing for regional elections in Gagauzia.

It’s a first, because no one has tried it before, and an attempt, because lack of complete and reliable information about election-related income and expenditure of the candidates makes it difficult to perform a comprehensive analysis of resources received and spent by the candidates at the elections. Nonetheless, data cited in this study allows the general public access to information which, in spite of legal provisions in force, has not been published anywhere else.

The necessity of this study is caused by the growing importance of finance in the electoral process, as well as its impact on the election outcome. Flows of funds directed at electoral purposes are increasing from year to year, while campaigning methods are becoming more costly and complex. Meanwhile, mechanisms for supervision and control of campaign finance, as well as the implementation practices, are not improving. This allows unlimited funds and resources to be spent on campaigning methods incompatible with free and fair elections. Under such conditions, the principle of universal electoral rights is undermined, restricting the right to be elected to those who have unlimited funds or access to them.

An important concern for many, if not for all observers, is the transparency of origin of financial and material resources used by election candidates. In order to make an informed choice, the voter whose vote the candidates are fighting for needs to know whose money the candidate is spending on campaigning: his own or someone else’s. In case of donations, under which conditions were they committed: quid pro quo or they do not bind the candidate to anything in case of election? It is also important to know the provenience of funds: were they obtained by legal means; do they represent material support from abroad, etc.

The main objective of this study is to identify barriers to transparent campaign financing for elections in Gagauzia, as well as to provide recommendations for improvement and development of legal and normative basis and implementation practices in this field. To this end, the team of experts analyzed the following aspects:

- Legal and normative framework regulating campaign financing for elections in ATU Gagauzia;
- Activity of electoral and control bodies responsible for supervising the candidates’ campaign financing. In this case, the activity of electoral bodies at the 2012 elections to the People’s Assembly of Gagauzia (PAG) was analyzed.
- Financial reports presented by the candidates to the electoral bodies at the 2012 PAG Elections.

The study pays special attention to campaign financing under the specific conditions of ATU Gagauzia. The team’s effort focuses on the analysis of campaign financing by the

independent candidates rather than political parties. This is related to the fact that there are usually more independents than party candidates running for election in Gagauzia. Moreover, political landscape of the autonomy is dominated by three political formations,¹ two of which de jure do not have a status of political parties or socio-political organizations in accordance with the Law of the Republic of Moldova on Political parties. Edinaya Gagauzia (EG) and Novaya Gagauzia (NG) take an active part in political life of the region and nominate candidates for regional elections, mainly running as independents or on other party lists. There were 165 candidates registered for 2012 PAG elections, 84 of them representing political parties and 81 independents.

The study was carried out by the Public Association Youth Center «Pilgrim-Demo» from Gagauzia upon request of the International Foundation for Electoral Systems (IFES). The funding for this study was provided by the United States Agency for International Development (USAID).

EXECUTIVE SUMMARY

Normative and legal framework regulating campaign finance in ATU Gagauzia is incomplete, superficial and lacking in implementation mechanisms, and thus cannot ensure transparency of campaign funding.

Lack of sanctions for noncompliance with campaign finance regulations allows election participants to withhold information about campaign expenditure and source of funding for their campaigns.

Gagauz CEC is the body responsible for organization and conduct of regional elections in ATU Gagauzia, as well as for collecting the candidates' financial reports, but it does not possess the necessary powers and resources, including time, needed to ensure full-scale control and supervision over campaign finance in ATU Gagauzia. Thus, virtually no attention is paid to the campaign financing aspect of regional elections in Gagauzia.

Due to certain regional political formations active on the political scene of ATU Gagauzia lacking the corresponding legal status, their election-related financial activity cannot be monitored and supervised.

CEC of Gagauzia took measures aiming to ensure that candidates at the 2012 PAG elections comply with electoral legislation on financial reporting. To this effect, CEC of Gagauzia adopted a resolution reminding the candidates about the obligation to present financial reports to the competent electoral body. However, financial reports filed by the candidates have not been duly analyzed and assessed by the electoral bodies. It is to be noted that not a single financial report has been verified by the State Tax Inspectorate or any other control body to assess the accuracy of presented data.

Candidates at the 2012 PAG elections presented electoral bodies with superficial financial reports. Most of the reports raise significant doubts with regards to integrity

¹ Party of Communists of the Republic of Moldova (PCRM), Social movement “Edinaya Gagauzia” (EG) and Social movement “Novaya Gagauzia” (NG).

and accuracy of presented data. In particular, none of the reports mention expenses related to labour and transportation costs, which are the main areas of expenditure for a PAG campaign. Moreover, the analysis of media reports presented to the CEC of Gagauzia shows that several candidates have not included full information about their spending on political advertising in the financial reports.

CEC of Gagauzia has not established a common reporting format for the 2012 PAG elections. Financial reports were presented by the candidates in free form, which complicated their processing and analysis.

Financial reports of the majority of electoral contestants have not been published as required by the Law of ATU Gagauzia “On the elections to the People’s Assembly (Halk Toplusu) of Gagauzia (Gagauz Yeri)”.

A number of candidates have not indicated the sources of campaign funding. The candidates’ income declarations that are presented to the CEC of Gagauzia on a mandatory basis have not been published.

The provisions of ATU Gagauzia legislation in force guarantee financial support from the state to the candidates at the regional elections in ATU Gagauzia in the form of interest-free loans; however, no such loans have been allocated throughout the history of regional elections in Gagauzia.

LEGAL AND REGULATORY FRAMEWORK

The legal and normative framework regulating campaign finance at the regional elections in Gagauzia consists of relevant articles of the Law of ATU Gagauzia on the elections of Bashkan (Governor) of Gagauzia (Gagauz Yeri) and of Law of ATU Gagauzia “On the elections to the People’s Assembly (Halk Toplusu) of Gagauzia (Gagauz Yeri)”, as well as relevant decisions and regulations of Gagauz CEC.

According to the existing requirements, candidates at the regional elections in Gagauzia have to declare the financial and material support they received in print within a month of the beginning of electoral period.

Electoral contestants are required to open special bank accounts which are used to accumulate personal funds and donations received from national legal entities and individuals. Funds are transferred to the electoral bank account only with the candidate’s consents. The amount of funds that can be transferred into the candidate’s electoral fund is determined by the CEC of Gagauzia.

The bank informs the CEC and the relevant District Electoral Council (DEC) about the funds transferred to the candidate’s electoral account within 24 hours of the transfer. The CEC can request the Main Tax Inspectorate of Gagauzia to verify the sources of income, accuracy of the accounting and reporting of funds, and whether they are used for intended purposes.

The relevant DEC (for PAG elections) or the CEC of Gagauzia (for Bashkan elections) keeps a log of financial data presented by the electoral contestants and offers it to the

public for information. In addition, the relevant electoral bodies prepare reports about the amount and sources of funds received by each electoral contestant. The reports are drawn on a weekly basis, and a final, generalized report is presented two days before the election day.

In addition to the existing provisions of the electoral legislation regulating campaign finance, the CEC of Gagauzia adopts resolutions determining the amount of funds that can be spent by a candidate during the campaign, as well as the value of interest-free loan the candidate can receive from the state.

Overall, the existing legal framework provides for transparent campaign financing by electoral contestants, under the condition that electoral bodies fulfil their functions with regards to the control and supervision of election campaign financing, and the electoral contestants fulfil in good faith the requirements of electoral legislation. However, there are a number of deficiencies in the current electoral legislation of Gagauzia that hinder the transparency of campaign financing by the candidates.

One of such deficiencies is the lack of clear mechanisms for applying sanctions in case of non-compliance with the electoral legislation on campaign finance. The existing penalties are vague and not specific enough, as it is unclear which type of punishment a candidate will incur for incompliance with campaign financing rules.

According to the electoral legislation in force, the use of funds and material resources that were received from abroad or were not declared publicly, as well as their distribution before or on the election day is not allowed and invokes administrative liability.² Administrative offences are ascertained in a protocol by the mayors, heads of electoral bodies or police officers that ensure the security of election procedures.³ The existing mechanism for applying sanctions is very scattered, which complicates detection and application of penalties. At the same time, there is virtually no reaction from the bodies responsible for detecting administrative offences.

Another weakness of the current legislation is the absence of a list of prohibited expenditures for which the resources from the candidates' electoral funds cannot be used during the election period. This allows candidates to misuse funds and utilize them for indirect vote buying (for ex., in the form of food packs for voters or equipment for education institutions). This divests the campaign of political competition.

The legal and normative framework regulating campaign finance is incomplete. In particular, there is no rule to regulate the procedure and format for presenting financial reports. As a result, candidates are presenting their reports to the electoral bodies in free form, which complicates their processing and analysis. It is also unclear which information should be included by the candidates in their candidates' financial reports.

² Art. 83, Part 1 j) of the Law of ATU Gagauzia on the elections to the People's Assembly (Halk Toplusu) of Gagauzia (Gagauz Yeri), and Art. 84, Part 1 j) of the Law of ATU Gagauzia on the elections of Bashkan (Governor) of ATU Gagauzia.

³ Art. 83, Part 2 of the Law of ATU Gagauzia on the elections to the People's Assembly (Halk Toplusu) of Gagauzia (Gagauz Yeri), and Art. 84, Part 2 of the Law of ATU Gagauzia on the elections of Bashkan (Governor) of ATU Gagauzia.

Rules of financial reporting at the regional elections, set by the electoral legislation of ATU Gagauzia, do not take into account the specifics of the majoritarian system under which the Bashkan and PAG elections are held. In particular, campaign financing rules fail to address the following questions:

- How do candidates from political parties account for the inflow and spending of financial resources at the PAG elections? Should each candidate keep a separate record of income and expenditure, or should the party do it for all its candidates?
- Does the candidate, or the political party open the electoral bank account?
- Should the donations for a party candidate's electoral campaign be transferred to his personal election account, or to the party account?
- Who reports to the CEC of Gagauzia on campaign financing, the candidate or the party for all its candidates?

Ambiguity on these issues complicates the control and supervision of campaign financing by political party candidates. As shown by the monitoring of campaign finance at the 2012 PAG elections, political parties only account for the resources spent on the candidates' campaigns out of the party fund, and their reports do not always include information about the candidates' use of personal funds, donations and resources offered as financial and material support by individuals and legal entities.

The provisions of electoral legislation of ATU Gagauzia on campaign finance are not duly implemented. Throughout the history of regional elections in Gagauzia, held since 1995, the matters of campaign financing have been addressed rarely or not at all. The main reason is due to limited time, material and human resources at the disposal of electoral bodies, which does not allow them to give due consideration to the matter of electoral campaign funding. This statement is corroborated by the fact that the sanctions for noncompliance with campaign funding rules have never been applied in the history of regional elections in Gagauzia.

The CEC of Gagauzia is a temporary body, convoked only for the period necessary for organization and conduct of elections. Not just the composition of the CEC, but also the regulatory documents it adopts, are limited to this period. Thus, each new CEC of Gagauzia is required to put in place the normative framework (regulations, guidelines, instructions, etc.) all over again in order to ensure the integrity (or in this case, relative integrity) of the election process. This takes a lot of time, and does not allow the CEC to address a number of other important issues, including those related to campaign finance.

Lack of necessary resources and powers does not allow the CEC of Gagauzia to duly react to incoming complaints. Complaints that require verification and investigation are passed on by the CEC to the competent bodies (Prosecutor's Office, Internal Affairs bodies, etc.), where the complaints frequently remain unsettled. Verification with regards to the sources of election campaign funding and the use of financial resources by electoral contestants can be performed by the State Tax Inspectorate upon request

from the CEC of Gagauzia.⁴ We could not determine whether such control takes place at the regional elections in Gagauzia.

The electoral legislation in force in Gagauzia does not make provisions for civic control over campaign financing by the electoral contestants. Civil society organizations and third parties cannot address complaints regarding violations of campaign financing rules to the CEC of Gagauzia and other competent bodies. Neither can they bring a court action to remove a candidate who has violated the conditions of campaign financing from the race, for the following reasons:

- a. Removal from the electoral race for a violation of campaign funding rules is not provided for by the current electoral legislation;
- b. A request for removal of a candidate from the electoral race can only be filed by the body responsible for candidate registration, that is, the CEC of Gagauzia.

Another circumstance weakening the transparency of electoral campaign financing and the corruption prevention effort in this field is the limited time period for filing court complaints on election-related issues. In particular, filing period expiry was invoked by the Comrat Court of Appeal to dismiss a complaint by Serghei Zaharia, PAG 2012 candidate in the Congazcic (No.29) electoral district, calling for the elections in this district to be declared invalid due to violation of electoral campaign funding rules by another PAG 2012 candidate, Zahar Mitul.⁵

Electoral legislation of ATU Gagauzia provides a possibility for electoral contestants to receive financial support from the state in the form of interest-free loans. However, this provision has never been enacted, as funds for this purpose are not budgeted by ATU Gagauzia. Even if the required amount was budgeted, this would only complicate the mechanism for receiving financial support, especially for the PAG elections. According to the provision in force,⁶ loans can be received from the state only through an authorized financial representative appointed by the candidate. Financial representative can be an individual or company registered with the Ministry of Finance and is jointly liable with the candidate he represents. Independent candidates, representing no less than a half of registered candidates at PAG elections, could have difficulty employing a financial representative and covering the costs, considering the amount of work that needs to be done in order to secure and manage a state loan.

⁴ Art. 43, Part 3 of the Law of ATU Gagauzia on the elections to the People's Assembly (Halk Toplusu) of Gagauzia (Gagauz Yeri), and Art. 42, Part 3 of the Law of ATU Gagauzia on the elections of Bashkan (Governor) of ATU Gagauzia.

⁵ Ruling of the Administrative Court of Comrat Court of Appeal on 11 October 2012: http://caco.justice.md/services.php?show_page=2&case_type=&date_from=&lang=ru&date_to=&search_by=3

⁶ Art. 42 of the Law of ATU Gagauzia on the elections to the People's Assembly (Halk Toplusu) of Gagauzia (Gagauz Yeri), and Art. 41 of the Law of ATU Gagauzia on the elections of Bashkan (Governor) of ATU Gagauzia, and.

DISCLOSURE OF INFORMATION ON INCOME, PROPERTY AND ASSETS

DISCLOSURE OF INFORMATION BY POLITICAL PARTIES

All registered political parties are required to present a yearly report on financial transactions to the Ministry of Finance until the end of March. These financial reports contain general information about income and expenditure of political parties.⁷ Yearly financial reports of the political parties have to be published.⁸

During the period of regional elections in Gagauzia, political parties that put forward candidates for election present financial reports to the CEC of Gagauzia in accordance with relevant article of local laws (see above).

Two political formations, Edinaya Gagauzia (EG) and Novaya Gagauzia (NG), do not have the status of political parties in accordance with the Law of the Republic of Moldova on political parties, but nonetheless take active part in political life of the region, and elections in particular. Candidates from these movements usually run for election as independents. EG and NG are social movements operating under the Law on Public Associations and reporting to the Department of Justice of Gagauzia and the Tax Inspectorate.

As regional public associations and unlike political parties, EG and NG do not report to the Ministry of Justice and do not fall within the scope of the Decree of the Ministry of Justice No. 559 of December 30, 2008. The reports of public associations do not need to be published on a mandatory basis. During the election period, these movements do not present financial reports to the CEC of Gagauzia, because, according to the electoral legislation, they cannot formally nominate candidates for election. Financial reports filed by the candidates from these movements do not include data on financial and material support provided by EG and NG. Thus, it is very difficult to track EG and NG spending on political activity and electoral campaigning in the region.

DISCLOSURE OF INFORMATION BY INDEPENDENT CANDIDATES

Candidates running for regional elections in ATU Gagauzia are required to present to the CEC of Gagauzia information about their income for two years preceding the election year, as well as sources of this income.⁹

Moreover, Art. 3 of the Law of the Republic of Moldova no.1264-XV of 19.07.2002 “on the declaration and control of income and assets of state officials, judges, prosecutors, civil servants and some administrative officers” obliges a number of civil servants, including PAG members, to present yearly income declarations to the National Anti-corruption Centre. 21 out of 165 candidates registered by the CEC of Gagauzia for 2012 PAG elections have served in the previous (4th) PAG. National legislation also requires civil servants to disclose information about income and property. Income

⁷ Study of political party financing at the parliamentary elections of November 28, 2012, by CReDO and Center “Partnership for Development”

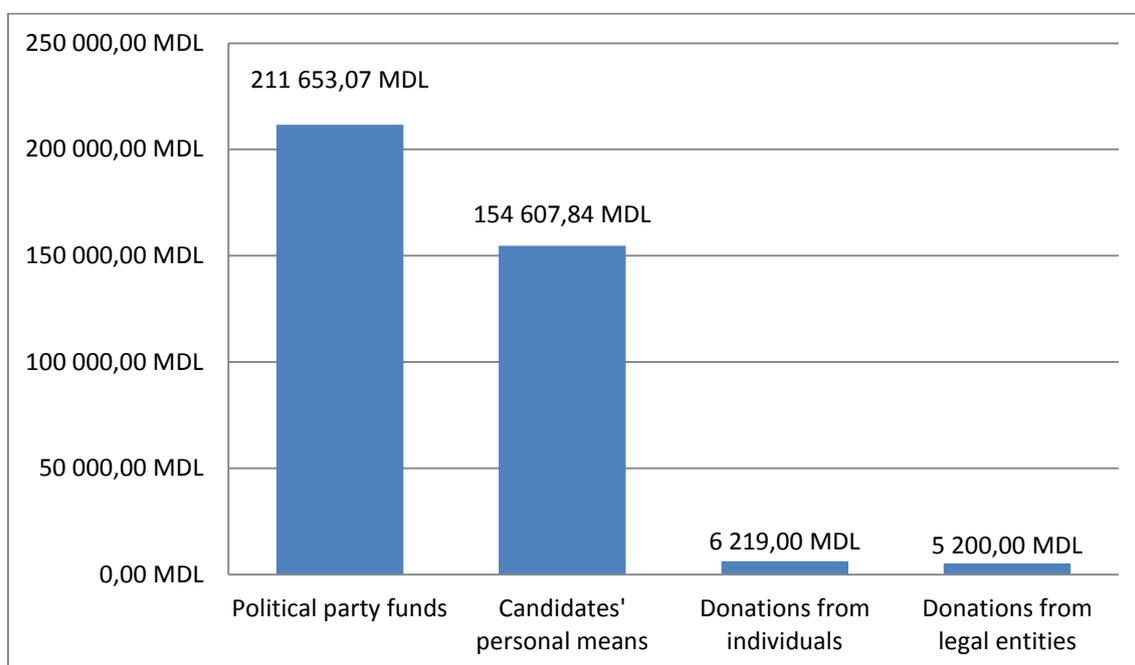
⁸ Disposition of the Ministry of Justice of the Republic of Moldova No.559 of 30 December 2008

⁹ Art. 56, Part 1 d) of the Law of ATU Gagauzia on the elections of Bashkan (Governor) of ATU Gagauzia, and Art. 51, Part 1 d) of the Law of ATU Gagauzia on the elections to the People’s Assembly (Halk Toplusu) of Gagauzia (Gagauz Yeri).

declarations of civil servants who ran as candidates for 2012 PAG elections, and members of the 4th PAG in particular, could not be found.

Income declarations presented by the 2012 PAG candidates to the CEC of Gagauzia have not been published at the registration stage. Financial reports presented to the Gagauz CEC by most independent candidates do not indicate the source of funds spent on their electoral campaigns. According to the financial reports presented by electoral contestants, the campaigns were funded from four sources: political party funds, personal means, donations from individuals and legal entities. The volume of donations, according to the financial reports, is very small. The following figure presents the amounts of funds received by the candidates for the electoral campaign from the four sources noted above (see Figure 1).

Figure 1: Sources of the candidates' electoral campaign funding at the 2012 PAG elections.



It follows from Figure 1 that, according to the candidates' reports, political parties' election funds and personal means were the main sources of campaign funds. Electoral contestants' financial reports indicate sources of funds amounting to 377679.91 MDL, or 75% of the total campaign spending at 2012 PAG elections (see below). It is to be noted that political parties have also not disclosed the sources of funds spent on their candidates' campaigns. Political parties' reports mainly include information on expenditures covered from the party's electoral fund, while the sources of money in the electoral funds were not indicated.

CANDIDATES' EXPENDITURE AT THE 2012 PAG ELECTIONS

The maximum amount that could be spent by contestants at the 2012 PAG elections was limited by the CEC of Gagauzia to 30 lei per voter times the number of voters in the

district.¹⁰ According to reports presented to the CEC of Gagauzia, none of the candidates exceeded the established limit.

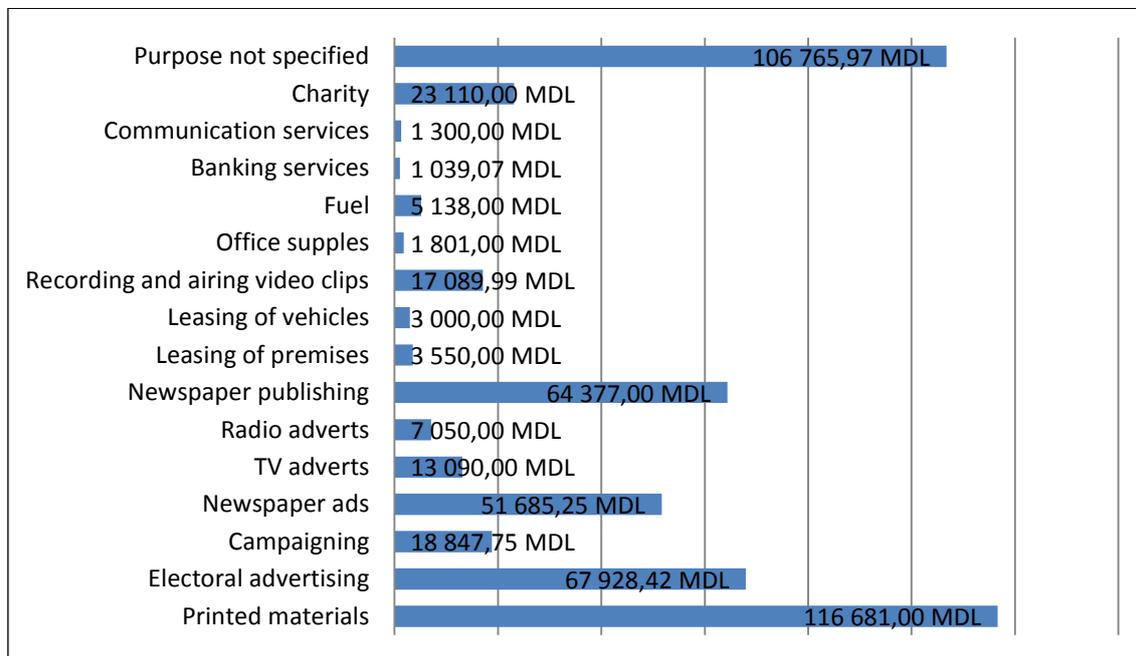
Financial reports presented to the CEC of Gagauzia by PAG 2012 candidates raise significant doubts with regards to integrity and accuracy of presented data. This is corroborated by the lack of documents confirming the expenditures listed in the financial report, especially in the independent candidates' reports.

On 22 August 2012, Gagauz CEC adopted Decision no. 18/7 “On the compliance by the electoral contestants with the provisions of Art.43 of the local Law “On the Elections to the People’s Assembly (Halk Toplusu) of ATU Gagauzia (Gagauz Yeri)”. In this decision, CEC expresses its concern with the fact that only 40 out of 165 registered candidates regularly submit financial reports. The same decision set out the procedure and terms of financial report submission by electoral contestants, based on Art. 43 of the Gagauz ATU Law on PAG elections. It is to be noted that financial report presented by electoral contestants have not been seriously verified and tested. Although the CEC of Gagauzia can request a verification of reports by the State Tax Inspectorate, this has not been done.

AREAS OF EXPENDITURE BY 2012 PAG CANDIDATES

Main areas of expenditure by 2012 PAG candidates are summarised in the figure below (see Figure 2).

Figure 2 Areas of expenditure by 2012 PAG candidates



The total amount of declared expenditure of all electoral contestants constituted 502453.45 MDL. As seen from the diagram, the candidates have not specified the purpose of over 106 thousand lei spent, or 21% of the total expenditure declared by 2012 PAG candidates.

¹⁰ Decision of the CEC of Gagauzia No.9/9 of 11 July 2012

The figure also shows that labour costs have not been included as an expenditure item. Absence of this type of spending raises serious doubts, as most candidates hired staff to conduct their campaigns. E-day monitoring by Pilgrim-Demo observers¹¹ has shown that there were observers from political parties and independent candidates at every polling station. The current rate for hiring an observer is in the range of 150-200 lei per day. Moreover, many candidates hired canvassers for door-to-door campaigning, which was the main campaigning method at the PAG elections. According to the available information, a canvasser's services cost in the range of 500-600 lei per election round. Typically, campaigning teams include from 10 to 40 canvassers, depending on the size of electoral district and financial resources available to the candidate.

Moreover, candidates' reports (with one exception, see Figure 2) have not included expenditures for leased vehicles. Vehicles are leased, as a rule, to provide voter transportation to the polls on the election day, which is widely practiced in Gagauzia. According to the available information, 10 to 20 vehicles are used to transport voters to one polling station. Vehicle lease costs in the range of 1000-1500 lei per day (depending on the district and pricing in the polling station locality), including the driver's services and fuel. Thus in big electoral districts campaign expenditures of one candidate for remuneration of labour and vehicle lease, for bussing on Election Day (including 1st and 2nd round of elections), can reach the amount of 140 thousand lei.

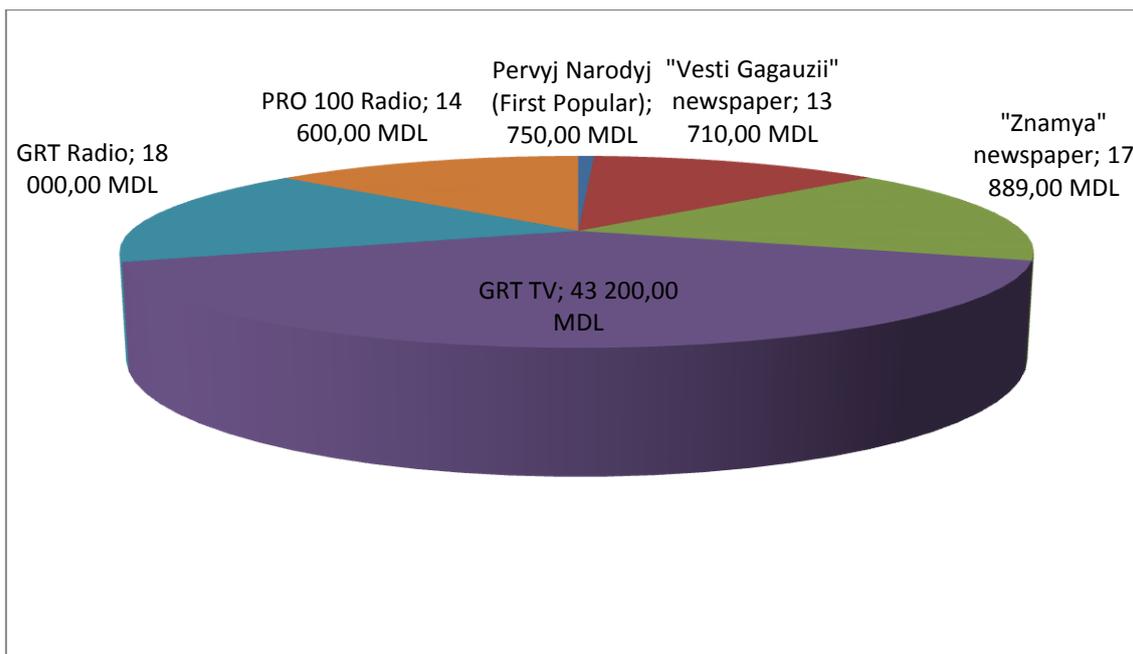
SPENDING ON MEDIA ADVERTISING

Coverage of the 2012 PAG elections by Gagauz media was regulated by the Regulation on the Media Coverage of the Election Campaign for PAG Elections of 9 September 2012, adopted by the Decision of Gagauz CEC No.8/4 of 6 July 2012.

Gagauz media accredited by the CEC of Gagauzia to cover the 2012 PAG elections had the right to cover the elections, as well as place paid advertising on behalf of electoral contestants. Payment for commercial advertising is charged according to commercial advertising rates in effect before the commencement of election campaign. Rates cannot be changed during the course of election campaign. Accredited media presented reports on paid advertising broadcasted and placed in printed media to the CEC of Gagauzia. The figure below presents the value of electoral advertising placed in Gagauz media for 2012 PAG elections, according to reports presented by media institutions (see Figure 3).

¹¹ Observation reports on the first and second round of voting at the PAG elections of September 9 and 23, 2012 are available on Pilgrim-Demo website: <http://pilgrim-demo.org.md/index.php?&go=analyze>

Figure 3 Value of electoral advertising placed in Gagauz media.



Comparing the two graphs, it can be noted that data presented by Gagauz media does not coincide with the data presented by electoral contestants. According to the media, candidates paid 108 148 lei for advertising, while candidates only reported 66 173.50 lei spent.

Candidates' reports included expenditure areas such as Video clips and airing and Electoral advertising, which we listed under Recording and airing video clips and Other advertising (see Figure 2). Such a general description of expenditure areas, as well as absence of documents confirming payment of services, does not allow us to determine exactly how this money was spent. It is quite possible that a part of funds from these categories were directed to media advertising. It is also to be noted that media reports feature data about candidates' advertising placements that cannot be found in the candidates' own reports, which points at inaccuracy and incompleteness of financial reports presented by the candidates to the CEC of Gagauzia.

CORRUPTION IN ELECTION FINANCE

Corruption in the financing of election campaigns takes three forms:

1. Quid pro quo donations, where parties or candidates receive campaign resources in return for favourable treatment
2. Candidates' or parties' misuse of state and public administrative resources for electoral purposes
3. Bribery of voters and election officials¹².

¹²«Monitoring Election Campaign Finance» a handbook for NGOs page.14

At this stage, it is difficult to determine the existence of quid pro quo donations at the 2012 PAG elections, for a number of reasons:

- This information cannot be gleaned from the electoral contestants' reports, because, for obvious reasons, it is not included.
- Limited time and resources at our disposal for the implementation of this project did not allow us to use a more sophisticated campaign finance monitoring methodology that would allow to track electoral donations in favour of all candidates, as well as to collect evidence of political decisions taken by elected PAG members in favour of their electoral campaign donors.

Misuse of administrative resources for electoral purposes, consisting in the use of state (public) funds, material and human resources, is also difficult to detect without targeted monitoring, as in the case of quid pro quo donations. Yet, from our point of view, there are signs of misuse of state resources for electoral purposes, or at least an attempt at such misuse, by the members of the 4th PAG before the 2012 PAG elections.

On May 19, 2012, PAG adopted a decision to divide the resources from the PAG Reserve Fund among electoral districts. On May 19 and 24, 2012, PAG adopted two more decisions regarding allocation of PAG Reserve funds to electoral districts, as material support for the disadvantaged citizens. The decision regarding allocation of funds was adopted at the initiative of the PAG members, based on petitions received from voters in the respective electoral districts. The same PAG decisions obliged the Executive Committee of Gagauzia to transfer the required funds to the PAG account for subsequent distribution to petitioners. It is unclear whether PAG planned to distribute the funds in cash or via bank transfer, as the Regulation on the use of PAG Reserve Fund does not make a provision for this matter. We can only venture a guess, but it's quite likely the money was to be transferred to the petitioners personally by the PAG members from the corresponding circumscriptions. It is to be noted that the Executive Committee of Gagauzia did not implement the PAG decisions in question.

It is notable that PAG members unanimously voted in favour of these decisions, ignoring the fact that distributing material assistance from the PAG reserve fund by the deputies in their circumscriptions during the election campaign (since many of the 4th PAG members ran for re-election in 2012) constitutes misuse of state funds for electoral purposes.

Vote buying is very difficult to demonstrate, however, events that took place at the polling station no. 20, Vulcanesti electoral district no. 8, during the second round of PAG elections on 23 September 2012 can be construed as indirect evidence of vote buying. The voters en masse breached the secrecy of the vote by demonstrating their ballots when exiting polling booths at this polling station¹³. All disclosed ballots were cast for one candidate, Gheorghii Kopuschulu.

¹³ 40 such cases were recorded by the Precinct Electoral Bureau no. 8/20.

Another aspect that merits attention are the electoral gifts to voters, schools and kindergartens, as well as the electoral charity, widely practiced by the candidates at 2012 PAG elections. The most notable cases of electoral charity were the following:

- On September 3, 2012 (6 days before the election day), independent candidate Stepan Piron (electoral district no. 26, Chirsovo) donated 10 thousand lei to M. Tanasoglo Gymnasium in Chirsovo at a festive school assembly dedicated to the beginning of the school year ¹⁴.
- On May 22, 2012 (three months before the elections), Z.S.Mitul, independent candidate in Congazcic electoral district no. 29, donated 5 thousand lei at the Village Day of Congazcic ¹⁵.
- Before and during the election period, independent candidate in Comrat electoral district no. 1, Dmitrii Constantinov, purchased summer camp vouchers for 90 children from Congazcic village; wrestling mats and chairs for Congazcic High School; computer, laptops and computer desks for Congazcic kindergarten, for an overall amount of 220 thousand lei. Mr. Constantinov did not run for election in Congazcic district, thus, his donations could not affect voters' decisions in his electoral district. However, during electoral debates on the public television GRT on 01.09.2012, candidate Z.S.Mitul running in Congazcic district, announced that these donations were made by him and his team. Subsequently, during the court hearing in Comrat Court of Appeal on validating the results of the second round of elections, Mr. Mitul stated that he has no connection to these gifts, as they were purchased by Mr. Constantinov and not him¹⁶. If Mr. Mitul is indeed a part of Mr. Constantinov's team, then travel vouchers, furniture, sporting and computer equipment purchased for Congazcic children, schools and kindergartens by Mr. Constantinov can be considered material support of Mr. Mitul's campaign.

Charitable activities by the candidates during the electoral period are not forbidden by electoral legislation of ATU Gagauzia, and are not considered vote buying. However, this undermines the competitiveness of elections and the importance of electoral debates and candidates' programs. Ultimately, the elections resume to a contest of money, which makes passive electoral right (the right to be elected) available only to those who have unlimited funds or access to them.

¹⁴ According to witnesses.

¹⁵ Comrat Court of Appeal ruling on 11.10.2012 validating the results of the second round of 2012 PAG elections.

¹⁶ Comrat Court of Appeal ruling on 11.10.2012 validating the results of the second round of 2012 PAG elections.

RECOMMENDATIONS

The following recommendations have been drawn up to help the authorities of ATU Gagauzia ensure transparent and fair campaign financing at the regional elections in Gagauzia. Pilgrim-Demo stands ready to provide the necessary informational support to the authorities in the region and the Republic of Moldova to further improve the legal framework and practices in the field of campaign finance.

IMPROVING ELECTORAL LEGISLATION OF ATU GAGAUZIA IN THE FIELD OF CAMPAIGN FINANCE:

1. The law has to provide more specific sanctions for candidates who do not comply with campaign funding rules. In particular, a sanction removing the candidate from the electoral race for such violations should be introduced.
2. Civil society and voters have to be guaranteed a right to file complains, as well as initiate removal of candidates from the electoral race for campaign financing violations.
3. Time restrictions for filing court complaints related to campaign financing violations need to be removed.
4. Clear mechanisms determining the form and procedure of filing financial reports by electoral candidates need to be developed.
5. The exact information the candidates need to provide in their reports on campaign-related income and expenditure has to be clearly determined.
6. Election legislation of ATU Gagauzia in the field of campaign finance needs to take into account the specifics of electoral system in Gagauzia, where the form and procedure of financial reporting by political parties nominating candidates for election, as well as party candidates themselves, need to be clearly defined. Accounting procedures for election-related income and expenditure of political parties and party candidates running for election in Gagauzia also need to be better regulated.
7. Rules and mechanisms for receiving material support from the state need to be more accessible to candidates for elections in Gagauzia.

STRENGTHENING INSTITUTIONS RESPONSIBLE FOR CONTROL AND SUPERVISION OF CAMPAIGN FINANCING BY ELECTIONS CANDIDATES IN GAGAUZIA

1. Application of sanctions for noncompliance with campaign financing rules needs to be concentrated in the hands of one institution, the CEC of Gagauzia. This corresponds to best practice in other countries.¹⁷
2. The CEC of Gagauzia needs to be provided with material and technical resources needed to perform qualitative and comprehensive monitoring of campaign finance, as well as analysis and assessment of the electoral contestants' financial reports.
3. The powers of Gagauz CEC need to be expanded to allow it to perform autonomous preliminary investigations of compliance with the campaign financing rules for elections in Gagauzia.

¹⁷ Study of political party financing at the parliamentary elections of November 28, 2012, by CReDO and Center “Partnership for Development”, page 37

4. The CEC of Gagauzia needs to be attributed an adequate status at the level of national legislation as an authority responsible for control and supervision over the candidates' campaign financing for elections in Gagauzia, which would allow it to access information and request support from the national authorities and institutions.
5. In order to ensure comprehensive control and supervision of campaign financing at the regional elections in ATU Gagauzia, the CEC of Gagauzia needs to be a permanent body.

Expanding the powers of the Gagauz CEC as a body autonomously providing control and supervision over the candidates' campaign finance at the elections in Gagauzia, as well as consolidating its technical and material capabilities, would significantly improve implementation of electoral legislation in the field of campaign financing. It would also allow fulfilling legal requirements regarding the disclosure of income information by the candidates.